

Yorkshire Ambulance Service NHS Trust

Annual accounts for the year ended 31 March 2022

Statement of Comprehensive Income

		2021/22	2020/21
	Note	£000	£000
Operating income from patient care activities	3	348,138	318,933
Other operating income	4	11,056	15,192
Operating expenses	5, 7	(349,086)	(334,227)
Operating (deficit)/surplus from continuing operations		10,108	(102)
Finance income	10	40	12
Finance expenses	11	48	(46)
PDC dividends payable		(2,092)	(1,599)
Net finance costs		(2,004)	(1,633)
Other gains	12	423	724
Surplus / (deficit) for the year		8,527	(1,011)
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	6	-	(759)
Revaluations	15	2,478	140
Total comprehensive (expense) / income for the period		11,005	(1,630)
Adjusted financial performance			
Surplus / (deficit) for the period		8,527	(1,011)
Remove net impairments not scoring to the Departmental expenditure limit		(411)	241
Remove net impact of inventories received from DHSC group bodies for COVID response		87	(190)
Adjusted financial performance surplus / (deficit)		8,203	(960)
Less: gains on disposals		(423)	(724)
Adjusted System performance surplus / (deficit)		7,780	(1,684)

Statement of Financial Position

		31 March 2022 £000	31 March 2021 £000
	Note		
Non-current assets			
Intangible assets	13	3,523	2,330
Property, plant and equipment	14	106,844	105,056
Receivables	17	320	325
Total non-current assets		110,687	107,711
Current assets			
Inventories	16	2,245	1,935
Receivables	17	11,309	14,679
Non-current assets for sale	18	235	-
Cash and cash equivalents	19	75,927	64,180
Total current assets		89,716	80,794
Current liabilities			
Trade and other payables	20	(32,152)	(27,026)
Borrowings	22	(337)	(337)
Provisions	23	(10,483)	(15,396)
Other liabilities	21	(991)	(77)
Total current liabilities		(43,963)	(42,836)
Total assets less current liabilities		156,440	145,669
Non-current liabilities			
Borrowings	22	(3,165)	(3,499)
Provisions	23	(8,652)	(9,047)
Total non-current liabilities		(11,817)	(12,546)
Total assets employed		144,623	133,123
Financed by			
Public dividend capital		93,185	92,690
Revaluation reserve		17,599	15,121
Income and expenditure reserve		33,839	25,312
Total taxpayers' equity		144,623	133,123

The notes on pages 128 to 167 form part of these accounts.



Rod Barnes
Chief Executive
 14 June 2022

Statement of Changes in Equity for the year ended 31 March 2022

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	92,690	15,121	25,312	133,123
Surplus/(Deficit) for the year	-	-	8,527	8,527
Revaluations	-	2,478	-	2,478
Public dividend capital received	495	-	-	495
Taxpayers' and others' equity at 31 March 2022	93,185	17,599	33,839	144,623

Statement of Changes in Equity for the year ended 31 March 2021

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	90,293	15,915	26,148	132,356
Surplus/(Deficit) for the year	-	-	(1,011)	(1,011)
Impairments	-	(759)	-	(759)
Revaluations	-	140	-	140
Transfer to retained earnings on disposal of assets	-	(175)	175	-
Public dividend capital received	2,397	-	-	2,397
Taxpayers' and others' equity at 31 March 2021	92,690	15,121	25,312	133,123

Information on reserves

Public dividend capital

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

Revaluation reserve

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

Income and expenditure reserve

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

Statement of Cash Flows

		2021/22	2020/21
	Note	£000	£000
Cash flows from operating activities			
Operating (deficit) / surplus		10,108	(102)
Non-cash income and expense:			
Depreciation and amortisation	5	11,527	11,640
Net impairments	6	(411)	241
(Increase) / decrease in receivables and other assets		3,139	(791)
(Increase) / decrease in inventories		(310)	(352)
Increase / (decrease) in payables and other liabilities		6,686	11,465
Increase / (decrease) in provisions		(5,190)	5,663
Net cash flows from / (used in) operating activities		25,549	27,764
Cash flows from investing activities			
Interest received		40	12
Purchase of intangible assets		(1,581)	(875)
Purchase of PPE and investment property		(11,006)	(10,159)
Sales of PPE and investment property		477	1,024
Net cash flows from / (used in) investing activities		(12,070)	(9,998)
Cash flows from financing activities			
Public dividend capital received		495	2,397
Movement on loans from DHSC		(334)	(334)
Interest on loans		(70)	(76)
PDC dividend (paid)		(1,823)	(1,774)
Net cash flows from / (used in) financing activities		(1,732)	213
Increase in cash and cash equivalents		11,747	17,979
Cash and cash equivalents at 1 April - brought forward		64,180	46,201
Cash and cash equivalents at 31 March	19	75,927	64,180

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2021/22 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the circumstances of the Trust for the purpose of giving a true and fair view has been selected. The policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis, in accordance with the definition as set out in section 4 of the DHSC Group Accounting Manual (GAM) which outlines the interpretation of IAS1 'Presentation of Financial Statements' as "the anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents". In line with that guidance, the Directors of the Trust have considered whether there are any local or national policy decisions that are likely to affect the continued funding and provision of services by the Trust. No circumstances were identified causing the Directors to doubt the continued provision of NHS services.

