The Royal Wolverhampton NHS Trust

Annual Accounts 2025-26

Care Colleagues Collaboration Communities

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Foreword to the Accounts

Financial Review - year ended 31 March 2026

The Financial results achieved by the Trust are shown in the table below. In common with all NHS trusts we are required to meet a number of financial targets

Financial Target	Actual Performance	
	2025-26	2024-25
To break even on income and expenditure, taking one year with another	Surplus of £4.2m	Deficit of £12.4m
To achieve a capital cost absorption rate of between 3% and 4%	3.5%	3.5%
To remain within a Capital Resource Limit set by the Department of Health and Social Care	Achieved	Achieved
To pay 95% of non-NHS trade creditors within 30 days	90%	90%

Kevin Stringer
Group Chief Financial Officer
23 June 2026

Statement of the chief executive's responsibilities as the accountable officer of the trust

The Chief Executive of NHS England has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum*. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the trust
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- effective and sound financial management systems are in place and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which the trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Joe Chadwick-Bell, Group Chief Executive

23 June 2026

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy

By order of the Board

Joe Chadwick-Bell, Group Chief Executive
Date: 23 June 2026

Kevin Stringer, Group Chief Financial Officer
Date: 23 June 2026

Independent auditor's report to the directors of The Royal Wolverhampton NHS Trust

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of The Royal Wolverhampton NHS Trust (the ”Trust”) for the year ended 31 March 2026, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2025-26.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2026 and its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2025-26; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) (the “Code of Audit Practice”) approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the ‘Auditor’s responsibilities for the audit of the financial statements’ section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor’s opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the directors’ conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2025-26 that the Trust’s financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust’s disclosures over the going concern period.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") we are required to consider whether the Annual Governance Statement does not comply with the requirements of the Department of Health and Social Care Group Accounting Manual 2025-26 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2025-26; and
- based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we refer a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we make a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities in respect of the accounts, the directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2025-26).
- We enquired of management and the Audit Committee, concerning the Trust's policies and procedures relating to:

  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the audit committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risks of management override of controls, recognition of other operating income, and completeness of expenditure accruals. We determined that the principal risks were in relation to:
  - manipulation of the year-end position through use of journals
  - bringing forward the recognition of income to improve the current year-end position
  - reducing expenditure accruals to improve the current year-end position
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on transactions with larger values posted around or after year-end that improved the financial position;
  - testing of other operating income to confirm it was accurately recognised in the appropriate period
  - testing of cash payments and invoices received after the year-end to confirm expenditure relating to the year ended 31 March 2026 was appropriately accrued
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations and depreciation;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including management override of controls, recognition of other operating income, and completeness of expenditure accruals. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the Trust operates
  - understanding of the legal and regulatory requirements specific to the Trust including:
    - the provisions of the applicable legislation
    - NHS England's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026.

We have nothing to report in respect of the above matter.

Responsibilities of the Accountable Officer

As explained in the Statement of the chief executive's responsibilities as the accountable officer of the trust, the Chief Executive, as Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 21(2A)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in March 2026. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

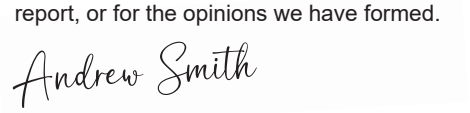
We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for The Royal Wolverhampton NHS Trust for the year ended 31 March 2026 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary in relation to the Trust's consolidation schedules and we have received confirmation from the National Audit Office that the audit of the NHS group consolidation is complete for the year ended 31 March 2026. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2026.

Use of our report

This report is made solely to the directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's directors as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Smith, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

24 June 2026

Annual Governance Statement

Organisation Code: RL4

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum.

The Purpose of The System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of The Royal Wolverhampton NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in The Royal Wolverhampton NHS Trust for the year ended 31 March 2026 and up to the date of approval of the annual report and accounts.

Trust Board (Board of Directors Meetings) and Committees of the Board (As at 31 March 2026)

Group Trust Board Composition

Sir David Nicholson was appointed as the Joint Chair of WHT and RWT on 1 April 2023 for two years. His tenure was extended in January 2025 for a further two years from April 2025.

