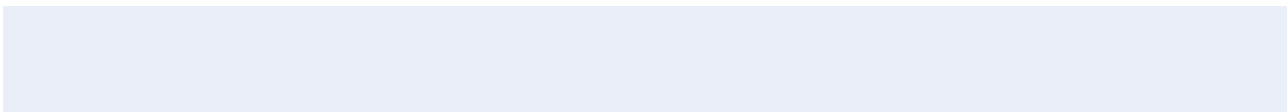


# Annual Accounts



Simon Stevens  
Accounting Officer  
3 July 2019

## Statement of comprehensive net expenditure for the year ended 31 March 2019

	Note	Parent		Consolidated Group	
		Re-presented		Re-presented	
		2018/19	2017/18	2018/19	2017/18
		£000	£000	£000	£000
Income from sale of goods and services	2	(1,916,960)	(1,949,718)	(1,993,191)	(1,893,869)
Other operating income	2	(3,636)	(89,026)	(111,019)	(289,406)
<b>Total operating income</b>		<b>(1,920,596)</b>	<b>(2,038,744)</b>	<b>(2,104,210)</b>	<b>(2,183,275)</b>
Staff costs	3	771,793	729,648	1,949,413	1,843,109
Purchase of goods and services	4	113,094,005	109,170,258	112,496,829	108,641,524
Depreciation and impairment charges	4	117,401	90,184	132,065	103,315
Provision expense	4	(28,953)	(3,240)	(3,024)	49,562
Other operating expenditure	4	277,547	200,419	394,160	309,271
<b>Total operating expenditure</b>		<b>114,231,793</b>	<b>110,187,269</b>	<b>114,969,443</b>	<b>110,946,781</b>
<b>Net operating expenditure</b>		<b>112,311,197</b>	<b>108,148,525</b>	<b>112,865,233</b>	<b>108,763,506</b>
Finance expense	11	533	(1,089)	644	(1,263)
<b>Net expenditure for the year</b>		<b>112,311,730</b>	<b>108,147,436</b>	<b>112,865,877</b>	<b>108,762,243</b>
Other (gains)/losses		-	-	33	143
<b>Total net expenditure for the year</b>		<b>112,311,730</b>	<b>108,147,436</b>	<b>112,865,910</b>	<b>108,762,386</b>
<b>Other comprehensive net expenditure</b>					
<b>Items which will not be reclassified to net operating costs</b>					
Actuarial (gain)/loss in pension schemes		-	-	871	(850)
<b>Sub total</b>		-	-	871	(850)
<b>Comprehensive net expenditure for the year</b>		<b>112,311,730</b>	<b>108,147,436</b>	<b>112,866,781</b>	<b>108,761,536</b>

The Group has applied IFRS 15 in the financial year. Under the transition method chosen, comparatives have not been restated, except for a presentational change in the categorisation of income (see note 2 for further details).

The notes on pages 149 to 190 form part of this statement.

## Statement of financial position as at 31 March 2019

	Note	Parent		Consolidated Group	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		£000	£000	£000	£000
<b>Non-current assets</b>					
Property, plant and equipment	6	393,207	350,557	433,679	390,371
Intangible assets	7	3,516	4,857	8,615	11,256
Trade and other receivables	8	-	-	538	443
Other financial assets	8	-	-	554	554
<b>Total non-current assets</b>		<b>396,723</b>	<b>355,414</b>	<b>443,386</b>	<b>402,624</b>
<b>Current assets</b>					
Inventories		37,027	28,102	48,932	36,911
Trade and other receivables	8	206,923	243,143	966,282	1,008,482
Cash and cash equivalents	9	188,941	144,765	205,488	165,745
<b>Total current assets</b>		<b>432,891</b>	<b>416,010</b>	<b>1,220,702</b>	<b>1,211,138</b>
<b>Total assets</b>		<b>829,614</b>	<b>771,424</b>	<b>1,664,088</b>	<b>1,613,762</b>
<b>Current liabilities</b>					
Trade and other payables	10	(4,527,004)	(3,850,294)	(10,598,850)	(9,381,168)
Provisions	12	(30,693)	(71,857)	(135,082)	(177,931)
<b>Total current liabilities</b>		<b>(4,557,697)</b>	<b>(3,922,151)</b>	<b>(10,733,932)</b>	<b>(9,559,099)</b>
<b>Total assets less current liabilities</b>		<b>(3,728,083)</b>	<b>(3,150,727)</b>	<b>(9,069,844)</b>	<b>(7,945,337)</b>
<b>Non-current liabilities</b>					
Trade and other payables	10	(26)	(26)	(4,535)	(3,285)
Provisions	12	(22,204)	(11,151)	(41,886)	(26,221)
<b>Total non-current liabilities</b>		<b>(22,230)</b>	<b>(11,177)</b>	<b>(46,421)</b>	<b>(29,506)</b>
<b>Total assets less total liabilities</b>		<b>(3,750,313)</b>	<b>(3,161,904)</b>	<b>(9,116,265)</b>	<b>(7,974,843)</b>
<b>Financed by taxpayers' equity and other reserves</b>					
General fund		(3,750,313)	(3,161,904)	(9,110,735)	(7,970,187)
Revaluation reserve		-	-	34	37
Other reserves		-	-	(5,564)	(4,693)
<b>Total taxpayers' equity</b>		<b>(3,750,313)</b>	<b>(3,161,904)</b>	<b>(9,116,265)</b>	<b>(7,974,843)</b>

The notes on pages 149 to 190 form part of this statement.

The financial statements on pages 144 to 148 were approved by the Board on 27 June 2019 and signed on its behalf by: Simon Stevens, Accounting Officer.

## Statement of changes In taxpayers equity for the year ended 31 March 2019

Parent	General fund £000	Revaluation reserve £000	Other reserves £000	Taxpayers equity £000
<b>Changes in taxpayers' equity for 2018/19</b>				
<b>Balance at 1 April 2018</b>	<b>(3,161,904)</b>	-	-	<b>(3,161,904)</b>
Impact of applying IFRS 9 to Opening Balances	(1,983)	-	-	(1,983)
Impact of applying IFRS 15 to Opening Balances	-	-	-	-
<b>Restated balance at 1 April 2018</b>	<b>(3,163,887)</b>	-	-	<b>(3,163,887)</b>
<b>Changes in taxpayers' equity for 2018/19</b>				
Total Net Expenditure for the financial year	(112,311,730)	-	-	<b>(112,311,730)</b>
<b>Comprehensive net expenditure for the year</b>	<b>(112,311,730)</b>	-	-	<b>(112,311,730)</b>
Grant in Aid	111,725,304	-	-	111,725,304
<b>Balance at 31 March 2019</b>	<b>(3,750,313)</b>	-	-	<b>(3,750,313)</b>

Parent	General fund £000	Revaluation reserve £000	Other reserves £000	Taxpayers equity £000
<b>Changes in taxpayers' equity for 2017/18</b>				
<b>Balance at 1 April 2017</b>	<b>(2,537,555)</b>	-	-	<b>(2,537,555)</b>
<b>Changes in taxpayers' equity for 2017/18</b>				
Total Net Expenditure for the financial year	(108,147,436)	-	-	(108,147,436)
<b>Comprehensive net expenditure for the year</b>	<b>(108,147,436)</b>	-	-	<b>(108,147,436)</b>
Grant in Aid	107,523,087	-	-	107,523,087
<b>Balance at 31 March 2018</b>	<b>(3,161,904)</b>	-	-	<b>(3,161,904)</b>

Consolidated Group	General fund £000	Revaluation reserve £000	Other reserves £000	Taxpayers equity £000
<b>Changes in taxpayers' equity for 2018/19</b>				
<b>Balance at 1 April 2018</b>	<b>(7,970,187)</b>	<b>37</b>	<b>(4,693)</b>	<b>(7,974,843)</b>
Impact of applying IFRS 9 to Opening Balances	55	-	-	55
Impact of applying IFRS 15 to Opening Balances	-	-	-	-
<b>Restated balance at 1 April 2018</b>	<b>(7,970,132)</b>	<b>37</b>	<b>(4,693)</b>	<b>(7,974,788)</b>
<b>Changes in taxpayers' equity for 2018/19</b>				
Total Net Expenditure for the financial year	(112,865,910)	-	-	(112,865,910)
Movements in other reserves	-	-	(871)	(871)
Transfers between reserves	3	(3)	-	-
<b>Comprehensive net expenditure for the year</b>	<b>(112,865,907)</b>	<b>(3)</b>	<b>(871)</b>	<b>(112,866,781)</b>
Grant in Aid	111,725,304	-	-	111,725,304
<b>Balance at 31 March 2019</b>	<b>(9,110,735)</b>	<b>34</b>	<b>(5,564)</b>	<b>(9,116,265)</b>

Consolidated Group	General fund £000	Revaluation reserve £000	Other reserves £000	Taxpayers equity £000
<b>Changes in taxpayers' equity for 2017/18</b>				
<b>Balance at 1 April 2017</b>	<b>(6,730,907)</b>	<b>42</b>	<b>(5,543)</b>	<b>(6,736,408)</b>
<b>Changes in taxpayers' equity for 2017/18</b>				
Total Net Expenditure for the financial year	(108,762,386)	-	-	(108,762,386)
Movements in other reserves	-	-	850	850
Transfers between reserves	5	(5)	-	-
Release of reserves to the Statement of Comprehensive Net Expenditure	14	-	-	14
<b>Comprehensive net expenditure for the year</b>	<b>(108,762,367)</b>	<b>(5)</b>	<b>850</b>	<b>(108,761,522)</b>
Grant in Aid	107,523,087	-	-	107,523,087
<b>Balance at 31 March 2018</b>	<b>(7,970,187)</b>	<b>37</b>	<b>(4,693)</b>	<b>(7,974,843)</b>

Other reserves reflect pension assets/liabilities in respect of staff in non NHS defined benefit schemes in CCGs.

The notes on pages 149 to 190 form part of this statement.