This year the Trust's operating surplus was £10.1m, reflecting income of £359.1m and expenditure of £349m. After finance costs, other income, and a dividend payment of £2m the total surplus was £8.5m for the year.

During 2021/22 funding continued to be provided through the simplified block payments system, introduced during 2020/21 in response to the COVID-19 pandemic. This supported the Trust's working capital and cash flow during the year including the ongoing and additional costs resulting from the operational pressures experienced in that year.

These arrangements remain in place for 2022/23. The Trust remains part of the West Yorkshire Integrated Care System (ICS) for planning purposes and continues to work with the ICS and our system partners in delivering a balanced West Yorkshire system plan for 2022/23.

The Trust continues to enjoy a healthy cash position with low borrowings and has sufficient liquidity to continue to operate throughout 2022/23.

Our going concern assessment is made up to 31st March 2023. NHS operating and financial guidance as is customary is not produced beyond the next financial year. The Trust has assumed, in the absence of anything to the contrary, that the Department of Health arrangements for 2023/24 and beyond will continue to support Yorkshire Ambulance Service in delivering high quality healthcare services for the foreseeable future.

These factors, and the anticipated future provision of services in the public sector, support the Trust's adoption of the going concern basis for the preparation of the accounts. On that basis the Trust extends its "going concern" assessment to 30th June 2023.

Note 1.3 Consolidation

NHS Charitable Fund

The Trust is the Corporate Trustee to Yorkshire Ambulance Service NHS Charities Fund. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and could affect those returns and other benefits through its power over the fund.

The balances of Charity Funds, and transactions between the Charity and the Trust during the year were not material. The Charity accounts have not been consolidated in these accounts.

Note 1.4 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Most of the Trust income comes through block contracts with clinical commissioning groups, and performance obligations are therefore met as a consequence of elapsed time. Typical timing of payment is monthly. Given this, the adoption of contract balances IFRS 15 has not resulted in a material change to the timing of income recognition.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. In 2021/22 and 2020/21 most of the trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at Integrated Care System level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust also receives additional income outside of the block payments to reimburse specific costs incurred in 2020/21 and 2021/22, and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.5 Other forms of income

Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employer, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as they become due.

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

National Employment Savings Trust (NEST)

There are a small number of staff who are not entitled to join the NHS pension scheme, for example:

- Those already in receipt of an NHS pension who have taken benefits from the 1995 section of the scheme;
- Those who work full time at another Trust;
- Those over 75 years of age

The National Employment Savings Trust (NEST) has been set up specifically to help employers to comply with the Pensions Act 2008. Employees who have taken their benefits from the 1995 section of the NHS pension scheme and are under state retirement age are enrolled in the NEST scheme.

NEST Corporation is the Trustee body that has overall responsibility for running NEST; it is a non-departmental public body that operates at arm's length from government and is accountable to Parliament through the Department of Work and Pensions (DWP).

Expenditure on other goods and services

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

Note 1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition

above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back-office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Depreciation

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

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

Revaluation gains and losses

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

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

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

Impairments

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

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

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

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their fair value less costs to sell. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated and grant funded assets

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

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

Useful lives of property, plant and equipment

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

	Min life	Max life
	Years	Years
Buildings, excluding dwellings	5	48
Plant & machinery	5	15
Transport equipment	3	7
Information technology	2	7
Furniture & fittings	4	10

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

Note 1.8 Intangible assets

Recognition

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

Internally generated intangible assets

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

Expenditure on research is not capitalised. Expenditure on development is capitalised when it meets the requirements set out in IAS 38.

Software

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

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value

in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

Amortisation

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

Useful lives of intangible assets

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

	Min life	Max life
	Years	Years
Intangible assets - purchased		
Software	2	7

Note 1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method

In 2020/21 and 2021/22, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.10 Cash and cash equivalents

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

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

Note 1.11 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, i.e., when receipt or delivery of the goods or services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques. Financial assets are classified as subsequently measured at amortised cost. Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-

month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For non-NHS debt the Trust makes use of a simplified model and recognises the expected loss on initial recognition of receivables. Expected losses are analysed between trade receivables and amounts repayable by staff.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

De-recognition

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

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

Note 1.12 Leases

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

The Trust as lessee

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term.