Ms Joe Chadwick-Bell was appointed as Chief Executive Officer and Accountable Officer to Parliament on 1 January 2025

Trust Board meetings are held in public, and the papers are made available on the Trust website in advance of each meeting. The Board regularly reviews performance against national standards and regulatory requirements via an Integrated Performance Report and a focus on a key set of Board Level Metrics, each of which is aligned to a strategic objective.

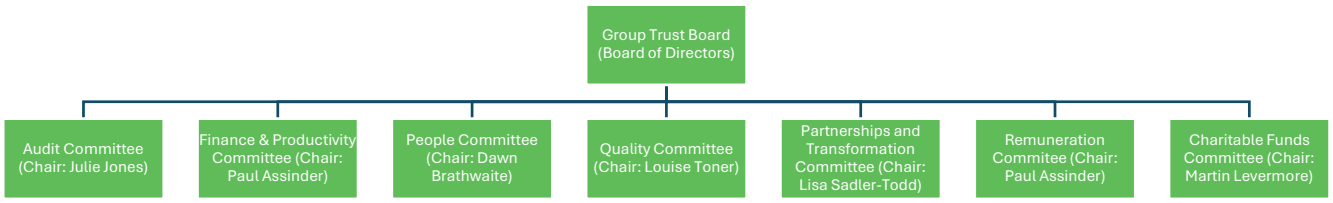
The Board places a strong emphasis on the quality and safety of patient care and, in addition to performance reports, regularly hears directly from patients, carers and staff including through patient and staff stories.

It is supported by committees with particular oversight for the provision of safe, high-quality care, the effective use of resources, the value we place on our colleagues, our provision of care at home in partnership with others, our charity and our governance, risk and internal controls.

Exception reports are provided to the Trust Board (based on use of a standard proforma reporting template) by each of the Board committees Chairs following their meetings.

The committees of the Board undertook effectiveness reviews in 2025/26 to ensure continued review of their terms of reference and cycles of business. As part of the implementation of the Partnership agreement with WHT, the Board committees embarked on a programme of joining together across the two organisations. As a result, there is now a single joint Finance and Productivity Committee, People Committee, Partnerships and Transformation Committee and Quality Committee. The Charitable Funds Trust Committee and Audit Committee remain sovereign committees and the Remuneration Committee is being held as a Committee in Common with appropriate Terms of Reference in place.

The committees are chaired by a Non-Executive Director and report to the Group Board in public by way of a highlight report following each meeting.



The Trust Board elects to establish committees of the Board to assist it to carry out its functions, which can include the implementation of time-limited board committees or board committee sub-groups.

Group Trust Board

The Group Trust Board is responsible for overseeing the strategy, managing strategic risks, providing leadership and accountability, and shaping our culture. The Executive Team has delegated authority from the Board for the operational and performance management of clinical and non-clinical services of the Trust.

The Chair conducts the role in line with the criteria set out in the Code of Governance. The roles of Chair and Chief Executive are separate. The Board has a Vice-Chair (shared role with Walsall (WHT)) and a Senior Independent Director, (SID) the Chair does not sit on the Audit Committee and the Chair of Audit is not the Deputy Chair or SID.

The Vice Chair, Board Secretary and Chief Safety and Assurance Officer regularly review the Chair and Non-executive membership of the Board Committees, ensuring relevant experience where applicable.

The Group Trust Board met six times in public in 2025/26, with the agenda and papers available on the Trust website ahead of each meeting. Recognising the partnership working

with WHT, the Trust holds its Trust Board meetings as joint meetings with WHT.

Board members and subcommittee chairs have clearly defined roles and responsibilities, supported by role descriptions and a robust induction and development programme. A potential risk arises from ambiguity in the delineation of responsibilities or inconsistent understanding of individual accountabilities. The Trust addresses this through regular Board development sessions, periodic evaluation of effectiveness, and close alignment between committee outputs and strategic Board oversight.