## Statement of cash flows for the year ended 31 March 2019

	Note	Parent		Consolidated Group	
		2018/19 £000	2017/18 £000	2018/19 £000	2017/18 £000
<b>Cash flows from operating activities</b>					
Net expenditure for the financial year		(112,311,730)	(108,147,436)	(112,865,910)	(108,762,243)
Depreciation and amortisation	4	117,401	90,184	131,524	103,293
Impairments and reversals	4	-	-	541	22
Non-cash movements arising on application of new accounting standards		(1,983)	-	55	-
Other non cash adjustments <sup>1</sup>		-	-	(223)	(173)
(Gain)/Loss on disposal		-	-	32	-
Unwinding of discount	11	533	(1,089)	588	(1,306)
Change in discount rate	12	(461)	(227)	(275)	(291)
(Increase)/decrease in inventories		(8,925)	(17,508)	(12,021)	(19,563)
(Increase)/decrease in trade & other receivables	8	36,220	(5,229)	42,105	(46,582)
Increase/(decrease) in trade & other payables	10	680,851	550,937	1,205,728	1,213,633
Provisions utilised	12	(1,692)	(5,581)	(24,902)	(30,294)
Increase/(decrease) in provisions	12	(28,491)	(3,013)	(2,595)	49,853
<b>Net cash outflow from operating activities</b>		<b>(111,518,277)</b>	<b>(107,538,962)</b>	<b>(111,525,353)</b>	<b>(107,493,651)</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment		(161,824)	(101,031)	(164,579)	(131,634)
Payments for intangible assets		(1,027)	(2,214)	(1,826)	(4,242)
Proceeds from disposal of assets: property, plant and equipment		-	-	140	1,265
Proceeds from disposal of assets: intangible assets		-	-	-	-
<b>Net cash outflow from investing activities</b>		<b>(162,851)</b>	<b>(103,245)</b>	<b>(166,265)</b>	<b>(134,611)</b>
<b>Net cash outflow before financing activities</b>		<b>(111,681,128)</b>	<b>(107,642,207)</b>	<b>(111,691,618)</b>	<b>(107,628,262)</b>
<b>Cash flows from financing activities</b>					
Grant in aid funding received		111,725,304	107,523,087	111,725,304	107,523,087
Capital element of payments in respect of finance leases		-	-	(88)	(85)
<b>Net cash inflow from financing activities</b>		<b>111,725,304</b>	<b>107,523,087</b>	<b>111,725,216</b>	<b>107,523,002</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>44,176</b>	<b>(119,120)</b>	<b>33,598</b>	<b>(105,260)</b>
Cash & cash equivalents at the beginning of the financial period	9	144,765	263,885	163,096	268,356
<b>Cash &amp; cash equivalents at the end of the financial year</b>	9	<b>188,941</b>	<b>144,765</b>	<b>196,694</b>	<b>163,096</b>

The notes on pages 149 to 190 form part of this statement.

There is no separate disclosure under IAS 7 for cash and non cash movements for financing activities because the values are immaterial.

1 Other non cash adjustments comprise a non cash credit on lease charges of £12k (2017/18 £5k charge) and a pensions credit of £211k (2017/18 £178k credit).

# Notes to the financial statements

---

## 1. Statement of accounting policies

These financial statements have been prepared in a form directed by the Secretary of State under Schedule 1(A), paragraph 15(2) of the Health and Social Care Act 2012 and in accordance with the 2018/19 DHSC Group Accounting Manual (DHSC GAM) issued by the Department of Health & Social Care and comply with HM Treasury's Financial Reporting Manual 2018/19 (FRoM). The accounting policies contained in the DHSC GAM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the DHSC GAM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of NHS England for the purpose of giving a true and fair view has been selected. The particular policies adopted by NHS England are described below. They have been applied consistently in dealing with items considered material to the accounts.

The functional and presentational currency is pounds sterling and figures are expressed in pounds thousands unless expressly stated. Two sets of figures are presented - the first relating to NHS England itself (the Parent) and a second set of consolidated figures (Consolidated Group). The entities making up the Consolidated Group are declared in Note 20.

Exchange gains and losses on monetary items (arising on settlement of the transaction or on retranslation at the Statement of Financial Position date) are recognised in the Statement of Comprehensive Net Expenditure in the period in which they arise.

### 1.1 Operating segments

Income and expenditure are analysed in the Operating Segments note (note 16) and reflect the management information used within NHS England. Information on assets less liabilities is not separately reported to the Chief Operating Decision Maker and therefore in accordance with IFRS 8 does not form part of the disclosure in note 16.

### 1.2 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 certain financial assets and financial liabilities.

### 1.3 Basis of consolidation

These accounts comprise the results of the NHS England statutory entity as well as the consolidated position of NHS England and its 195 related CCGs. Transactions between entities included in the consolidation are eliminated.

CSUs form part of NHS England and provide services to CCGs. The CSU results are included within the Parent accounts as they are not separate legal entities.

## 1.4 Comparative information

The comparative information provided in these financial statements is for the year ended 31 March 2018. In the current year the parent and group have applied IFRS 9 and IFRS 15. As per the HMT FReM the cumulative catch up method has been applied and comparatives for prior years have not been restated.

## 1.5 Going concern

NHS England's financial statements are produced on a going concern basis. NHS England is supply-financed and draws its funding from the Department of Health & Social Care. Parliament has demonstrated its commitment to fund the Department of Health & Social Care for the foreseeable future via the latest Spending Review and the passing of the Health and Social Care Act 2012. In the same way, the Department of Health & Social Care has demonstrated commitment to the funding of NHS England (with funding flows for the 2019/20 financial year having already commenced). It is therefore considered appropriate to adopt the going concern basis for the preparation of these financial statements.

## 1.6 Transfer of functions

As public sector bodies within a Departmental Boundary are deemed to operate under common control, business reconfigurations are outside the scope of IFRS 3 Business Combinations. When functions transfer between two public sector bodies the FReM requires the application of "absorption accounting". Absorption accounting requires that entities account for their transactions in the period in which those transactions took place. Where assets and liabilities transfer, the gain or loss resulting is recognised in the Statement of Net Comprehensive Expenditure, and is disclosed separately from operating costs.

## 1.7 Revenue recognition

The transition to IFRS 15 has been completed in accordance with paragraph C3 (b) of the Standard, applying the Standard retrospectively recognising the cumulative effects at the date of initial application.

In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows:

- As per paragraph 121 of the Standard NHS England will not disclose information regarding the performance obligations part of a contract that has an original expected duration of one year or less.
- NHS England is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.
- The FReM has mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires NHS England to reflect the aggregate effect of all contracts modified before the date of initial application.

The main source of funding for NHS England is grant-in-aid from the Department of Health & Social Care. NHS England is required to maintain expenditure within this allocation. The Department of Health & Social Care also approves a cash limit for the period. NHS England



is required to draw down cash in accordance with this limit. Grant-in-aid is drawn down and credited to the general fund. Grant-in-aid is recognised in the financial period in which it is received.

Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation.

IFRS 15 is applicable to revenue in respect of dental and prescription charges in line with the adaptation in IFRS 15 which states that the definition of a contract includes revenue received under legislation and regulations. Revenue for these charges is recognised when the performance event occurs e.g. the issue of a prescription or payment for dental treatment.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred.

Other operating revenue is recognised when the service is rendered and the stage completion of the transaction at the end of the reporting period can be measured reliably, and it is probable that the economic benefit associated with the transaction will flow to the group. Income is measured at fair value of the consideration receivable.

The value of the benefit received when NHS England accesses funds from the Government's apprenticeship service are recognised as income in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, non-cash income and a corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

## **1.8 Employee benefits**

Recognition of short-term benefits - retirement benefit costs:

Past and present employees are covered by the provisions of the NHS Pensions Schemes. The schemes are unfunded, defined benefit schemes that cover NHS employers, general practitioners and other bodies allowed under the direction of the Secretary of State in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying assets and liabilities. Therefore, the schemes are accounted for as if they were a defined contribution scheme; the cost recognised in these accounts represents the contributions payable for the year. Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

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

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

Salaries, wages and employment related payments, including payments arising from the apprenticeship levy, 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 recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following year.

## 1.9 Other expenses

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

## 1.10 Value Added Tax

Most of the activities of the group are outside the scope of value added tax (VAT). Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

## 1.11 Property, Plant and Equipment Recognition

Property, plant and equipment is capitalised if:

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

Where an asset includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their individual useful economic lives.

### Measurement of property, plant and equipment

All property, plant and equipment is 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. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historical cost as a proxy for current value in existing use. This is in accordance with FReM requirements as these assets have short useful lives or low values or both.

Balances held in the Revaluation reserve relate to balances inherited as at 1st April 2013. In line with our accounting policy, no further revaluation gains have been recognised.

## Subsequent expenditure

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

### 1.12 Intangible non-current assets

Intangible non-current assets are non-monetary assets without physical substance that are capable of sale separately from the rest of the group's business or 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 group; where the cost of the asset can be measured reliably; and where the cost is at least £5,000.

Intangible non-current assets acquired separately are initially recognised at cost. Software that is integral to the operation of hardware is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware is capitalised as an intangible asset.

Following initial recognition, intangible assets are carried at depreciated historic cost as a proxy for current value in existing use.

### 1.13 Research and development

Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred.

Internally generated assets are recognised if, and only if, all of the following have been demonstrated:

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

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

## 1.14 Depreciation, amortisation and impairments

Freehold land, assets under construction, investment properties, stockpiled goods and assets held for sale are neither depreciated nor amortised.

Otherwise, depreciation or amortisation, as appropriate, is charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, on a straight line basis over their estimated remaining useful lives. The estimated useful life of an asset is the period over which economic benefits or service potential is expected to be obtained from the asset. 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 the estimated useful life.

Depreciation/amortisation is charged as follows:

	<b>Minimum life (years)</b>	<b>Maximum life (years)</b>
Buildings excluding dwellings	5	20
Plant and machinery	5	10
Transport equipment	5	10
Information technology	2	10
Furniture and fittings	5	10
Computer software: purchased	2	5
Licences and trademarks	2	5
Development expenditure (internally generated)	2	5

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 being impaired and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

## 1.15 Government grants

Government grant funded assets are capitalised at their fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

### 1.16 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 satisfied once both of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales; and
- the sale is highly probable.

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 statement of comprehensive net expenditure. On disposal, the balance for the asset in the revaluation reserve is transferred to retained earnings.

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

### 1.17 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.

Property, plant and equipment held under finance leases are initially recognised at the inception of the lease at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of comprehensive net expenditure.

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

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

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

### 1.18 Inventories

Inventories are valued at the lower of cost and net realisable value, and are utilised using the First in First Out method of inventory controls.

### 1.19 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and 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 cash management. Cash, bank and overdraft balances are recorded at current values.

### 1.20 Provisions

Provisions are recognised when there exists a present legal or constructive obligation as a result of a past event, it is probable that the group 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 HM Treasury's discount rates.

Provisions are subject to three separate discount rates according to the expected timing of cashflows:

- A nominal short term rate of 0.76 percent (2017/18: minus 2.42 percent in real terms) is applied to inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date.
- A nominal medium-term rate of 1.14% (2017/18: minus 1.85 percent in real terms) is applied to inflation adjusted expected cash flows over 5 years up to and including 10 years from the Statement of Financial Position date.
- A nominal long-term rate of 1.99% (2017/18: minus 1.56 percent in real terms) is applied to inflation adjusted expected cash flows over 10 years and up to and including 40 years from the Statement of Financial Position date.