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

Leases of land and buildings

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

Note 1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2022:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	0.47%	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.70%	0.18%
Long-term	After 10 years up to 40 years	0.95%	1.99%
Very long-term	Exceeding 40 years	0.66%	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates.

The following inflation rates are set by HM Treasury, effective from 31 March 2022:

	Inflation rate	Prior year rate
Year 1	4.00%	1.20%
Year 2	2.60%	1.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 1.30% in real terms (prior year: minus 0.95%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 23.1 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets but are disclosed in note 24 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 24, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

Note 1.15 Public dividend capital

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

The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at <https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts>.

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

Note 1.16 Value added tax

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

Note 1.17 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 1.18 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

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

Note 1.19 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2021/22.

Note 1.20 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively without restatement and with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be a rate defined by HM Treasury. For 2022, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

Note 1.21 Critical judgements in applying accounting policies

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

Segmental reporting

The Trust has one material segment, being the provision of healthcare. Divisions within the Trust all have similar economic characteristics. Private patient activity is not considered material enough to warrant segmental reporting.

Charities consolidation

Management consider the Yorkshire Ambulance Services Charitable Fund, of which the Trust is a corporate Trustee, to have an immaterial impact on the group results. Therefore these accounts do not include a consolidated position under the requirements of IFRS10.

Note 1.22 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

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

Non-Current Assets

Values are as disclosed in notes 14, tangible assets, and 13 intangible assets.

Asset lives, with the exception of land, are set out in note 1.7 with maximum lives being set by reference to the type of asset and its expected useful life in normal use. Land and building lives are based on the recommendations received from the District Valuer.

A revaluation of the Trust's Land and buildings has been conducted by the District Valuer (note 6). These values and assets lives reflect both local and national property indices and will reflect any changes relating to Covid 19 during the year.

Provisions for injury benefits and early retirements (note 23)

The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the year, considering the risks and uncertainties. The carrying amount of injury benefit provisions is estimated as the present value of those cash flows using HM Treasury's discount rate of minus 1.3% in real terms (2020/21 - minus 0.95%). The period over which future cash flows will be paid is estimated using the England life expectancy tables as published by the Office of National Statistics.

Other Provisions (note 23)

Provisions including 'Flowers' holiday pay, staff claims, and employment tribunals have been estimated based on the best information available at the time of the compilation of the accounts.

Estimates of employer and public liability legal claims are made on the advice received from the National Health Service (NHS) Litigation Authority to the size and likely outcome of each individual claim. The Trust's maximum liability regarding each claim is limited to £10k.

We have provided the reinstatement costs for our leased\tenancy properties and leased fleet vehicles.

Allowance for credit losses (note 17.1)

The Trust recognises the credit and liquidity risk of receivables which are past their due date. The impairment of such debt is based on a combination of the age of the debt and likelihood of payment and information held by management on the individual circumstances surrounding the debt

Note 2 Operating Segments

The Trust has judged that it only operates as one business segment; that of healthcare. The majority of Trust income was received from NHS organisations.

The Trust Board is the chief operating decision maker for the Trust.

Income by group	2021-22 £000	2020-21 £000
DHSC group	342,216	315,885
Other	16,978	18,240
Total income	<u>359,194</u>	<u>334,125</u>
Percent from DHSC group	95.3%	94.5%

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3

Note 3.1 Income from patient care activities (by nature)	2021/22	2020/21
	£000	£000
Ambulance services		
A & E income	247,663	226,827
Patient transport services income	41,086	37,610
Other income	49,010	44,863
Additional pension contribution central funding*	10,379	9,633
Total income from activities	348,138	318,933

*The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)

	2021/22	2020/21
	£000	£000
Income from patient care activities received from:		
NHS England	12,552	16,916
Clinical commissioning groups	333,772	300,442
Other NHS providers	1,265	968
Local authorities	2	5
Non-NHS: private patients	55	15
Injury cost recovery scheme	492	587
Non NHS: other	-	-
Total income from activities	348,138	318,933
Of which:		
Related to continuing operations	348,138	318,933

Note 4 Other operating income

2021/22

2020/21

	Contract income £000	Non-contract income £000	Total £000	Contract income £000	Non-contract income £000	Total £000
Research and development	520	-	520	418	-	418
Education and training	3,986	460	4,446	2,824	162	2,986
Reimbursement and top up funding	242		242	3,222		3,222
Income in respect of employee benefits accounted on a gross basis	1,418		1,418	1,121		1,121
Other contributions to expenditure*		905	905	-	5,060	5,060
Other income **	3,525	-	3,525	2,385	-	2,385
Total other operating income	9,691	1,365	11,056	9,970	5,222	15,192
Of which:						
Related to continuing operations			11,056			15,192

* Other contributions relate to centrally procured personal protective equipment provided by the Department of Health and Social Care. See also note 16.