Clear reporting lines exist between the Board, its subcommittees, and the Executive Team. Subcommittees report into the Board through structured reporting cycles, supported by timely and accurate minutes and assurance summaries. A key risk is the breakdown in escalation processes or duplication of reporting. This is mitigated through a co-ordinated cycle of business, cross-committee membership, and a structured reporting protocol which ensures clear accountability and appropriate information flow.

Externally Facilitated Well-Led Review

An externally facilitated well-led review was commenced during 2025/26, with the results expected during 2026/27.

The Trust is committed to delivering high-quality, safe, and effective care through strong leadership, robust governance, and a positive organisational culture. The Board has regard to the Care Quality Commission (CQC) Well-led framework, which considers whether organisations are effectively led, managed, and governed to support the delivery of high-quality care, continuous learning, and innovation.
During 25/26 the Trust continued to assess its effectiveness against the Well-led domains, focusing on:

- Leadership capacity, capability, and culture
- Vision and strategy
- Governance, risk management, and internal control
- Engagement with staff, patients, and partners
- Use of data and insight to drive improvement
- Continuous learning and improvement

The Trust recognises the value of independent scrutiny and external challenge. During the year:

- The Trust has engaged with regulators, including the Care Quality Commission (CQC), as part of ongoing oversight and assessment.
- External reviews and benchmarking have been used to inform improvement priorities.
- The Trust continues to align its governance practices with NHS England guidance and emerging best practice.

Board Evaluation

The Group Trust Board submitted its Provider Trust Capability Self-Assessment to NHSE in October 2025.
The Royal Wolverhampton NHS Trust Board held its Annual General Meeting, in person, on 16 September 2025.

Board of Directors' Attendance – 2025/26
There were six Board of Directors Meetings held in Public

Name	Role	Commencing (inclusive of terms prior to Group roles)	Tenure End	Attendance
Sir David Nicholson	Group Chair	April 2023	March 2027	6/6
Paul Assinder (commenced as Group Vice-Chair 1 February 2026)	Group Vice-Chair	February 2026	April 2027	1/1
John Dunn *(left the Trust in January 2026)*	Deputy Chair	February 2021	-	5/5
Louise Toner	Group Non-Executive Director	November 2021	October 2027	6/6
Dawn Brathwaite	Group Non-Executive Director	February 2022	January 2027	4/6
Lisa Sadler-Todd (nee Cowley)	Group Non-Executive Director	February 2022	April 2027	6/6
Martin Levermore	Group Non-Executive Director	February 2022	January 2027	6/6
Rachel Barber	Group Associate Non-Executive Director	February 2023	January 2027	6/6
Allison Heseltine	Group Associate Non-Executive Director	February 2022	May 2027	4/6
Umar Daraz	Group Associate Non-Executive Director	February 2023	January 2027	3/6
Julie Jones	Non-Executive Director	February 2022	January 2027	6/6
Elizabeth Hughes	Group Associate Non-Executive Director	March 2026	March 2028	1/1
Joe Chadwick-Bell	Group Chief Executive	2 March 2025		6/6
Simon Evans	Deputy Group Chief Executive/Group Chief Strategy Officer	October 2021		6/6
Kevin Stringer	Group Chief Financial Officer	December 2022		6/6
Kevin Bostock	Group Chief Safety and Assurance Officer	November 2021		3/3
Stephanie Cartwright	Group Chief Officer for Community and Partnerships	July 2023		6/6
Claire Radley	Group Chief People, Culture and Improvement Officer	30 March 2025		0/0
Brian McKaig	Chief Medical Officer	July 2021		6/6
Gwen Nuttall	Managing Director	2012		6/6
Debra Hickman	Chief Nursing Officer	November 2021		6/6

RWT has applied the principles of the NHS Trust Code of Governance on a comply or explain basis.