All 2018/19 percentages are expressed in nominal terms with 2017/18 being the last financial year that HM Treasury provided real general provision discount rates.

### 1.21 Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which NHS England and CCGs pay an annual contribution to NHS Resolution, which in turn settles all clinical negligence claims. The contribution is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability rests with the group.

### 1.22 Non-clinical risk pooling

The NHS England group participates in the Property Expenses Scheme and the Liabilities to Third Parties scheme. Both are risk pooling schemes under which NHS England and CCGs pay an annual contribution to NHS Resolution and, in return, receive assistance with the cost of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims, are charged to operating expenses when they become due.

### 1.23 Contingent liabilities and contingent assets

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 organisation.
- 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 organisation. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingent liabilities that are required to be disclosed under IAS37 are stated at discounted amounts.

### 1.24 Financial assets

Financial assets are recognised on the statement of financial position when the group 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 de-recognised when the contractual rights have expired or the asset has been transferred and the group has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

As available for sale financial assets, the group's investments are measured at fair value. With the exception of impairment losses, changes in value are taken to the revaluation reserve. Accumulated gains or losses are recycled to the consolidated statement of net comprehensive expenditure on de-recognition.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

#### 1.24.1 Financial assets at amortised cost

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.



### **1.24.2 Financial assets at fair value through other comprehensive income**

Financial assets measured at fair value through other comprehensive income are those held within a business model whose objective is achieved by both collecting contractual cash flows, and selling financial assets and where the cash flows are solely payments of principal and interest.

### **1.24.3 Financial assets at fair value through profit and loss**

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

### **1.24.4 Impairment**

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, NHS England recognises a loss allowance representing expected credit losses on the financial instrument.

NHS England adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

HM Treasury has ruled that central Government bodies may not recognise stage 1 or stage 2 impairments against other Government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. NHS England therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the DHSC provides a guarantee of last resort against the debts of its ALBs and NHS bodies (excluding NHS charities), and NHS England does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

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 the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

## **1.25 Financial liabilities**

Financial liabilities are recognised in the statement of financial position when the group 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.

Financial liabilities are initially recognised at fair value.



After initial recognition, 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.

### **1.26 Accounting standards that have been issued but have not yet been adopted**

The FReM does not require the following Standards and Interpretations to be applied in 2018/19, these are applicable for accounting periods starting on or after 1 January 2019. These Standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2020/21, and the Government's implementation date for IFRS 17 still subject to HM Treasury consideration.

IFRS 14 Regulatory Deferral Accounts (not applicable to Department of Health & Social Care group bodies).

IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

#### **IFRS 16 Leases**

IFRS 16 – Leases replaces IAS 17 - Leases, IFRIC 4 - Determining whether an arrangement contains a lease and SIC 27 - Evaluating the substance of transactions involving the legal form of a lease and introduces a single, on-statement of financial position lease accounting model for lessees.

Currently, the NHS England parent and the CCGS (the group) recognises operating lease expenses on a straight-line basis over the term of the lease, and recognises assets and liabilities only to the extent that there is a timing difference between actual lease payments and the expense recognised. Under IFRS 16 it will recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments for any operating leases it assesses fall under IFRS 16. There are recognition exemptions for short-term leases and leases of low-value items.

In addition, the group will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the group will include the payments due under the lease in its lease liability with any appropriate assessment for impairments in the right of use asset.

The group has assessed that there is no significant impact on its current finance leases due to the immaterial value on the statement of financial position, and no significant impact on the limited transactions it undertakes as a lessor because IFRS 16 has not substantially changed the accounting arrangements for lessors.

IFRS 16 is effective for periods beginning on or after 1 January 2019 but under the requirements of the FReM NHS England group will not adopt it until 1 April 2020. NHS England has estimated the impact of initial application as described below. The actual impact may change however because;

- a) The value and nature of the leases that the group holds at the time of implementation may change,
- b) Processes and controls to identify and account for right of use assets under IFRS 16 are not yet finalised.

### **Impact**

Note 5 contains details of operating lease expenditure at 31 March 2019. An assessment of the nature of leases within other indicates that these comprise mainly low value office items that would fall under the short term lease or low value lease exemptions in IFRS 16 and therefore, this expense will continue to be treated as straight line operating expenditure.

The most significant impact will be that the group will need to recognise right of use assets and lease liabilities for any buildings currently treated as operating leases that meet the recognition criteria in IFRS 16. At 31 March 2019 the future minimum lease payments amounted to £345 million and this means that the nature of this expense will change from being an operating lease expense to depreciation and interest expense.

### **Transition**

The NHS England parent and the CCGs apply the FReM and therefore will recognise the cumulative effect of adopting the standard at the date of initial application as an adjustment to the opening retained earnings with no restatement of comparative balances.

IFRS 16 does not require entities to reassess whether a contract is, or contains, a lease at the date of initial application. HMT have interpreted this to mandate this practical expedient and therefore the group will apply IFRS 16 to contracts identified as a lease under IAS 17 or IFRIC 4 at 1 April 2020. However during the 2019/20 financial year the NHS England core department, CSUs and CCGs will be encouraged to review material contracts to ensure they have been correctly treated under IAS 17.

The group will utilise three further practical expedients under the transition approach adopted;

- a) The election to not make an adjustment for leases for which the underlying asset is of low value,
- b) The election to not make an adjustment to leases where the lease terms ends within 12 months of the date of application,
- c) The election to use hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

### **Other accounting standards issued but not yet adopted**

Full assessments of the impact of the remaining standards issued but not yet adopted will be completed by NHS England in due course following any relevant guidance issued in the Government Financial Reporting Manual.

## 2. Operating income

	Parent		Consolidated Group	
	Re-presented		Re-presented	
	2018/19	2017/18	2018/19	2017/18
	Total £000	Total £000	Total £000	Total £000
<b>Income from sale of goods and services (contracts)</b>				
Education, training and research <sup>2</sup>	483	165,237	13,624	177,657
Non-patient care services to other bodies <sup>3</sup>	384,599	409,392	274,915	326,041
Prescription fees and charges <sup>4</sup>	583,809	567,594	591,960	575,963
Dental fees and charges	856,384	807,333	856,384	807,333
Other Contract income	91,093	-	248,727	-
Recoveries in respect of employee benefits	592	162	7,581	6,875
<b>Total income from sale of goods and services</b>	<b>1,916,960</b>	<b>1,949,718</b>	<b>1,993,191</b>	<b>1,893,869</b>
<b>Other operating income</b>				
Rental revenue from operating leases	-	-	232	267
Charitable and other contributions to revenue expenditure: non-NHS	237	410	2,839	2,695
Non cash apprenticeship training grants revenue	90	24	349	98
Other non contract revenue	3,309	88,592	107,599	286,346
<b>Total other operating income</b>	<b>3,636</b>	<b>89,026</b>	<b>111,019</b>	<b>289,406</b>
<b>Total operating income</b>	<b>1,920,596</b>	<b>2,038,744</b>	<b>2,104,210</b>	<b>2,183,275</b>

2 NHS England, the Parent, has assessed major income sources as part of the implementation of IFRS15. In prior years income from Health Education England in respect of GP training has been shown under education, training and research. Our assessment shows that NHS England is acting as an agent in this transaction and therefore from 2018/19 have accounted for the funding received on a net basis. Prior year comparatives totalling £142,727k have not been restated.

3 Parent non-patient care services to other bodies revenue figures are greater than those of the consolidated group due to the elimination of intra-group trading.

4 In line with the adaptation in the HMT Financial Reporting Manual prescription fees and charges and dental fees and charges are treated as revenue arising from a contract and accounted for under IFRS15.

The Parent and the Group have applied IFRS 15 in 2018/19. In line with the transition method specified in note 1.4 comparatives have not been restated. Balances for 2017/18 have however been reclassified as revenue arising from a contract for prescription fees and charges, dental fees and charges, and recoveries in respect of employee benefits in line with their classification in 2018/19 under IFRS 15.

## 2.1 Disaggregation of revenue

We disaggregate our revenue from contracts with customers by the nature of the revenue. This is shown in note 2. Note 2.1 provides the disaggregation in line with our operating segments reported in note 16.

<b>Parent</b>	<b>CCG Total £000</b>	<b>Direct commissioning Total £000</b>	<b>NHS England Total £000</b>	<b>Other Total £000</b>	<b>I/co eliminations Total £000</b>	<b>Total £000</b>
<b>Income from sale of goods and services (contracts)</b>						
Education, training and research	-	-	163	321	-	<b>484</b>
Non-patient care services to other bodies	-	4,087	3,628	458,148	(81,263)	<b>384,600</b>
Prescription fees and charges	-	583,809	-	-	-	<b>583,809</b>
Dental fees and charges	-	856,384	-	-	-	<b>856,384</b>
Other contract income	-	18,527	49,600	23,716	(752)	<b>91,091</b>
Recoveries in respect of employee benefits	-	-	592	-	-	<b>592</b>
<b>Total Income from sale of goods and services</b>	<b>-</b>	<b>1,462,807</b>	<b>53,983</b>	<b>482,185</b>	<b>(82,015)</b>	<b>1,916,960</b>
<b>Consolidated Group</b>						
<b>Income from sale of goods and services (contracts)</b>						
Education, training and research	13,558	-	163	321	(418)	<b>13,624</b>
Non-patient care services to other bodies	466,341	4,087	3,628	458,148	(657,288)	<b>274,916</b>
Prescription fees and charges	8,151	583,809	-	-	-	<b>591,960</b>
Dental fees and charges	-	856,384	-	-	-	<b>856,384</b>
Other contract income	176,721	18,527	49,600	23,716	(19,839)	<b>248,725</b>
Recoveries in respect of employee benefits	11,679	-	592	-	(4,689)	<b>7,582</b>
<b>Total Income from sale of goods and services</b>	<b>676,450</b>	<b>1,462,807</b>	<b>53,983</b>	<b>482,185</b>	<b>(682,234)</b>	<b>1,993,191</b>

### 3. Employee benefits

	Parent		Consolidated Group	
	2018/19	2017/18	2018/19	2017/18
	Total £000	Total £000	Total £000	Total £000
<b>Employee benefits</b>				
Salaries and wages	631,554	600,262	1,604,203	1,519,988
Social security costs	60,820	56,297	151,744	141,742
Employer contributions to NHS Pension scheme	70,201	65,203	175,868	164,829
Other pension costs	-	-	60	18
Apprenticeship Levy	2,485	2,686	4,387	4,153
Termination benefits	6,733	5,200	13,202	12,379
<b>Gross employee benefits expenditure</b>	<b>771,793</b>	<b>729,648</b>	<b>1,949,464</b>	<b>1,843,109</b>
Less: Employee costs capitalised	-	-	(51)	-
<b>Gross employee benefits excluding capitalised costs</b>	<b>771,793</b>	<b>729,648</b>	<b>1,949,413</b>	<b>1,843,109</b>
Less recoveries in respect of employee benefits	(592)	(162)	(7,581)	(6,875)
<b>Net employee benefits</b>	<b>771,201</b>	<b>729,486</b>	<b>1,941,832</b>	<b>1,836,234</b>

Staff numbers can be found in the Accountability report on page 118.