** Other income includes £596k VAT refund, £670k from sale of medical equipment, £612k IT income and £888k from private events.

Note 5 Operating expenses

	2021/22	2020/21
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	186	187
Purchase of healthcare from non-NHS and non-DHSC bodies	15,564	12,454
Staff and executive directors costs	258,195	241,597
Remuneration of non-executive directors	146	114
Supplies and services - clinical (excluding drugs costs)	7,781	12,420
Supplies and services - general	2,391	2,207
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	262	233
Inventories written down	-	53
Consultancy costs	987	686
Establishment	7,508	6,384
Premises	10,869	11,809
Transport (including patient travel)	21,322	18,090
Depreciation on property, plant and equipment	10,790	11,058
Amortisation on intangible assets	737	582
Net impairments	(411)	241
Movement in credit loss allowance: contract receivables / contract assets	(1)	(26)
Increase in other provisions	365	5,840
Change in provisions discount rate(s)	177	681
Audit fees payable to the external auditor	-	-
audit services- statutory audit	115	144
other auditor remuneration (external auditor only)	22	-
Internal audit costs	109	135
Clinical negligence	2,351	1,800
Legal fees	167	354
Insurance	-	46
Research and development	224	188
Education and training	2,628	2,250
Rentals under operating leases	5,786	3,677
Hospitality	-	8
Losses, ex gratia & special payments	314	4
Grossing up consortium arrangements	-	-
Other services, eg external payroll	201	-
Other	301	1,011
Total	349,086	334,227
Of which:		
Related to continuing operations	349,086	334,227
Related to discontinued operations	-	-

Note 5.1 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2 million (2020/21: £2 million).

Note 6 Impairment of assets

	2021/22 £000	2020/21 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	(411)	241
Total net impairments / (reversals) charged to operating surplus / deficit	(411)	241
Impairments charged to the revaluation reserve	-	759
Total net impairments / (reversal of impairments)	(411)	1,000

The Trust's land and buildings valuations were undertaken by the District Valuer Service, part of the Valuation Office Agency of HM Revenue and Customs during February 2022 with a prospective valuation date of 31 March 2022. Valuations are carried out on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property. There are a net £411k impairment reversal (gain) as a result of these valuation due to changes in market price.

Note 7 Employee benefits

	2021/22 Total £000	2020/21 Total £000
Salaries and wages	199,593	187,396
Social security costs	19,814	17,335
Apprenticeship levy	993	894
Employer's contributions to NHS pensions	34,155	31,808
Pension cost - other	87	-
Termination benefits	382	33
Temporary staff (including agency)	3,645	4,490
Total gross staff costs	258,669	241,956
Recoveries in respect of seconded staff	-	-
Total staff costs	258,669	241,956
Of which		
Costs capitalised as part of assets	474	359

Note 7.1 Retirements due to ill-health

During 2021/22 there were 17 early retirements from the trust agreed on the grounds of ill-health (11 in the year ended 31 March 2021). The estimated additional pension liabilities of these ill-health retirements is £1,145k (£331k in 2020/21).

These estimated costs are calculated on an actuarial basis and will be borne by the NHS Pension Scheme.

Note 8 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State 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 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

c) NEST Scheme

In 2021-22 employee contributions to NEST started at 5% of pensionable pay. HMRC provide basic tax relief for 1% of this. Employer contributions were 3% of pensionable pay. NEST levies a contribution charge of 1.8% and an annual management charge of 0.3% which is paid for from the employee contributions. There are no separate employer charges levied by NEST and the Trust is not required to enter into a contract to utilise NEST qualifying pension schemes.

Note 9 Operating leases

Yorkshire Ambulance Service NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Yorkshire Ambulance Service NHS Trust is the lessee.

The Trust's operating lease commitments relate to land and vehicles and buildings.

The vehicle commitments are based on 559 vehicles, of which 133 are due to expire within 1 year and 426 are due to expire between 1 and 5 years.

The commitment on land consists of 3 leases are due to expire between 1 and 7 years.

The commitment on buildings consists of 49 leases, of which 6 are due to expire after 5 years, 17 will expire between 1 and 5 years, and 26 will expire within 1 year.