Board Committees

Remuneration Committee – Non-Executive Director/Vice-Chair: Paul Assinder (Chair)

The purpose of this committee is to advise the Board about appropriate remuneration and terms of service of the Chief Executive Officer and other Executive Directors. The Remuneration Committee met twice during 2025/26 to approve recommendations for Group roles, Executive Director remuneration and appraised performance of the Chief Executive and Executive Directors. The Chair has appraised all the Non-Executive Directors and will appraise the Vice-Chair and the Senior Independent Director will appraise the Chair's performance.
Non-Executive Director Members: Paul Assinder (Chair), Julie Jones, Dawn Brathwaite, Martin Levermore, Louise Toner (SID at RWT and is invited if no conflict of interest is pertaining to item on the agenda), Lisa Sadler-Todd nee Cowley (SID at WHT and is invited if no conflict of interest is pertaining on the agenda).

Audit Committee – Non-Executive Director: Julie Jones (Chair)

Committee Members:

Members: J Jones (Chair), Paul Assinder, Louise Toner, Lisa Sadler-Todd, and Dawn Brathwaite.

The aims of the committee are to provide the Trust Board with an independent and objective review of its financial systems, financial information, risk management and compliance with laws, guidance, and regulations governing the NHS.

Each meeting received an update on any new risks or assurance concerns from the chairs of the Group Quality Committee, the Group Finance and Productivity Committee, Group People Committee and Group Partnerships and Transformation Committee.

The committee received and discussed reports on:

1. Annual Report for Trust Charitable Funds
2. Trust Annual Report and Accounts
3. Value for Money
4. External audit findings
5. Board Assurance Framework, Strategic Risk Register, and related governance processes
6. Cyber risk management
7. Security
8. Single Tender Waivers and procurement exceptions
9. Losses and special payments
10. Cost Improvement Programme
11. Freedom of Information Act Framework
12. Key Financial Controls – Cash Management
13. Workforce Planning: Retention
14. Budgetary Control
15. Care Quality Commission Actions
16. Maternity and Neonatal Single Delivery Plan – Action Plan (Ockenden Report)
17. IT Strategy Development
18. Data Security Protection Toolkit
19. Data Quality: 78+ week waits
20. Procurement Framework

Most of the audits and reviews were completed to plan. Where not completed they were planned for completion early in 2026/27.

These matters featured in the committee's reports to the Trust Board, including a high-level summary of the Internal Audit reports received at each meeting. The Trust Board has been kept informed of when audit reports showed high or medium risk recommendations requiring management attention and has been assured that mitigating actions are being taken in accordance with the agreed timeframes.

The committee also received regular reports from the Local Counter Fraud Specialist. The Trust currently complies fully with the national strategy to combat and reduce NHS fraud, having a zero-tolerance policy on fraud, bribery, and corruption. The Trust has a counter fraud plan and strategy in place designed to make all staff aware of what they should do if they suspect fraud.

The committee monitors this strategy and oversees when fraud is suspected and fully investigated. The committee seeks assurance that appropriate action has been taken, which can result in criminal, disciplinary and civil sanctions being applied. There were no significant frauds detected during the year, although some cases reported to the counter fraud team remain on-going.

The Chair of the QC is a member of the Audit Committee, which helps to maintain the flow of information between the two committees, particularly on clinical audit matters. Two of the three committee members have recent and relevant financial experience.

Non-Executive Directors' attendances were recorded as being high during the year, and the committee was quorate at each meeting.

Charitable Funds Committee

Members: Professor Martin Levermore (Chair) Julie Jones (Vice Chair)

RWT Charity Committee plays a crucial role in overseeing and guiding the charitable activities and initiatives of Your RWTC.

The committee sets the strategic direction for the charity's activities, ensuring they align with the overarching goals and mission of the RWT

The committee develops and reviews policies and guidelines related to charitable programs. The aim of the committee is to administer the Trust's Charitable Funds in accordance with any statutory or other legal requirements or best practice required by the Charities Commission.

The committee initiates and supports the development of programmes and projects that serve the needs of the community and beneficiaries, whilst monitoring and evaluating the effectiveness of programs, assessing their impact and making recommendations for improvements.

During 2025/26, the committee continued to benefit from the dedicated support of an in-house Charity Manager and the Community and Events Fundraiser.

The Fundraising Team is ably supported by the Head of Communications and her team, as well as the ongoing help of the Finance Team and external investment adviser. The refreshed newsletter, website, and increased use of social media have raised further awareness of the

charity and our work and enabled us to publicly thank our dedicated supporters for everything they have done to support us over the last year.