The Apprenticeship levy scheme was introduced from 6 April 2017. This is a tax payable on pay bills above £3 million. For 2018/19 NHS England, CSUs and 154 CCGs (2017/18 125 CCGs) are required to contribute to the levy.

## 3.2 Pension costs

As described in Note 1.8 past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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

### 3.2.1 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 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

### 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 their 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. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

### 3.2.2 Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme

or the specific conditions that must be met before these benefits can be obtained:

- The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.
- With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.
- Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011/12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).
- Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.
- For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.
- Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC’s run by the Scheme’s approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

### **3.2.3 Local Government Pension Scheme**

Within the group there are CCGs who account for defined benefit pension scheme assets and liabilities primarily in respect of local Government super annuation schemes. These schemes are immaterial to the group financial statements and therefore have not been disclosed separately. Full disclosures are available in the underlying CCGs published accounts.

### **3.2.4 Principal Civil Service Pension Scheme**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS). These schemes are unfunded, defined benefit schemes covering civil servants. The schemes are not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they were defined contribution schemes: the cost to [the entity] of participating in a scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For defined contribution schemes, such as Civil Service partnership pensions, NHS England recognises the contributions payable for the year.

NHS England recognises the full cost of benefits paid under the Civil Service Compensation Scheme, including the early payment of pensions.

## 4. Operating expenses

	Parent		Consolidated Group	
	2018/19	2017/18	2018/19	2017/18
	Total £000	Total £000	Total £000	Total £000
<b>Purchase of goods and services – cash</b>				
Services from other CCGs and NHS England	26,171	19,475	-	-
Services from foundation trusts	12,197,211	11,859,158	46,028,030	44,044,652
Services from other NHS trusts	5,694,154	5,651,306	25,128,222	24,684,323
Provider Sustainability Fund (Sustainability Transformation Fund 2017/18) <sup>5</sup>	2,450,000	1,800,000	2,450,000	1,800,000
Services from Other WGA bodies <sup>6</sup>	9,949	6,718	57,612	55,477
Purchase of healthcare from non-NHS bodies	1,319,697	1,226,871	13,734,227	13,095,600
Purchase of social care	(30)	-	647,354	599,274
General dental services and personal dental services	2,919,876	2,944,521	2,919,876	2,944,521
Prescribing costs	19,449	46,541	8,236,936	8,560,895
Pharmaceutical services	1,924,082	1,895,531	1,935,054	1,906,991
General ophthalmic services	543,097	547,518	553,598	556,015
GP primary care services <sup>7</sup>	1,075,268	1,654,779	8,526,114	8,274,354
Supplies and services – clinical	143,937	57,150	210,021	131,245
Supplies and services – general	379,961	356,249	897,109	820,880
Consultancy services	8,699	26,611	64,143	85,476
Establishment	176,861	172,747	388,180	368,988
Transport	12,112	10,974	63,144	44,826
Premises	81,903	96,225	430,893	392,345
Audit fees	300	300	10,301	10,402
Other non statutory audit expenditure <sup>8</sup>	-	-	3,034	1,927
Other professional fees	35,225	26,799	98,945	65,212
Legal fees	7,844	19,030	21,429	47,187
Education and training	57,974	120,308	92,258	150,834
Funding to group bodies <sup>9</sup>	84,010,175	80,631,423	-	-
<b>Total purchase of goods and services - cash</b>	<b>113,093,915</b>	<b>109,170,234</b>	<b>112,496,480</b>	<b>108,641,424</b>
<b>Other operating expenditure – cash</b>				
Chair and Non Executive Members	139	130	50,768	53,201
Grants to other bodies	60,466	63,629	82,108	85,347
Clinical negligence	-	-	219	189
Research and development (excluding staff costs)	1,297	238	15,235	11,856
Other expenditure	13,156	42,124	35,506	42,356
<b>Other operating expenditure - cash</b>	<b>75,058</b>	<b>106,121</b>	<b>183,836</b>	<b>192,949</b>
<b>Total operating expenses - cash</b>	<b>113,168,973</b>	<b>109,276,355</b>	<b>112,680,316</b>	<b>108,834,373</b>
<b>Depreciation and impairment charges – non cash items</b>				
Depreciation	115,098	85,341	127,106	97,308
Amortisation	2,303	4,843	4,418	5,985
Impairments and reversals of property, plant and equipment	-	-	541	22
<b>Total depreciation and impairment charges</b>	<b>117,401</b>	<b>90,184</b>	<b>132,065</b>	<b>103,315</b>
<b>Provision expense – non cash items</b>				
Change in discount rate	(461)	(227)	(275)	(291)
Provisions	(28,492)	(3,013)	(2,749)	49,853
<b>Total provision expense</b>	<b>(28,953)</b>	<b>(3,240)</b>	<b>(3,024)</b>	<b>49,562</b>
<b>Purchase of goods and services - non cash</b>				
Non cash apprenticeship training grants	90	24	349	100
<b>Total purchase of goods and services - non cash</b>	<b>90</b>	<b>24</b>	<b>349</b>	<b>100</b>
<b>Other operating expenditure – non cash items</b>				
Expected credit loss on receivables	2,650	-	7,660	19,774
Inventories consumed	199,839	94,298	202,664	96,548
<b>Total other operating expenditure</b>	<b>202,489</b>	<b>94,298</b>	<b>210,324</b>	<b>116,322</b>
<b>Total operating expenses - non cash</b>	<b>291,027</b>	<b>181,266</b>	<b>339,714</b>	<b>269,299</b>
<b>Total operating expenses</b>	<b>113,460,000</b>	<b>109,457,621</b>	<b>113,020,030</b>	<b>109,103,672</b>



Parent expenditure figures may be greater than those of the consolidated group due to the elimination of intra-group trading.

- 5 In 2018/19 and 2017/18 NHS England has allocated expenditure through the Provider Sustainability Fund (formally Sustainability and Transformation Fund) for provider support, in line with the NHS England mandate.
- 6 Services from other WGA bodies comprises expenditure with the DHSC, DHSC ALBs and NHS Blood and Transplant.
- 7 The reductions in GP primary care expenditure in 2018/19 in the NHS England parent account, compared to 2017/18 are due to the ongoing switch in budget from NHS England to those CCGs who have taken delegated commissioning responsibilities. This also results in an increase in Group Funding to those CCGs who have assumed delegated commissioning responsibilities.
- 8 In both financial years NHS England purchased no Non Audit services from NAO. Details of CCG non audit expenditure can be found in the underlying individual CCG accounts.
- 9 Funding to group bodies is shown above and represents cash funding drawn down by the CCGs. These balances are eliminated on consolidation.

## 5. Operating leases

### 5.1 As lessee

The group has arrangements in place with NHS Property Services Ltd and Community Health Partnerships Ltd in respect of the utilisation of various clinical and non-clinical properties. These largely relate to payments made in respect of void space in clinical properties, as well as for accommodation costs.

Although formal signed leases are not typically in place for these properties, the transactions involved do convey the right of the group to use property assets. The group has considered the substance of these arrangements under IFRIC 4 'Determining whether an arrangement contains a lease' and determined that the arrangements are (or contain) leases. Work is on-going with NHS Property Services to determine the future minimum lease payments.

Accordingly the payments made in 2018/19 and 2017/18 are disclosed as minimum lease payments in the buildings category in note 5.1.1. However in the absence of formal contracts it is not possible to confirm minimum lease payments for future years and hence no disclosure is made for these buildings in note 5.1.2. It is expected that the payments recognised in 2018/19 would continue to be minimum lease payments in 2019/20.

Within the group a small number CCGs act as a lessor. Details of these arrangements can be found in the underlying CCG accounts.

#### 5.1.1 Payments recognised as an expense

Parent	2018/19			2017/18		
	Buildings £000	Other £000	Total £000	Buildings £000	Other £000	Total £000
<b>Payments recognised as an expense</b>						
Minimum lease payments	68,076	1,261	<b>69,337</b>	78,042	2,087	<b>80,129</b>
Contingent rents	-	-	-	-	-	-
<b>Total</b>	<b>68,076</b>	<b>1,261</b>	<b>69,337</b>	<b>78,042</b>	<b>2,087</b>	<b>80,129</b>
Consolidated Group	2018/19			2017/18		
	Buildings £000	Other £000	Total £000	Buildings £000	Other £000	Total £000
<b>Payments recognised as an expense</b>						
Minimum lease payments	345,259	2,841	<b>348,100</b>	322,075	3,969	<b>326,044</b>
Contingent rents	-	1,533	<b>1,533</b>	-	27	<b>27</b>
<b>Total</b>	<b>345,259</b>	<b>4,374</b>	<b>349,633</b>	<b>322,075</b>	<b>3,996</b>	<b>326,071</b>

## 5.1.2 Future minimum lease payments

Parent	2018/19			2017/18		
	Buildings £000	Other £000	Total £000	Buildings £000	Other £000	Total £000
<b>Payable:</b>						
No later than one year	37,340	930	<b>38,270</b>	31,303	1,214	<b>32,517</b>
Between one and five years	56,394	234	<b>56,628</b>	59,956	274	<b>60,230</b>
After five years	3,414	-	<b>3,414</b>	4,257	-	<b>4,257</b>
<b>Total</b>	<b>97,148</b>	<b>1,164</b>	<b>98,312</b>	<b>95,516</b>	<b>1,488</b>	<b>97,004</b>

Consolidated Group	2018/19			2017/18		
	Buildings £000	Other £000	Total £000	Buildings £000	Other £000	Total £000
<b>Payable:</b>						
No later than one year	79,819	1,613	<b>81,432</b>	66,190	2,154	<b>68,344</b>
Between one and five years	138,658	856	<b>139,514</b>	116,578	943	<b>117,521</b>
After five years	35,838	-	<b>35,838</b>	27,771	2	<b>27,773</b>
<b>Total</b>	<b>254,315</b>	<b>2,469</b>	<b>256,784</b>	<b>210,539</b>	<b>3,099</b>	<b>213,638</b>