	2021/22 £000	2020/21 £000
Operating lease expense		
Minimum lease payments	5,786	3,677
Total	5,786	3,677
	31 March 2022 £000	31 March 2021 £000
Future minimum lease payments due:		
- not later than one year;	634	2,004
- later than one year and not later than five years;	9,446	5,623
- later than five years.	1,557	148
Total	11,637	7,775

Note 10 Finance income

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

	2021/22	2020/21
	£000	£000
Interest on bank accounts	-	12
Other finance income	40	-
Total finance income	40	12

Note 11 Finance expenditure

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

	2021/22	2020/21
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	70	76
Total interest expense	70	76
Unwinding of discount on provisions *	(118)	(30)
Total finance costs	(48)	46

* The current negative discount rates on staff retirement provisions reduces the finance costs through the unwinding of discount

Note 11.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

No payments were made in respect of this legislation during 2020-21

Note 12 Other gains

	2021/22	2020/21
	£000	£000
Gains on disposal of assets	423	724
Total other gains	423	724

Note 13 Intangible assets - 2021/22

	Software licences £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2021 - brought forward	5,511	10	5,521
Additions	1,893	47	1,940
Reclassifications to property plant and equipment	-	(10)	(10)
Valuation / gross cost at 31 March 2022	7,404	47	7,451
Amortisation at 1 April 2021 - brought forward	3,191	-	3,191
Provided during the year	737	-	737
Amortisation at 31 March 2022	3,928	-	3,928
Net book value at 31 March 2022	3,476	47	3,523
Net book value at 1 April 2021	2,320	10	2,330

Note 13.1 Intangible assets - 2020/21

	Software licences £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2020	3,942	653	4,595
Additions	926	-	926
Reclassifications	643	(643)	-
Valuation / gross cost at 31 March 2021	5,511	10	5,521
Amortisation at 1 April 2020	2,609	-	2,609
Provided during the year	582	-	582
Amortisation at 31 March 2021	3,191	-	3,191
Net book value at 31 March 2021	2,320	10	2,330
Net book value at 1 April 2020	1,333	653	1,986

Note 14 Property, plant and equipment - 2021/22

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2021 - brought forward	19,109	44,072	11,097	13,785	53,109	15,193	285	156,650
Additions	-	1,560	5,797	27	237	2,347	-	9,968
Impairments	-	(43)	-	-	-	-	-	(43)
Reversals of impairments	64	68	-	-	-	-	-	132
Revaluations	1,137	132	-	-	-	-	-	1,269
Reclassifications	-	1,768	(11,139)	2,483	5,523	1,375	-	10
Transfers to / from assets held for sale	(235)	-	-	-	-	-	-	(235)
Disposals / derecognition	-	-	-	(57)	(5,899)	-	-	(5,956)
Valuation/gross cost at 31 March 2022	20,075	47,557	5,755	16,238	52,970	18,915	285	161,795
Accumulated depreciation at 1 April 2021 - brought forward	-	-	-	5,667	35,357	10,404	166	51,594
Transfers by absorption	-	-	-	-	-	-	-	-
Provided during the year	-	1,531	-	1,879	5,563	1,788	29	10,790
Impairments	-	-	-	-	-	-	-	-
Reversals of impairments	-	(322)	-	-	-	-	-	(322)
Revaluations	-	(1,209)	-	-	-	-	-	(1,209)
Disposals / derecognition	-	-	-	(48)	(5,854)	-	-	(5,902)
Accumulated depreciation at 31 March 2022	-	-	-	7,498	35,066	12,192	195	54,951
Net book value at 31 March 2022	20,075	47,557	5,755	8,740	17,904	6,723	90	106,844
Net book value at 1 April 2021	19,109	44,072	11,097	8,118	17,752	4,789	119	105,056

Note 14.1 Property, plant and equipment - 2020/21

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2020	19,012	45,004	6,631	11,237	53,689	12,174	285	148,032
Transfers by absorption	-	-	-	-	-	-	-	-
Additions	-	451	10,018	232	-	1,849	-	12,550
Impairments	(45)	(1,335)	-	-	-	-	-	(1,380)
Reversals of impairments	142	238	-	-	-	-	-	380
Revaluations	140	(1,454)	-	-	-	-	-	(1,314)
Reclassifications	-	1,168	(5,552)	2,834	289	1,261	-	-
Transfers to / from assets held for sale	(140)	-	-	-	-	-	-	(140)
Disposals / derecognition	-	-	-	(518)	(869)	(91)	-	(1,478)
Valuation/gross cost at 31 March 2021	19,109	44,072	11,097	13,785	53,109	15,193	285	156,650
Accumulated depreciation at 1 April 2020	-	-	-	4,306	30,252	8,774	136	43,468
Provided during the year	-	1,454	-	1,879	5,974	1,721	30	11,058
Impairments	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-
Revaluations	-	(1,454)	-	-	-	-	-	(1,454)
Disposals / derecognition	-	-	-	(518)	(869)	(91)	-	(1,478)
Accumulated depreciation at 31 March 2021	-	-	-	5,667	35,357	10,404	166	51,594
Net book value at 31 March 2021	19,109	44,072	11,097	8,118	17,752	4,789	119	105,056
Net book value at 1 April 2020	19,012	45,004	6,631	6,931	23,437	3,400	149	104,564