A wide range of projects were supported during the year for the benefit of the welfare and comfort of our patients and staff as well as some capital items – going over and above that which can be provided by the Trust itself. Of note, Your RWTC's volunteers were voted "Black Country Heroes" with the charity volunteers described as "the heartbeat" of RWT for their dedication to helping patients, staff and the wider community. This was tangibly manifested in the opening of the paediatric garden that transformed a once-tired outdoor space at the Trust into a vibrant and sensor rich environment for young Wolverhampton patients and their families.

Group Finance and Productivity Committee 2025/26

Committee Members:
Non-Executive Director J Dunn Joint Chair (RWT) until January 2026
Non-Executive Director P Assinder Joint (WHT) sole Chair from January 2026
Non-Executive Director Mary Martin (WHT)
Non-Executive Director Julie Jones (RWT)
Associate Non-Executive Director Prof. Martin Levermore

The aims of the committee are to provide the Group Trust Board with assurance on the effective financial and external performance targets of the organisation. It also supports the development, implementation, and delivery of the Medium-Term Financial Plan (MTFP) and it reviews the acute recovery plan and the efficient use of financial resources in order to support the Trust's Financial strategy, performance and business development.

The committee met monthly during the year and additional extra-ordinary meetings where necessary, which considered in detail:

- The Trust's financial position, reviewing the annual revenue and capital budget and reviewing performance against both on a monthly basis
- Approval for submission to Board of various procurement tender reports and appropriate business cases
- The Acute Recovery Plan with a focus on longer waiting patients and cancer
- The performance and productivity aspects of the Trust Board's Quality and Performance Report
- The workforce reports and focus on reducing WTE numbers
- The Board Assurance Framework

The committee also considered:

- Group Financial Recovery Plan and Use of Resources Reports which provide an update on CIP
- Capital Report
- Group Contracting and Business Development Update (which split into separate updates from January 2026 onwards)
- Group Sustainability Programme
- Group Temporary Staffing and Temporary Medical Staffing
- Procurement reports
- Appropriate Business Cases

- Other matters associated with operational finance and budgeting (inc Group National Cost Collection Assurance
- Review of several projects (inc EPR Upgrade, Solar Farm Review).
- New 3 Year Operational Plan and 5 Year Planning Narrative Update (SE)

The business of the committee is managed on an annual plan/cycle of work with upward reporting to committees and Board. The committee communicates issues for redress via the Chairs Report.

During 2025/26, the committee noted the following matters of concern:

- The delivery of the Cost Improvement Programme
- Financial challenges across both Trusts throughout the year
- Alignment of workforce plan against the financial plan (inc. enhanced vacancy protocols and workforce reductions)
- Financial impact of Industrial Action
- Continued UEC pressures and high attendance levels
- RTT performance challenges
- Monitoring impact of opening of Midland Metropolitan University Hospital
- High Risk Winter Plan due to lack of additional funding
- Capital review/re-phase
- Audiology review of back log patients (PA)

The committee has noted the following matters of assurance:

- Good delivery of acute performance across both Trusts
- Despite increased ambulance handovers both Trusts continued to be ranked highly in terms of performance
- Winter Plans were endorsed to Trust Board
- EPR Upgrade was successfully completed

During the year, the committee has noted the following matters of achievement:

- Engagement of Deloittes to assist with financial recovery
- The Group delivered challenging cost reduction targets and is likely to hit target performance for the year (PA)
- Good performance regionally and nationally.
- Good performance across cancer metrics
- The Emergency Department performance has experienced pressures; however, the Trust performance remains above the national average for both Trusts (upper quartile RWT and 2nd quartile WHT)
- Green Plan approved
- The Trusts undertook significant workforce cost reductions (especially for temporary staff) in the year (PA)

The Joint Chairs of the committee were previously Deputy Chairs of both Trusts and reverted to a single post in January 2026. The Chair is also a member of the Audit Committee, which helps to maintain the flow of information/understanding and risk management between the committees, particularly on financial risks.