## 6. Property, plant and equipment

<b>Parent 2018/19</b>	<b>Buildings excluding dwellings £000</b>	<b>Assets under construction and payments on account £000</b>	<b>Plant &amp; machinery £000</b>	<b>Transport equipment £000</b>	<b>Information technology £000</b>	<b>Furniture &amp; fittings £000</b>	<b>Total £000</b>
<b>Cost or valuation at 1 April 2018</b>	<b>404</b>	-	<b>1,062</b>	<b>211</b>	<b>551,866</b>	<b>7,510</b>	<b>561,053</b>
Additions purchased	-	-	-	418	155,610	1,655	<b>157,683</b>
Reclassifications	(183)	-	(32)	-	280	-	<b>65</b>
Disposals	-	-	-	-	(27,925)	(312)	<b>(28,237)</b>
<b>Cost or valuation at 31 March 2019</b>	<b>221</b>	-	<b>1,030</b>	<b>629</b>	<b>679,831</b>	<b>8,853</b>	<b>690,564</b>
<b>Depreciation 1 April 2018</b>	<b>38</b>	-	<b>289</b>	<b>23</b>	<b>206,963</b>	<b>3,183</b>	<b>210,496</b>
Reclassifications	-	-	-	-	-	-	-
Disposals	-	-	-	-	(27,925)	(312)	<b>(28,237)</b>
Charged during the year	44	-	198	40	113,522	1,294	<b>115,098</b>
<b>At 31 March 2019</b>	<b>82</b>	-	<b>487</b>	<b>63</b>	<b>292,560</b>	<b>4,165</b>	<b>297,357</b>
<b>Net Book Value at 31 March 2019</b>	<b>139</b>	-	<b>543</b>	<b>566</b>	<b>387,271</b>	<b>4,688</b>	<b>393,207</b>
<b>Asset financing:</b>							
Owned	139	-	543	566	387,271	4,688	<b>393,207</b>
<b>Total at 31 March 2019</b>	<b>139</b>	-	<b>543</b>	<b>566</b>	<b>387,271</b>	<b>4,688</b>	<b>393,207</b>

**Parent  
2017/18**

	Buildings excluding dwellings £000	Assets under construction and payments on account £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Cost or valuation at 1 April 2017</b>	<b>2,292</b>	<b>676</b>	<b>1,940</b>	<b>32</b>	<b>414,408</b>	<b>6,902</b>	<b>426,250</b>
Additions purchased	-	-	501	179	159,077	707	<b>160,464</b>
Reclassifications	-	(676)	(162)	-	937	(99)	-
Disposals	(1,888)	-	(1,217)	-	(22,556)	-	<b>(25,661)</b>
<b>Cost or valuation at 31 March 2018</b>	<b>404</b>	<b>-</b>	<b>1,062</b>	<b>211</b>	<b>551,866</b>	<b>7,510</b>	<b>561,053</b>
<b>Depreciation 1 April 2017</b>	<b>1,889</b>	<b>-</b>	<b>1,394</b>	<b>18</b>	<b>145,459</b>	<b>2,056</b>	<b>150,816</b>
Reclassifications	-	-	-	-	-	-	-
Disposals	(1,888)	-	(1,217)	-	(22,556)	-	<b>(25,661)</b>
Charged during the year	37	-	112	5	84,060	1,127	<b>85,341</b>
<b>At 31 March 2018</b>	<b>38</b>	<b>-</b>	<b>289</b>	<b>23</b>	<b>206,963</b>	<b>3,183</b>	<b>210,496</b>
<b>Net Book Value at 31 March 2018</b>	<b>366</b>	<b>-</b>	<b>773</b>	<b>188</b>	<b>344,903</b>	<b>4,327</b>	<b>350,557</b>
<b>Asset financing:</b>							
Owned	366	-	773	188	344,903	4,327	<b>350,557</b>
<b>Total at 31 March 2018</b>	<b>366</b>	<b>-</b>	<b>773</b>	<b>188</b>	<b>344,903</b>	<b>4,327</b>	<b>350,557</b>

## 6. Property, plant and equipment

### Consolidated Group 2018/19

	Buildings excluding dwellings £000	Assets under construction and payments on account £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Cost or valuation at 1 April 2018</b>	<b>2,567</b>	<b>312</b>	<b>17,223</b>	<b>327</b>	<b>613,141</b>	<b>17,156</b>	<b>650,726</b>
Addition of assets under construction and payments on account	-	65	-	-	-	-	<b>65</b>
Additions purchased	14	-	35	418	167,581	2,964	<b>171,012</b>
Reclassifications	(362)	293	(32)	-	(9)	157	<b>47</b>
Disposals	-	(140)	(99)	(3)	(28,854)	(312)	<b>(29,408)</b>
Impairments charged	-	-	-	-	(248)	-	<b>(248)</b>
<b>Cost or valuation at 31 March 2019</b>	<b>2,219</b>	<b>530</b>	<b>17,127</b>	<b>742</b>	<b>751,611</b>	<b>19,965</b>	<b>792,194</b>
<b>Depreciation 1 April 2018</b>	<b>394</b>	<b>-</b>	<b>8,951</b>	<b>139</b>	<b>242,425</b>	<b>8,446</b>	<b>260,355</b>
Reclassifications	(11)	-	-	-	(26)	35	<b>(2)</b>
Disposals	-	-	(67)	(3)	(28,854)	(313)	<b>(29,237)</b>
Impairments charged	-	-	-	-	(44)	337	<b>293</b>
Charged during the year	209	-	1,857	40	122,551	2,449	<b>127,106</b>
<b>At 31 March 2019</b>	<b>592</b>	<b>-</b>	<b>10,741</b>	<b>176</b>	<b>336,052</b>	<b>10,954</b>	<b>358,515</b>
<b>Net Book Value at 31 March 2019</b>	<b>1,627</b>	<b>530</b>	<b>6,386</b>	<b>566</b>	<b>415,559</b>	<b>9,011</b>	<b>433,679</b>
<b>Asset financing:</b>							
Owned	1,627	530	5,620	566	415,559	9,011	<b>432,913</b>
Held on finance lease	-	-	766	-	-	-	<b>766</b>
<b>Total at 31 March 2019</b>	<b>1,627</b>	<b>530</b>	<b>6,386</b>	<b>566</b>	<b>415,559</b>	<b>9,011</b>	<b>433,679</b>

**Consolidated Group  
2017/18**

	Buildings excluding dwellings £000	Assets under construction and payments on account £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Cost or valuation at 1 April 2017</b>	<b>4,046</b>	<b>2,579</b>	<b>17,849</b>	<b>148</b>	<b>470,190</b>	<b>16,275</b>	<b>511,087</b>
Addition of assets under construction and payments on account	-	148	-	-	-	-	<b>148</b>
Additions purchased	353	-	517	179	167,642	1,217	<b>169,908</b>
Reclassifications	57	(1,117)	183	-	(236)	(171)	<b>(1,284)</b>
Disposals	(1,889)	(1,298)	(1,326)	-	(24,433)	(165)	<b>(29,111)</b>
Impairments charged	-	-	-	-	(22)	-	<b>(22)</b>
<b>Cost or valuation at 31 March 2018</b>	<b>2,567</b>	<b>312</b>	<b>17,223</b>	<b>327</b>	<b>613,141</b>	<b>17,156</b>	<b>650,726</b>
<b>Depreciation 1 April 2017</b>	<b>2,084</b>	-	<b>8,309</b>	<b>134</b>	<b>175,046</b>	<b>6,176</b>	<b>191,749</b>
Reclassifications	1	-	-	-	(951)	-	<b>(950)</b>
Disposals	(1,889)	-	(1,302)	-	(24,412)	(149)	<b>(27,752)</b>
Impairments charged	-	-	-	-	-	-	-
Charged during the year	198	-	1,944	5	92,742	2,419	<b>97,308</b>
<b>At 31 March 2018</b>	<b>394</b>	-	<b>8,951</b>	<b>139</b>	<b>242,425</b>	<b>8,446</b>	<b>260,355</b>
<b>Net Book Value at 31 March 2018</b>	<b>2,173</b>	<b>312</b>	<b>8,272</b>	<b>188</b>	<b>370,716</b>	<b>8,710</b>	<b>390,371</b>
<b>Asset financing:</b>							
Owned	1,783	312	7,421	188	370,716	8,710	<b>389,130</b>
Held on finance lease	390	-	851	-	-	-	<b>1,241</b>
<b>Total at 31 March 2018</b>	<b>2,173</b>	<b>312</b>	<b>8,272</b>	<b>188</b>	<b>370,716</b>	<b>8,710</b>	<b>390,371</b>

## 7. Intangible non-current assets

<b>Parent 2018/19</b>	<b>Computer software: purchased £000</b>	<b>Licences and trademarks £000</b>	<b>Development expenditure (internally generated) £000</b>	<b>Total £000</b>
<b>Cost or valuation at 1 April 2018</b>	<b>15,466</b>	<b>8</b>	<b>1,973</b>	<b>17,447</b>
Additions purchased	1,027	-	-	1,027
Reclassifications	-	-	(65)	(65)
Disposals	(9,010)	-	-	(9,010)
Transfer (to)/from other public sector body	-	-	-	-
<b>At 31 March 2019</b>	<b>7,483</b>	<b>8</b>	<b>1,908</b>	<b>9,399</b>
<b>Amortisation 1 April 2018</b>	<b>12,208</b>	<b>8</b>	<b>374</b>	<b>12,590</b>
Reclassifications	-	-	-	-
Disposals	(9,010)	-	-	(9,010)
Charged during the year	1,999	-	304	2,303
Transfer (to) from other public sector body	-	-	-	-
<b>At 31 March 2019</b>	<b>5,197</b>	<b>8</b>	<b>678</b>	<b>5,883</b>
<b>Net Book Value at 31 March 2019</b>	<b>2,286</b>	<b>-</b>	<b>1,230</b>	<b>3,516</b>
<b>Asset financing:</b>				
Owned	2,286	-	1,230	3,516
<b>Total at 31 March 2019</b>	<b>2,286</b>	<b>-</b>	<b>1,230</b>	<b>3,516</b>
<b>Parent 2017/18</b>	<b>Computer software: purchased £000</b>	<b>Licences and trademarks £000</b>	<b>Development expenditure (internally generated) £000</b>	<b>Total £000</b>
<b>Cost or valuation at 1 April 2017</b>	<b>20,672</b>	<b>8</b>	<b>349</b>	<b>21,029</b>
Additions purchased	590	-	1,624	2,214
Reclassifications	-	-	-	-
Disposals	(5,796)	-	-	(5,796)
Transfer (to)/from other public sector body	-	-	-	-
<b>At 31 March 2018</b>	<b>15,466</b>	<b>8</b>	<b>1,973</b>	<b>17,447</b>
<b>Amortisation 1 April 2017</b>	<b>13,186</b>	<b>8</b>	<b>349</b>	<b>13,543</b>
Reclassifications	-	-	-	-
Disposals	(5,796)	-	-	(5,796)
Charged during the year	4,818	-	25	4,843
Transfer (to)/from other public sector body	-	-	-	-
<b>At 31 March 2018</b>	<b>12,208</b>	<b>8</b>	<b>374</b>	<b>12,590</b>
<b>Net Book Value at 31 March 2018</b>	<b>3,258</b>	<b>-</b>	<b>1,599</b>	<b>4,857</b>
<b>Asset financing:</b>				
Owned	3,258	-	1,599	4,857
<b>Total at 31 March 2018</b>	<b>3,258</b>	<b>-</b>	<b>1,599</b>	<b>4,857</b>