Note 14.2 Property, plant and equipment financing - 2021/22

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2022								
Owned - purchased	20,075	47,557	5,755	8,740	17,904	6,723	90	106,844
NBV total at 31 March 2022	20,075	47,557	5,755	8,740	17,904	6,723	90	106,844

Note 14.3 Property, plant and equipment financing - 2020/21

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021								
Owned - purchased	19,109	44,072	11,097	8,118	17,752	4,789	119	105,056
NBV total at 31 March 2021	19,109	44,072	11,097	8,118	17,752	4,789	119	105,056

Note 15 Revaluations of property, plant and equipment

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

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

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. Details are provided in note 6.

The Trust's land and buildings valuations were undertaken by the District Valuer Service, part of the Valuation Office Agency of HM Revenue and Customs during February 2022 with a prospective valuation date of 31 March 2022.

Note 16 Inventories

	2022	2021
	£000	£000
Drugs	142	125
Consumables	1,796	1,349
Other	307	461
Total inventories	2,245	1,935
of which:		
Held at fair value less costs to sell	2,245	1,935

Inventories recognised in expenses for the year were £8,611k (2020/21: £12,319k). Write-down of inventories recognised as expenses for the year were £0k (2020/21: £53k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2021/22 the Trust received £905k of items purchased by DHSC (2020/21: £5,060k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 17 Receivables

	31 March 2022	31 March 2021
	£000	£000
Current		
Contract receivables	5,147	8,371
Allowance for impaired contract receivables / assets	(573)	(598)
Prepayments (non-PFI)	5,753	5,894
PDC dividend receivable	-	236
VAT receivable	684	579
Other receivables	298	197
Total current receivables	11,309	14,679
Non-current		
Contract receivables	320	325
Non-current receivables	320	325
Of which receivable from NHS and DHSC group bodies:		
Current	2,487	6,099

Note 17.1 Allowances for credit losses

	2021/22	2020/21
	receivables	receivables and
	£000	£000
Allowances as at 1 April - brought forward	598	624
Changes in existing allowances	(1)	-
Reversals of allowances	-	(26)
Utilisation of allowances (write offs)	(24)	-
Allowances as at 31 Mar 2022	573	598

Note 17.2 Exposure to credit risk

The nature of the Trust's income and operations as part of the NHS mean that the Trust is not significantly exposed to credit risk.

Note 18 Non-current assets held for sale and assets in disposal groups

	2021/22	2020/21
	£000	£000
NBV of non-current assets for sale at 1 April	-	160
Assets classified as available for sale in the year *	235	140
Assets sold in year	-	(300)
NBV of non-current assets for sale and assets in disposal groups at 31 March	235	-

* The asset held for sale is Bentley Ambulance Station

Note 19 Cash and cash equivalents movements

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

	2021/22 £000	2020/21 £000
At 1 April	64,180	46,201
Net change in year	11,747	17,979
At 31 March	75,927	64,180
Broken down into:		
Cash at commercial banks and in hand	1	6
Cash with the Government Banking Service	75,926	64,174
Total cash and cash equivalents as in SoFP	75,927	64,180
Total cash and cash equivalents as in SoCF	75,927	64,180

Note 19.1 Third party assets held by the trust

Yorkshire Ambulance Service NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

Note 20 Trade and other payables

	2022 £000	2021 £000
Current		
Trade payables	5,815	3,907
Capital payables	3,301	3,980
Accruals	19,666	16,116
PDC dividend payable	33	-
Other payables	3,337	3,023
Total current trade and other payables	32,152	27,026
Non-current		
Total non-current trade and other payables	-	-
Of which payables from NHS and DHSC group bodies:		
Current	1,512	394

Note 20.1 Early retirements in NHS payables above

The payables note above does not include any amounts in relation to early retirements. Such retirements are provided for as part of the NHS pension scheme.