Non-Executive Directors' attendances were recorded as being high during the year, and the Committee were quorate at each meeting.

Group Quality Committee

Non-Executive Director Members: Prof. Louise Toner (Chair), Alison Heseltine, Dawn Brathwaite

Aims of the committee

To provide assurance to the Board that patient care is of the highest achievable standard and in accordance with all statutory and regulatory requirements. To provide assurance of proactive management and early detection of quality risks across the Trust.

From its April 2025 meeting, the Royal Wolverhampton NHS Trust and Walsall Healthcare NHS Trust Quality Committee meetings became a Group Quality Committee meeting with the aim of providing consistency in reporting quality and patient safety oversight across both trusts. This required the revision of the existing Terms of Reference, the annual cycle of business and agreements regarding the underpinning committee structures; these are now in place.

The committee reports to Trust Board had been in the form of Chair's reports with associated minutes. This was modified in July 2025 with the development of a Joint Group Board Committee.

The Group Trust Board receives the Group Quality Committee Chair's Report, the Joint Group Chair's report and the committee minutes.

A Group Integrated Chairs' Report is provided to the Board which incorporates the Chair reports from each of the Committees of the Board.

This produces a report that aligns themes to the Board Assurance Framework Risks with an assure, advise and alerts section provided to Board bi-monthly.

Frequency of meetings and main focus

During 2025/2026, the committee met virtually on 12 occasions, with no meetings cancelled.

Activity and areas of activity

At each meeting, the committee received an update on reports in line with its terms of reference (including items below, some of which have changed since the start of the Group Quality Committee meeting). It escalated risks and assurances to the Board via the Chair's and joint Chair's report and minutes to the Trust Board. The list of reports is managed on an annual plan/cycle of work with upward reporting, the committee maintains an issues log to communicate items for redress and record actions taken.

Routine reporting:

- Board Assurance Framework (BAF) –Monthly
- Trust Risk Registers (TRR) – Monthly
- Group Performance Report – Monthly
- Performance Constitutional Standards Report Community (WHT)
- Chief Nursing Officers Reports – Monthly

Subgroup Reports:

- Quality and Safety Oversight Group (QSOG) - Monthly
  This was previously the Quality and Safety Assurance Group (RWT) and the Patient Safety Group (WHT) but was renamed QSOG for standardisation from September 2025.

Assurance reporting

- Perinatal Services Report - Monthly
- Response to Patient Safety Events Report – Monthly
- Regulatory Report - Monthly
- Continuous Quality Improvement Report – Biannually
- Cancer Recovery Action Plan – during Tier 2 and 1 scrutiny ceased in
- NPSA NRLS / LFPSE Organisational Feedback Report – Annual (LFPSE replace NRLS.
- Internal Audit Opinion – Annual
- Internal Audit Plan - Annual
- External Reviews Registry Report – Biannually
- Litigation and Inquests Report – Annually
- Clinical Audit Plan – Biannually
- Data Security & Protection Toolkit – Annually
- Health and Safety Assurance Report – Bi-Annually
- Quality Account – Annual
- Infection Prevention BAF – Quarterly
- Maternity Services Governance Report - incorporated into the Perinatal Services Report
- Perinatal mortality – Quarterly - - incorporated into the Perinatal Services Report

Themed Review/Information Only

Examples include

- RIDDOR Report - Monthly
- Learning from Deaths update report – Quarterly
- Safeguarding Assurance Report (Adults and Children) – Biannually
- Health Records Improvement Plan

The Group Quality Committee escalated the following items to the Board

Alerts:

The Care Quality Commission (CQC) undertook an unannounced visit to the Emergency Department at New Cross Hospital in November 2025. An extensive range of actions are in place to address the areas for improvement required.