## Consolidated Group 2018/19

	Computer software: purchased £000	Licences and trademarks £000	Development expenditure (internally generated) £000	Total £000
<b>Cost or valuation at 1 April 2018</b>	<b>25,179</b>	<b>8</b>	<b>3,609</b>	<b>28,796</b>
Additions purchased	1,826	-	-	<b>1,826</b>
Reclassifications	18	-	(65)	<b>(47)</b>
Disposals	(9,224)	-	-	<b>(9,224)</b>
Upward revaluation gains	-	-	-	-
Impairments charged	-	-	-	-
<b>At 31 March 2019</b>	<b>17,799</b>	<b>8</b>	<b>3,544</b>	<b>21,351</b>
<b>Amortisation 1 April 2018</b>	<b>16,647</b>	<b>8</b>	<b>885</b>	<b>17,540</b>
Reclassifications	2	-	-	<b>2</b>
Disposals	(9,224)	-	-	<b>(9,224)</b>
Charged during the year	3,880	-	538	<b>4,418</b>
<b>At 31 March 2019</b>	<b>11,305</b>	<b>8</b>	<b>1,423</b>	<b>12,736</b>
<b>Net Book Value at 31 March 2019</b>	<b>6,494</b>	<b>-</b>	<b>2,121</b>	<b>8,615</b>
<b>Asset financing:</b>				
Owned	6,494	-	2,121	<b>8,615</b>
<b>Total at 31 March 2019</b>	<b>6,494</b>	<b>-</b>	<b>2,121</b>	<b>8,615</b>

## Consolidated Group 2017/18

	Computer software: purchased £000	Licences and trademarks £000	Development expenditure (internally generated) £000	Total £000
<b>Cost or valuation at 1 April 2017</b>	<b>27,143</b>	<b>8</b>	<b>2,573</b>	<b>29,724</b>
Additions purchased	2,617	-	1,625	<b>4,242</b>
Reclassifications	1,273	-	11	<b>1,284</b>
Disposals	(5,854)	-	(600)	<b>(6,454)</b>
Impairments charged	-	-	-	-
<b>At 31 March 2018</b>	<b>25,179</b>	<b>8</b>	<b>3,609</b>	<b>28,796</b>
<b>Amortisation 1 April 2017</b>	<b>15,597</b>	<b>8</b>	<b>1,405</b>	<b>17,010</b>
Reclassifications	950	-	-	<b>950</b>
Disposals	(5,805)	-	(600)	<b>(6,405)</b>
Upward revaluation gains	-	-	-	-
Charged during the year	5,905	-	80	<b>5,985</b>
<b>At 31 March 2018</b>	<b>16,647</b>	<b>8</b>	<b>885</b>	<b>17,540</b>
<b>Net Book Value at 31 March 2018</b>	<b>8,532</b>	<b>-</b>	<b>2,724</b>	<b>11,256</b>
<b>Asset financing:</b>				
Owned	8,532	-	2,724	<b>11,256</b>
<b>Total at 31 March 2018</b>	<b>8,532</b>	<b>-</b>	<b>2,724</b>	<b>11,256</b>

## 8. Trade and other receivables

	Parent				Consolidated Group			
	Current 2018/19 £000	Non- current 2018/19 £000	Current 2017/18 £000	Non- current 2017/18 £000	Current 2018/19 £000	Non- current 2018/19 £000	Current 2017/18 £000	Non- current 2017/18 £000
NHS receivables: revenue	48,684	-	49,853	-	100,583	-	123,989	-
NHS prepayments	10,805	-	10,359	-	217,589	-	219,877	-
NHS accrued income	17,477	-	29,417	-	120,132	-	125,090	-
NHS Non contract receivables	-	-	-	-	3,415	-	-	-
NHS contract assets	-	-	-	-	485	-	-	-
Non-NHS and other WGA receivables: revenue	34,813	-	62,481	-	251,116	326	225,799	-
Non-NHS and other WGA prepayments	64,311	-	62,283	-	144,897	209	163,777	440
Non-NHS and other WGA accrued income	23,638	-	15,803	-	98,634	-	131,674	-
Non-NHS and other WGA Non contract receivables	-	-	-	-	8,085	-	-	-
Non-NHS contract assets	-	-	-	-	201	-	-	-
Expected credit loss allowance-receivables	(3,391)	-	(1,279)	-	(20,289)	-	(29,438)	-
VAT	8,962	-	8,564	-	24,113	-	23,350	-
Other receivables and accruals	1,624	-	5,662	-	17,321	3	24,364	3
<b>Total</b>	<b>206,923</b>	<b>-</b>	<b>243,143</b>	<b>-</b>	<b>966,282</b>	<b>538</b>	<b>1,008,482</b>	<b>443</b>
Other financial assets	-	-	-	-	-	554	-	554
<b>Total current and non current</b>	<b>206,923</b>	<b>243,143</b>			<b>967,374</b>	<b>1,009,479</b>		

## 8.1 Impact of application of IFRS 9 on financial assets at 1 April 2018

	Parent				Consolidated Group			
	Receivables £000	Cash at bank £000	Other financial assets £000	Total £000	Receivables £000	Cash at bank £000	Other financial assets £000	Total £000
<b>Carrying values under IAS 39 as at 31 March 2018</b>								
Financial assets held at amortised cost (loans & receivables and held to maturity investments)	157,554	144,765	5,662	<b>307,981</b>	606,551	165,745	24,921	<b>797,217</b>
<b>Total at 31 March 2018 under IAS 39</b>	<b>157,554</b>	<b>144,765</b>	<b>5,662</b>	<b>307,981</b>	<b>606,551</b>	<b>165,745</b>	<b>24,921</b>	<b>797,217</b>
<b>Carrying values under IFRS 9 as at 1 April 2018</b>								
Financial assets measured at amortised cost	159,537	144,765	5,662	<b>309,964</b>	606,496	165,745	24,921	<b>797,162</b>
<b>Total at 1 April 2018 under IFRS 9</b>	<b>159,537</b>	<b>144,765</b>	<b>5,662</b>	<b>309,964</b>	<b>606,496</b>	<b>165,745</b>	<b>24,921</b>	<b>797,162</b>
<b>Effect of implementation of IFRS 9 as at 1 April 2018</b>								
Other changes (ECL adj through reserves)	(1,983)	-	-	<b>(1,983)</b>	55	-	-	<b>55</b>
<b>Change in carrying amount</b>	<b>(1,983)</b>	<b>-</b>	<b>-</b>	<b>(1,983)</b>	<b>55</b>	<b>-</b>	<b>-</b>	<b>55</b>

## 8.2 Movement in loss allowances due to application of IFRS 9

	Parent			Consolidated Group		
	Receivables £000	Other financial assets £000	Total £000	Receivables £000	Other financial assets £000	Total £000
<b>Impairment and provisions allowances under IAS 39 as at 31st March 2018</b>						
Financial assets held at amortised cost	(1,279)	-	<b>(1,279)</b>	(29,438)	-	<b>(29,438)</b>
Financial assets held at fair value through other comprehensive income	-	-	-	-	-	-
<b>Total at 31st March 2018</b>	<b>(1,279)</b>	<b>-</b>	<b>(1,279)</b>	<b>(29,438)</b>	<b>-</b>	<b>(29,438)</b>
<b>Loss allowance under IFRS 9 as at 1st April 2018</b>						
Financial Assets measured at amortised cost	(3,262)	-	<b>(3,262)</b>	(29,383)	-	<b>(29,383)</b>
Financial assets held at fair value through other comprehensive income	-	-	-	-	-	-
<b>Total at 1st April 2018</b>	<b>(3,262)</b>	<b>-</b>	<b>(3,262)</b>	<b>(29,383)</b>	<b>-</b>	<b>(29,383)</b>
<b>Change in loss allowance arising from application of IFRS 9</b>	<b>(1,983)</b>	<b>-</b>	<b>(1,983)</b>	<b>55</b>	<b>-</b>	<b>55</b>

## 9. Cash and cash equivalents

	Parent		Consolidated Group	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Balance at 1 April 2018	144,765	263,885	163,096	268,356
Net change in year	44,176	(119,120)	33,598	(105,260)
<b>Balance at 31 March 2019</b>	<b>188,941</b>	<b>144,765</b>	<b>196,694</b>	<b>163,096</b>
Made up of:				
Cash with the Government Banking Service	96,978	58,465	113,253	78,845
Cash with commercial banks	-	-	-	26
Hosted cash/cash in hand	89,810	86,300	90,082	86,874
Current investments	2,153	-	2,153	-
<b>Cash and cash equivalents as in statement of financial position</b>	<b>188,941</b>	<b>144,765</b>	<b>205,488</b>	<b>165,745</b>
Bank overdraft: Government Banking Service	-	-	(8,794)	(2,649)
<b>Total bank overdrafts</b>	<b>-</b>	<b>-</b>	<b>(8,794)</b>	<b>(2,649)</b>
<b>Balance at 31 March 2019</b>	<b>188,941</b>	<b>144,765</b>	<b>196,694</b>	<b>163,096</b>

For details of bank overdraft see note 10.

Included within hosted cash/cash in hand above is £89.8 million (2017/18 £86.3 million) held on behalf of NHS England by the NHS BSA.

Current investments within cash and cash equivalents include cash held in solicitor commercial escrow accounts that is not available for use by the group.

