

# 2021/22 Annual Accounts

Jen Leah

Deputy Chief Financial Officer

Inspected and rated

Good



### Content

- Annual accounts prepared in accordance with required guidance on a going concern basis.
- Four main statements (pages 132 to 137) & supporting notes (pages 138 onwards).
- Outturn against the plan was £13.2m deficit for the year.
- No changes to existing Accounting Policies. Transition to IFRS 16 (leases) is effective from 1 April 2022 (note 1.27 details).

### Process

- Annual Accounts and Annual Report produced, submitted & published as per required timelines.
- Audit Committee review of **draft** on 21 April, prior to KPMG Audit review.
- Final accounts presented to Audit Committee on 17 June, prior to Board sign off.
- Board of Directors adoption on 17 June followed by KPMG 'Unmodified' Audit Opinion & signed accounts 21 June.

## Four Main Statements



Sherwood Forest Hospitals  
NHS Foundation Trust

### Statement of Comprehensive Income

(Page 132)

- Also known as the Income & Expenditure Statement or the Profit & Loss.
- The Trust is reporting a retained deficit of £1.3m.
- This includes a £11.7m increase in the value of assets (reversal of impairment).
- Excluding this, the underlying operating position is £13.2m deficit.

### Statement of Financial Position

(Page 133)

- Also known as the Balance Sheet.
- Increase in value of property, plant & equipment to £299.3m due to asset revaluation and additions less depreciation.
- Borrowing is in relation to the PFI liability. Annual repayment of £9.96m, leaving total borrowing at £229.93m
- Income & Expenditure Reserve value (£377.3m) provides the accumulated annual deficits of the Trust.

### Statement of Changes in Equity

(Pages 134)

- 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 £10.9m of National Capital PDC. PDC receipt relates to in year Capital spend.
- Details balances in the SOFP.

### Statement of Cash Flows

(Page 137)

- Records how cash holding has moved from £25.2m at 31 March 2021 to £6.3m at 31 March 2022, as disclosed in the SOFP.
- Primarily due to the repayment of 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
- A significant risk was identified relating to financial sustainability in the medium term; as a result of large underlying deficits and efficiency target, together with challenges in relation to funding for 2022/23 at a national level – a national issue effecting many Trusts
  - *KPMG carried out a review; based on the findings **no significant weaknesses** were identified in the Trust's arrangements*
- Two risks where auditors unable to evaluate the effectiveness of controls. These are common across the NHS, the Trust considers the controls proportionate. No recommendation has been made in relation to these risks or controls
- No significant inconsistencies were identified between the content of the annual report and the auditor knowledge of the Trust
- There were no unadjusted differences recommended or made to the draft accounts
- A materiality threshold of £9m was in place for the 2021/22 audit