As a result of the aged design of some of the estate, challenges have been identified regarding the level of occupational exposure from Entonox use within the delivery suites at both Trusts. The situation is being monitored and destruction units have been put in place at WHT, with ongoing monitoring continuing across both Trusts to ensure that the Workplace Exposure Limit (WEL) is complied with. Block 32 at New Cross Hospital – the Maternity Unit, including Neonates - has been subject to fire safety enforcement notices that have resulted in ongoing discussions with West Midlands Fire Service and NHS England to agree long term compliance plans. Other fire safety enforcement notices in relation to the RWT estate are being actively

managed with ongoing discussions with the relevant fire authorities. The plans are on track to deliver compliance.

Advisories:

RWT continued to be an outlier in for Stroke mortality in April 2025. Following reviews by the Royal College of Physicians and other key stakeholders, together with the implementation of a detailed action plan, the Trust has significantly reduced stroke mortality The stroke team has developed and is implementing a clear vision for future stroke services.

Cancer Performance across both RWT and WHT has been challenging as result of staffing, diagnostics and other issues. A range of mitigating actions are in place including, mutual aid, insourcing and recruitment which has improved the situation. Both Trusts are working to achieve the national targets with RWT's performance in Diagnostics exceeding the target.

Nurse Sensitive Indicators which include oversight of falls, pressure ulcers and observations on time demonstrate different variable levels of performance often associated with caring for patients with complex needs. A range of interventions are in place within an overarching Quality Framework that recognises and promotes the need for patients to eat, drink and move to improve.

Ambulance handover times across both Trusts have been variable across the year with very good performance in respect of national metrics and other periods of poorer performance given the volume of patients attending ED and an increase in patient acuity. Long waits to be seen in the Emergency Departments at both Trusts are a challenge ongoing work to further develop services to avoid hospital admission and the use of virtual wards continue to improve patient flow through the hospitals and facilitate timely discharge. At WHT Corridor care is in use, however, this is a last resort and when it is required patients are carefully selected and care provided, as required, by staff allocated to the corridor to care for patients.

Patients with mental health issues attending ED departments across both Trusts are sometimes subject to long waits to be seen and assessed by the mental health services provided by other organisations to facilitate receipt of the care they require. Discussions are ongoing between both Trusts and the providers of mental health services.

The CQC report from the inspection of the Critical Care Unit at Walsall Manor Hospital in February and March 2025 was published in June 2025. A detailed action plan is in place to address the improvements required.

The CQC report of the unannounced visit to Walsall Manor Hospital in January 2025 focusing on medical care, older adults, pressure damage and medication management was published in January 2025.

WHT re-earned Level 3 Baby Friendly accreditation for the healthy child 0 -19 Service.

Assurances:

Both Trusts achieved the requirements for the Maternity Clinical Negligence Scheme for Trusts (CNST) Year 6 and received Trust Board approval for the review of staffing requirements following new Birth Rate Plus guidance.

The report of the CQC visit to Maternity Services at RWT in October 2025 was published in May 2025. The Trust was rated Good for all domains, with caring deemed to be Outstanding with and Effective moving from Requires improvement at the last inspection to Good.

Martha's Rule has been implemented across both Trusts with work continuing in respect of further implementation across Paediatrics and Maternity.

Group Partnerships and Transformation Committee

Chair – Lisa Sadler-Todd
Executive Director Lead – Stephanie Cartwright
Non-Executives –Martin Levermore, Rachael Barber, Umar Daraz and John Dunn

The committee was initially established as the 'Integration Committee' to cover RWT only. The committee meets on a face-to-face basis across Walsall and Wolverhampton to enhance discussion topics and to provide committee members with the opportunity to visit various community-based venues.

The committee enables focus on care closer to home. Within its renewed focus, the committee has responsibility for monitoring the progress of the transformational elements of the Trust's Strategic Planning Framework. This includes regular monitoring of strategic priorities including Community First Outpatients' transformation, Elective Hub and Community Diagnostic Centre service development and Strategic Service Reviews. The committee also receives regular updates on key developments within the OneWolverhampton and Walsall Together place-based partnerships, and on the role of the Black Country Provider Collaborative.

Non-Executive Directors' attendances were recorded as being high during the year, and the committee was quorate at each meeting.