## 10. Trade and other payables

	Parent				Consolidated Group			
	Current 2018/19 £000	Non- current 2018/19 £000	Current 2017/18 £000	Non- current 2017/18 £000	Current 2018/19 £000	Non- current 2018/19 £000	Current 2017/18 £000	Non- current 2017/18 £000
NHS payables:								
revenue	528,945	-	645,415	-	1,227,807	-	1,394,629	-
NHS payables: capital	15,368	-	24,013	-	767	-	114	-
NHS accruals	2,288,229	-	1,633,777	-	2,957,898	-	2,200,725	-
NHS deferred income	375	-	649	-	205	-	199	-
NHS contract liabilities	124	-	-	-	6,574	-	-	-
Non-NHS and other								
WGA payables:								
revenue	150,252	-	144,477	-	1,071,135	-	975,487	-
Non-NHS and other								
WGA payables: capital	43,860	-	39,356	-	47,608	-	41,763	-
Non-NHS and other								
WGA accruals	1,144,291	-	1,033,456	-	4,382,565	-	3,945,570	-
Non-NHS and other								
WGA deferred income	983	-	2,926	-	15,666	762	19,713	73
Non-NHS contract								
liabilities	2,125	-	-	-	2,125	-	-	-
Social security costs	7,693	-	7,407	-	21,912	-	20,305	-
VAT	-	-	-	-	375	-	316	-
Tax	20,190	-	19,980	-	33,796	-	31,642	-
Payments received on								
account	108	-	7	-	722	-	88	-
Other payables and								
accruals	324,461	26	298,831	26	820,780	2,850	747,847	2,188
<b>Total</b>	<b>4,527,004</b>	<b>26</b>	<b>3,850,294</b>	<b>26</b>	<b>10,589,935</b>	<b>3,612</b>	<b>9,378,398</b>	<b>2,261</b>
<b>Other financial liabilities</b>								
Bank overdraft -								
Government Banking	-	-	-	-	8,794	-	2,649	-
Service								
Finance lease liabilities	-	-	-	-	121	828	121	917
Other financial								
liabilities - other	-	-	-	-	-	95	-	107
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,915</b>	<b>923</b>	<b>2,770</b>	<b>1,024</b>
<b>Total trade &amp; other payables (current)</b>	<b>4,527,004</b>		<b>3,850,294</b>		<b>10,598,850</b>		<b>9,381,168</b>	
<b>Total trade &amp; other payables (non-current)</b>		<b>26</b>		<b>26</b>		<b>4,535</b>		<b>3,285</b>
<b>Total trade &amp; other payables (current and non-current)</b>	<b>4,527,030</b>		<b>3,850,320</b>		<b>10,603,385</b>		<b>9,384,453</b>	

## 11 Finance costs

	Parent		Consolidated Group	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
<b>Interest</b>				
Interest on obligations under finance leases	-	-	36	39
Interest on late payment of commercial debt	-	-	12	3
Other interest expense	-	-	4	1
<b>Total interest</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>43</b>
Other finance costs	-	-	4	-
Provisions: unwinding of discount	533	(1,089)	588	(1,306)
<b>Total finance costs</b>	<b>533</b>	<b>(1,089)</b>	<b>644</b>	<b>(1,263)</b>

## 12 Provisions

Parent	Current	Non-current	Current	Non-current
	2018/19	2018/19	2017/18	2017/18
	£000	£000	£000	£000
Restructuring	576	-	486	-
Redundancy	-	-	201	-
Legal claims	978	945	1,769	564
Continuing care	21,853	-	33,634	-
Other	7,286	21,259	35,767	10,587
<b>Total</b>	<b>30,693</b>	<b>22,204</b>	<b>71,857</b>	<b>11,151</b>
<b>Total current and non-current</b>	<b>52,897</b>		<b>83,008</b>	

	Restructuring	Redundancy	Legal	Continuing	Other	Total
	£000	£000	claims	care	£000	£000
	£000	£000	£000	£000	£000	£000
<b>Balance at 1 April 2018</b>	<b>486</b>	<b>201</b>	<b>2,333</b>	<b>33,634</b>	<b>46,354</b>	<b>83,008</b>
Arising during the year	550	-	27	5,765	15,131	<b>21,473</b>
Utilised during the year	(167)	-	(280)	(564)	(681)	<b>(1,692)</b>
Reversed unused	(293)	(201)	(177)	(16,390)	(32,903)	<b>(49,964)</b>
Unwinding of discount	-	-	57	(321)	797	<b>533</b>
Change in discount rate	-	-	(37)	(271)	(153)	<b>(461)</b>
<b>Balance at 31 March 2019</b>	<b>576</b>	<b>-</b>	<b>1,923</b>	<b>21,853</b>	<b>28,545</b>	<b>52,897</b>
<b>Expected timing of cash flows:</b>						
Within one year	576	-	978	21,853	7,286	<b>30,693</b>
Between one and five years	-	-	945	-	16,090	<b>17,035</b>
After five years	-	-	-	-	5,169	<b>5,169</b>
<b>Balance at 31 March 2019</b>	<b>576</b>	<b>-</b>	<b>1,923</b>	<b>21,853</b>	<b>28,545</b>	<b>52,897</b>

Consolidated Group	Current	Non-current	Current	Non-current
	2018/19	2018/19	2017/18	2017/18
	£000	£000	£000	£000
Restructuring	1,395	-	1,389	-
Redundancy	1,696	-	2,826	-
Legal claims	3,525	945	2,274	564
Continuing care	64,730	8,603	80,296	6,224
Other	63,736	32,338	91,146	19,433
<b>Total</b>	<b>135,082</b>	<b>41,886</b>	<b>177,931</b>	<b>26,221</b>
<b>Total current and non-current</b>	<b>176,968</b>		<b>204,152</b>	

	Restructuring £000	Redundancy £000	Legal claims £000	Continuing care £000	Other £000	Total £000
<b>Balance at 1 April 2018</b>	<b>1,389</b>	<b>2,826</b>	<b>2,838</b>	<b>86,520</b>	<b>110,579</b>	<b>204,152</b>
Arising during the year	1,465	1,822	2,465	41,762	49,375	<b>96,889</b>
Utilised during the year	(1,033)	(2,084)	(584)	(14,955)	(6,246)	<b>(24,902)</b>
Reversed unused	(426)	(868)	(269)	(39,668)	(58,253)	<b>(99,484)</b>
Unwinding of discount	-	-	57	(224)	755	<b>588</b>
Change in discount rate	-	-	(37)	(102)	(136)	<b>(275)</b>
<b>Balance at 31 March 2019</b>	<b>1,395</b>	<b>1,696</b>	<b>4,470</b>	<b>73,333</b>	<b>96,074</b>	<b>176,968</b>

**Expected timing of cash flows:**

Within one year	1,395	1,696	3,525	64,730	63,736	<b>135,082</b>
Between one and five years	-	-	945	8,603	25,939	<b>35,487</b>
After five years	-	-	-	-	6,399	<b>6,399</b>
<b>Balance at 31 March 2019</b>	<b>1,395</b>	<b>1,696</b>	<b>4,470</b>	<b>73,333</b>	<b>96,074</b>	<b>176,968</b>

NHS Continuing Healthcare is a package of health and social care arranged and funded solely by the NHS for a person aged 18 or over to meet physical or mental health needs which have arisen as a result of disability, accident or illness. Where an individual has both health and social care needs, but they have been assessed as having a 'primary health need' under the National Framework for NHS Continuing Healthcare and NHS-funded Nursing Care, the NHS has responsibility for providing for all of that individual's assessed needs, both the health and social care. The amount included in the table above as 'Continuing Care' represents the best estimate, at the year end date, of the liabilities of NHS England group relating to the obligation of the NHS to pay for cases of such care and hence its responsibility for reimbursing patients and their families for costs incurred.

"Other" provisions arising in 2018/19 in the parent include provisions for pension disputes (£8 million) and dilapidations (£4.2 million). Within the reversed unused amount in the parent is the reversal of the breast screening provision arising in 2017/18 following further assessment of the liability to NHS England.

The NHS Resolution financial statements disclose a provision of £47,605,694 as at 31 March 2019 in respect of clinical negligence liabilities and employment liability scheme of NHS England (31 March 2018: £68,476,936).



### 13. Contingencies

	Parent		Consolidated Group	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
<b>Contingent liabilities</b>				
Employment tribunal	276	163	411	163
NHS Resolution employee liability claim	14	3	18	20
Continuing healthcare	-	-	14,581	13,603
Local authority - package recharges	-	-	-	171
Legal claims	8,966	14,991	8,966	14,991
NHS Resolution legal claims	-	-	-	2
Pension claims	-	7,070	-	7,070
Her Majesty's Revenue and Customs	-	-	1,794	1,113
West Wakefield Health and Wellbeing Ltd potential VAT liability	-	-	685	685
Other - service issues	-	1,500	-	1,500
Contract disputes with NHS bodies	-	-	-	1,958
Other	-	34	1,150	1,090
<b>Net value of contingent liabilities</b>	<b>9,256</b>	<b>23,761</b>	<b>27,605</b>	<b>42,366</b>
	Parent		Consolidated Group	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
<b>Contingent assets</b>				
Legal cases	4,424	1,138	4,424	1,138
Potential recoveries re disrupted services	-	103	-	103
Potential rate rebates	-	-	532	407
<b>Net value of contingent assets</b>	<b>4,424</b>	<b>1,241</b>	<b>4,956</b>	<b>1,648</b>

Seven Sussex CCGs are jointly taking steps to enforce the terms of a parent company guarantee submitted as part of the non-emergency patient services contract which was terminated with effect from 31st March 2017. The position remains that due to the inherent uncertainties regarding the claim, it is not possible to give an accurate quantification of the precise financial consequences of the legal steps initiated but it is considered that these will not have a material impact on the future reported position of the CCGs.

Contingent liabilities are those for which provisions have not been recorded as there is a possible obligation depending on uncertain future events, or a present obligation where payment is not probable or the amount cannot be measured reliably. Contingent assets are those where a possible asset arises from a past event and whose existence will be confirmed only by the occurrence or non occurrence of an uncertain future event not wholly within the control of the entity. These are disclosed only when the inflow of economic benefit is probable.

## 14. Commitments

### 14.1 Capital commitments

	Parent		Consolidated Group	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Property, plant and equipment	16,351	38,061	16,455	38,833
<b>Total</b>	<b>16,351</b>	<b>38,061</b>	<b>16,455</b>	<b>38,833</b>

### 14.2 Other financial commitments

NHS England has entered into non-cancellable contracts (which are not leases, private finance initiative contracts or other service concession arrangements) which expire as follows:

	Parent		Consolidated Group	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
In not more than one year	190,150	133,292	266,785	229,469
In more than one year but not more than five years	528,346	406,477	616,174	616,635
In more than five years	-	40,252	74,819	69,614
<b>Total</b>	<b>718,496</b>	<b>580,021</b>	<b>957,778</b>	<b>915,718</b>

In the parent account the most significant contracts relate to:

- Contract with Capita for the delivery of administration services for Primary Care.
- PET Scanner contract with Alliance Medical.
- Care UK contract for Prison Healthcare.

In the group account the most significant commitment relates to:

- An indemnity given by NHS Trafford CCG to NHS Property Services in relation to the Altrincham Hub.