Note 21 Other liabilities

	31 March 2022 £000	31 March 2021 £000
Current		
Deferred income: contract liabilities	991	30
Deferred grants	-	47
Total other current liabilities	991	77
Total other non-current liabilities	-	-

Deferred income relates to initiatives and training commitments that have been delayed due to the ongoing operational pressures experienced throughout 2021/22. It is anticipated these costs will be incurred in 2022/23.

Note 22 Borrowings

	31 March 2022 £000	31 March 2021 £000
Current		
Loans from DHSC	337	337
Total current borrowings	337	337
Non-current		
Loans from DHSC	3,165	3,499
Total non-current borrowings	3,165	3,499

Note 22.1 Reconciliation of liabilities arising from financing activities - 2021/22

	Loans from DHSC	Total
	£000	£000
Carrying value at 1 April 2021	3,836	3,836
Cash movements:		
Financing cash flows - payments and receipts of principal	(334)	(334)
Financing cash flows - payments of interest	(70)	(70)
Non-cash movements:		
Application of effective interest rate	70	70
Carrying value at 31 March 2022	3,502	3,502

Note 22.2 Reconciliation of liabilities arising from financing activities - 2020/21

	Loans from DHSC	Total
	£000	£000
Carrying value at 1 April 2020	4,170	4,170
Cash movements:		
Financing cash flows - payments and receipts of principal	(334)	(334)
Financing cash flows - payments of interest	(76)	(76)
Non-cash movements:		
Application of effective interest rate	76	76
Carrying value at 31 March 2021	3,836	3,836

Note 23 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Holiday Pay ("Flowers")	Staff Related	Salary Sacrifice VAT refund	Lease Dilapidations	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000	-
At 1 April 2021	657	7,179	317	8,519	5,326	-	2,160	285	24,443
Change in the discount rate	7	211	-	-	-	-	(41)	-	177
Arising during the year	10	75	182	-	3,204	805	458	-	4,734
Utilised during the year	(84)	(416)	(202)	(4,224)	(828)	-	(45)	(142)	(5,941)
Reversed unused	-	-	(86)	(3,582)	-	-	(349)	(143)	(4,160)
Unwinding of discount	(6)	(67)	-	-	-	-	(45)	-	(118)
At 31 March 2022	584	6,982	211	713	7,702	805	2,138	-	19,135
Expected timing of cash flows:									
- not later than one year;	76	349	211	713	7,702	805	627	-	10,483
- later than one year and not later than five years;	337	1,721	-	-	-	-	1,077	-	3,135
- later than five years.	171	4,912	-	-	-	-	434	-	5,517
Total	584	6,982	211	713	7,702	805	2,138	-	19,135

Staff related provisions include staff claims and employment tribunals. These have been estimated based on the best information available at the time of the compilation of the accounts.

We have provided the reinstatement costs for our leased/tenancy properties and leased fleet vehicles.

See note 1.22

Note 23.1 Clinical negligence liabilities

At 31 March 2022, £31,103k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Yorkshire Ambulance Service NHS Trust (31 March 2021: £20,320k). See note 1.22

Note 24 Contingent assets and liabilities

The Trust has a contingent liability in respect of employee related litigation. The value of this is assessed to be £253k.

The Trust has no contingent assets.

Note 25 Contractual capital commitments

	31 March 2022 £000	31 March 2021 £000
Property, plant and equipment	5,363	393
Intangible assets	-	9
Total	5,363	402

Other than the commitments noted above the Trust is not committed to making other payments under non-cancellable contracts which are not leases.

Note 26 Other financial commitments

Other than the commitments noted above the Trust is not committed to making other payments under non-cancellable contracts which are not leases.

Note 27 Financial instruments

Note 27.1 Financial risk management

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

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

Currency risk

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

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2022 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under block contract arrangements with Clinical Commissioning Groups which are financed from resources voted annually by Parliament. The Trust is not, therefore, exposed to significant liquidity risks.

Note 27.2 Carrying values of financial assets**Carrying values of financial assets as at 31 March 2022**

	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	4,574	4,574
Cash and cash equivalents	75,927	75,927
Total at 31 March 2022	80,501	80,501

Carrying values of financial assets as at 31 March 2021

	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	7,946	7,946
Cash and cash equivalents	64,180	64,180
Total at 31 March 2021	72,126	72,126

Note 27.3 Carrying values of financial liabilities**Carrying values of financial liabilities as at 31 March 2022**

	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	3,502	3,502
Trade and other payables excluding non financial liabilities	32,119	32,119
Provisions under contract	10,552	10,552
Total at 31 March 2022	46,173	46,173

Carrying values of financial liabilities as at 31 March 2021

	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	3,836	3,836
Trade and other payables excluding non financial liabilities	24,003	24,003
Provisions under contract	16,246	16,246
Total at 31 March 2021	44,085	44,085

Note 27.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2022 £000	31 March 2021 restated* £000
In one year or less	40,693	38,715
In more than one year but not more than five years	2,567	3,523
In more than five years	2,819	2,308
Total	46,079	44,546

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 27.5 Fair values of financial assets and liabilities

Book value (carrying value) is considered to be a reasonable approximation of fair value.