## 15. Financial instruments

### 15.1 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 NHS England is financed through parliamentary funding, it 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. NHS England 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 CCG in undertaking its activities.

Treasury management operations are carried out by the finance department, within parameters defined formally within the NHS England SFIs and policies agreed by the CCG Governing Bodies. Treasury activity is subject to review by the NHS England internal auditors.

#### 15.1.1 Currency risk

NHS England is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based.

NHS England has no overseas operations. NHS England therefore has low exposure to currency rate fluctuations.

#### 15.1.2 Interest rate risk

NHS England does not have any borrowings that are subject to interest rate risk.

#### 15.1.3 Credit risk

Because the majority of NHS England revenue comes from parliamentary funding, NHS England has low exposure to credit risk. The maximum exposure as at the end of the financial year is in receivables from customers, as disclosed in the trade and other receivables note.

#### 15.1.4 Liquidity risk

NHS England is required to operate within revenue and capital resource limits, which are financed from resources voted annually by Parliament.

NHS England draws down cash to cover expenditure, as the need arises. NHS England is not, therefore, exposed to significant liquidity risks.

#### 15.1.5 Financial instruments

As the cash requirements of NHS England are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with NHS England's expected purchase and usage requirements and NHS England is therefore exposed to little credit, liquidity or market risk.

## 16. Operating segments

<b>Consolidated Group 2018/19</b>	<b>CCGs £000</b>	<b>Direct commissioning £000</b>	<b>NHS England £000</b>	<b>Other £000</b>	<b>Intra-group eliminations £000</b>	<b>NHS England group total £000</b>
Income	(851,031)	(1,462,807)	(54,286)	(485,519)	749,433	<b>(2,104,210)</b>
Gross expenditure	85,415,387	25,984,756	3,826,387	493,023	(749,433)	<b>114,970,120</b>
<b>Total net expenditure</b>	<b>84,564,356</b>	<b>24,521,949</b>	<b>3,772,101</b>	<b>7,504</b>	<b>-</b>	<b>112,865,910</b>

### Revenue resource expenditure

Revenue departmental expenditure limit	112,836,816
Annually managed expenditure	(19,405)
Technical expenditure	48,499
<b>Total net expenditure</b>	<b>112,865,910</b>

### Reconciliation back to SoCNE

Total net expenditure for the year	112,865,910
Net (gain)/loss on revaluation of intangibles	-
Actuarial (gain)/loss in pension schemes	871
<b>Comprehensive net expenditure for the year</b>	<b>112,866,781</b>

### Consolidated Group 2017/18

<b>Consolidated Group 2017/18</b>	<b>CCGs £000</b>	<b>Direct commissioning £000</b>	<b>NHS England £000</b>	<b>Other £000</b>	<b>Intra-group eliminations £000</b>	<b>NHS England group total £000</b>
Income	(986,284)	(1,563,636)	(27,875)	(504,964)	899,484	<b>(2,183,275)</b>
Gross expenditure	82,232,658	25,821,470	3,307,317	483,700	(899,484)	<b>110,945,661</b>
<b>Total net expenditure</b>	<b>81,246,374</b>	<b>24,257,834</b>	<b>3,279,442</b>	<b>(21,264)</b>	<b>-</b>	<b>108,762,386</b>

### Revenue resource expenditure

Revenue departmental expenditure limit	108,689,363
Annually managed expenditure	18,107
Technical expenditure	54,916
<b>Total net expenditure</b>	<b>108,762,386</b>

### Reconciliation back to SoCNE

Net operating expenditure for the financial year	108,762,386
Net loss on transfer by absorption	-
Movements in other reserves	(850)
<b>Net operating expenditure for the financial year including absorption losses</b>	<b>108,761,536</b>

The reportable segments disclosed within this note reflect the current structure of NHS England with the activities of each reportable segment reflecting the remit of the organisation. These operating segments are regularly reported to the NHS England Board of Directors for financial management and decision making purposes.

The activities of each segment are defined as follows:-

**Clinical Commissioning Groups** - clinically led groups that are responsible for commissioning healthcare services as defined in the Health and Social Care Act 2012.

**Direct Commissioning** - the services commissioned by NHS England (via Local Offices and Specialised Commissioning Hubs) as defined in the Health and Social Care Act 2012.

**NHS England** - the central administration of the organisation and centrally managed programmes.

**Other** - includes commissioning support units, national reserves, technical accounting items and legacy balances.

Multiple transactions take place between reportable segments, all of which are eliminated upon consolidation as shown in the "Intra-group eliminations" column. Information on total assets and liabilities and net assets and liabilities is not separately reported to the Chief Operating Decision Maker and thus, in accordance with IFRS 8, does not form part of this disclosure.

## 17. Related party transactions

Related party transactions associated with the Parent are disclosed within this note. As disclosed in note 1.3 NHS England acts as the parent to 195 CCGs whose accounts are consolidated within these Financial Statements. These bodies are regarded as related parties with which the Parent has had various material transactions during the year; those transactions are disclosed in those entities' financial statements.

The Department of Health & Social Care, as the parent of NHS England, is regarded as a related party. During the year NHS England has had a significant number of material transactions with entities for which the Department is regarded as the parent Department.

For example:

- NHS Foundation Trusts;
- NHS Trusts;
- NHS Litigation Authority;
- NHS Business Services Authority;
- NHS Property Services;
- NHS Health Education England;
- NHS Shared Business Services (DH Equity Investment).

In addition, NHS England has had a number of significant transactions with other Government departments and their agencies including HMRC, Ministry of Justice and Her Majesty's Prison and Probation Service. No related party transactions were noted with key management personnel other than the compensation paid to them which can be found in the Remuneration Report on pages 126 to 134.

Following a review of disclosure requirements under IAS24, transactions with organisations with which NHS England board members also hold key management roles are not separately disclosed.

## 18. Events after the end of the reporting period

There are no adjusting events after the reporting period which will have a material effect on the financial statements of NHS England.

In March 2018, NHS England announced jointly with Monitor and NHS Trust Development Authority (NHS Improvement) to plan to work in a more integrated way to deliver better outcomes for patients, whilst improving performance and efficiency. During 2018/19, NHS England, Monitor, and NHS TDA published a joint leadership structure which came fully into effect on 1 April 2019 and the organisations are continuing to collaborate on an effective model of joint working but the underlying legal entities of NHS England, Monitor and NHS TDA will remain in place. This has no impact on NHS England's accounts and no adjustments have been made as a result.

From 1 April 2018 a further 14 CCGs commenced delegated commissioning arrangements, taking the total number operating under this initiative to 178. From 1 April 2019 a further 10 CCGs will commence delegated commissioning arrangements, taking the total number operating under the initiative to 184.

These arrangements were first introduced in 2014/15 as part of the NHS Five Year Forward View, under which CCGs assume full responsibility for contractual GP performance management and the design and implementation of local incentive schemes. This will result in a switch in expenditure from NHS England to those CCGs and a corresponding increase in funding to those CCGs.

The accounts were authorised for issue by the Accounting Officer on the date of the Audit Certificate of the Comptroller and Auditor General.

## 19. Financial performance targets

The Mandate: A mandate from the Government to NHS England: April 2018 to March 2019 published by the Secretary of State under section 13A of the National Health Service Act 2006, and the associated Financial Directions as issued by the Department of Health, set out NHS England's total revenue resource limit and total capital resource limit for 2018/19 and certain additional expenditure controls to which NHS England must adhere. These stem from budgetary controls that HM Treasury applies to DHSC. Those limits were revised in May 2019 and NHS England's performance against those limits is set out in the tables below:

	2018/19					2017/18	
	Revenue departmental expenditure limit			Annually-managed expenditure	Technical	Total	Total
	Non-ringfenced £000	Ringfenced £000	Total RDEL £000	£000	£000	£000	£000
Mandate limit	113,620,948	166,000	113,786,948	100,000	200,000	114,086,948	110,001,997
Actual expenditure	112,704,751	132,065	112,836,816	(19,405)	48,499	112,865,910	108,762,386
<b>Surplus</b>	<b>916,197</b>	<b>33,935</b>	<b>950,132</b>	<b>119,405</b>	<b>151,501</b>	<b>1,221,038</b>	<b>1,239,611</b>
		<b>2018/19 Capital resource limit £000</b>		<b>2017/18 Capital resource limit £000</b>			
Limit		254,000		247,000			
Actual expenditure		221,232		227,806			
Surplus		32,768		19,194			

NHS England is required to spend no more than £1,820,561,000 of its Revenue Departmental Expenditure Limit mandate on matters relating to administration in the full year. The actual amount spent on RDEL administration matters to 31st March 2019 was £1,587,848,031 as set out below:

<b>Administration limit:</b>	<b>2018/19 £000</b>	<b>2017/18 £000</b>
Net administration costs before interest	1,589,925	1,592,980
Less:		
Administration expenditure covered by AME/Technical funding	(2,077)	(10,476)
Administration costs relating to RDEL	1,587,848	1,582,504
RDEL Administration expenditure limit	1,820,561	1,805,000
<b>Underspend</b>	<b>232,713</b>	<b>222,496</b>

The various limits of expenditure set out in the table above stem from the limits imposed by HM Treasury on the DHSC. Departmental Expenditure Limits are set in the Spending Review, and government departments may not exceed the limits they have been set. This control is passed down to NHS England by the DHSC and NHS England may not therefore exceed its Departmental Expenditure Limit.

Annually Managed Expenditure (AME) budgets are set by HM Treasury and may be reviewed with departments in the run-up to the Budget. Departments must manage AME closely and inform HM Treasury if they expect AME to rise above forecast. Any increase requires Treasury approval.

There are clear rules governing the classification of certain types of expenditure as AME or Departmental Expenditure Limit.

## 20. Entities within the Consolidated Group

NHS England acts as the Parent of the group comprising 195 CCGs (2017/18: 207 CCGs) whose accounts are consolidated within these Financial Statements.

From the 1st of April 2019 this became 191 CCGs with the merger of 6 CCGs creating 2 new CCGs as per the below:

Merging CCGs	New CCGs
NHS Southern Derbyshire CCG NHS North Derbyshire CCG NHS Erewash CCG NHS Hardwick CCG	NHS Derby & Derbyshire CCG
NHS North, East, West Devon CCG NHS South Devon and Torbay CCG	NHS Devon CCG

A full list of the CCGs can be found on the NHS England website.

The parent entity of NHS England is the Department of Health & Social Care.

The largest group of entities for which group accounts are drawn up and of which NHS England is a member is the Department of Health & Social Care Group.

Copies of the accounts can be obtained from [www.gov.uk/Government/publications](http://www.gov.uk/Government/publications)