Note 28 Losses and special payments

	2021/22		2020/21	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	26	7	-	-
Fruitless payments and constructive losses	3	8	-	-
Bad debts and claims abandoned	39	218	3	1
Total losses	68	233	3	1
Special payments				
Compensation under court order or legally binding arbitration award	4	71	3	103
Ex-gratia payments	55	211	32	4,521
Total special payments	59	282	35	4,624
Total losses and special payments	127	515	38	4,625
Compensation payments received		-		-

* Ex-gratia payment for 2020/21 includes the costs relating to the National Holiday Pay agreement.
There were no individual losses or special payments amounting to more than £300,000

Note 29 Related parties

The Department of Health and Social Care is regarded as a related party. During the year Yorkshire Ambulance Service NHS Trust has had a significant number of material transactions with the Department (defined as constituting over 1% of turnover), and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

NHS Wakefield CCG
NHS Leeds CCG
NHS Bradford District and Craven CCG
NHS North Yorkshire CCG
NHS Sheffield CCG
NHS Kirklees CCG
NHS East Riding of Yorkshire CCG
NHS Vale of York CCG
NHS Hull CCG
NHS Doncaster CCG
NHS Calderdale CCG
NHS Barnsley CCG
NHS Rotherham CCG
NHS Pension Scheme
HM Revenue & Customs

This note discloses related parties where income or expenditure is more than 1% of our operating income or expenditure. Transactions below this level are not considered material for the purposes of this disclosure.

Except as detailed below no Trust board members had any interest in any of these organisations during the financial year. No Trust board member has declared an interest in any other organisation with which the Trust does business.

The Trust works with the Yorkshire Air Ambulance charity and provides medical staff for that service. The Trust Board is the Corporate Trustee of the Yorkshire Ambulance Service NHS Charitable Trust Charity No. 1114106.

Transactions between the Charity and the Trust during the year were not material.

Note 30 Prior period adjustments

There are no prior period adjustments

Note 31 Events after the reporting date

There have been no adjusting or non-adjusting events after the reporting date.

Note 32 Better Payment Practice code

	2021/22	2021/22	2020/21	2020/21
	Number	£000	Number	£000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	28,619	91,718	23,785	129,459
Total non-NHS trade invoices paid within target	25,860	81,489	19,914	119,325
Percentage of non-NHS trade invoices paid within target	90.4%	88.8%	83.7%	92.2%
NHS Payables				
Total NHS trade invoices paid in the year	490	5,684	356	1,539
Total NHS trade invoices paid within target	383	5,019	233	1,041
Percentage of NHS trade invoices paid within target	78.2%	88.3%	65.4%	67.6%

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

Note 33 External financing limit

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

	2021/22	2020/21
	£000	£000
Cash flow financing	(11,586)	(15,916)
External financing requirement	(11,586)	(15,916)
External financing limit (EFL)	(11,586)	(15,838)
Under spend against EFL	-	78

Note 34 Capital Resource Limit

	2021/22	2020/21
	£000	£000
Gross capital expenditure	11,908	13,476
Less: Disposals	(54)	(300)
Charge against Capital Resource Limit	11,854	13,176
Capital Resource Limit	11,854	13,254
Under spend against CRL	-	78

Note 35.1 Breakeven duty financial performance

	2021/22
	£000
Adjusted financial performance	8,203
Breakeven duty financial performance	8,203

Note 35.2 Breakeven duty rolling assessment

	1997/98 to 2008/09 total	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	0	518	237	428	2,223	2,633	2,991
Breakeven duty cumulative position	3,501	4,019	4,256	4,684	6,907	9,540	12,531
Operating income		197,910	195,228	200,333	209,772	233,384	241,328
Cumulative breakeven position as a percentage of operating income		2.0%	2.2%	2.3%	3.3%	4.1%	5.2%
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	6,103	2,719	10,154	9,250	5,524	(960)	8,203
Breakeven duty cumulative position	18,634	21,353	31,507	40,757	46,281	45,321	53,524
Operating income	248,965	255,424	269,451	281,698	288,172	334,125	359,194
Cumulative breakeven position as a percentage of operating income	7.5%	8.4%	11.7%	14.5%	16.1%	13.6%	14.9%