Group People Committee (April 2025 – March 2026)

Chair: Dawn Brathwaite - Joint Non-Executive Director
NED members: Lisa Sadler-Todd and Rachel Barber - Joint Associate Non-Executive
Mary Martin - Non-Executive Director, WHT

Aims of the committee

The purpose of the committee is to provide the Board with assurance that:

- There is an effective People Strategy in place underpinned by structures, systems and processes to support colleagues in the provision and delivery of high quality, safe patient care
- The outcomes set out in the People Strategy, approved by the Board are delivered
- The Trusts are meeting their legal and regulatory duties in relation to employees
- Where there are people risks and issues that may jeopardise the Trust's ability to deliver its strategic objectives, these are being managed in a controlled way through the Trust Management Committee

To provide assurance on the following key areas as set out in the People Strategy:

- Leading by putting our people first to include:
  - Leadership
  - Organisational Development and Culture
  - Staff Engagement
- Ensuring equality, diversity and inclusion on all that we do, to include:
  - Equality, Diversity and Inclusion
  - RACE Equality Code

- Ensuring a safe and healthy place to work to include:
  - Wellbeing
  - Sexual Safety
  - Speaking up
- Recruiting and retaining the workforce of today and for the future
  - Resourcing, attraction and retention
  - Knowledge, skills and behaviours
  - Workforce Planning

Frequency of Meetings
During 2025/26, the committee met 12 times.

The committee approved:

- Group People Committee Terms of Reference
- Group People Committee Programme of Work for 2025/26
- Workforce Targets and Thresholds for 2025/26

Activity
The committee considered progress updates on:

- Executive Workforce Report focusing on key people metrics
- Workforce Plan Performance
- National, regional and local updates on workforce
- Black Country Provider Collaborative Workforce Projects
- The People Enabling Strategy
- Leading by Putting our People First
- Staff Engagement and Surveys
- Employee Relations
- Attendance
- Organisational Developments
- Ensuring Equality, Diversity and Inclusion in all that we do
- Being a Safe and Health Place to Work
- Recruitment and Retaining the Workforce of Today and for the Future
- Improving Working Lives of Resident Doctors (10 Point Plan)
- New Risks and Board Assurance Framework

The non-exhaustive list is managed on an annual plan/cycle of work with upward reporting Groups, and the committee maintains a log of issues to communicate issues for redress.
Matters of note and assurance
Matters of concern:
During the year, the committee has noted the following matters of concern:

- Impact of the workforce plans
- Impact of industrial action by Resident Doctors
- Sickness absence
- Appraisal compliance
- Workforce data triangulation

Matters of assurance:
During the year, the committee has noted the following matters of assurance:

- The Annual Freedom to Speak Up Reports
- Sickness Absence Plans
- EDI Action Plans
- Race Code renewal

Matters of achievement:
During the year, the committee has noted the following matters of achievement:

- E-Roster Expansion
- Joint Events – Long Service Awards and Caring for All Awards
- Partnership Working with Staff Side for the Band 2/3 Clinical Support Worker Reviews
- Race Code Re-accreditation
- SEQOHS Re-accreditation

Capacity to Handle Risk

Risk Management Leadership:
The Board has overall responsibility for ensuring systems and controls are in place, sufficient to mitigate risks which may threaten the achievement of the Trust's objectives. The Board achieves this primarily through:

- The work of its committees
- Use of Internal Audit and other independent inspections
- Systematic collection and scrutiny of performance data to evidence the achievement of the objectives
- Robust oversight of the risks to achievement of the objectives

The Board has the ultimate responsibility for risk management and must be satisfied that appropriate policies and strategies are in place and that systems are functioning effectively.

The Board has an established Audit Committee, which assists the Board in this process by performing an annual review of the effectiveness of the risk management activities supported by the Chief Internal Auditor's annual work, report and opinion on the effectiveness of the system of internal control.

The Trust Board is supported by the Board committees that scrutinise and review assurances on internal control. Individual committees have responsibility for a specific portfolio:

- Group Finance and Productivity Committee - Financial matters and restoration and recovery of elective services
- Quality Committee – Clinical quality, Patient Safety and Experience matters
- Group People Committee - Workforce matters including staff wellbeing

The Trust has approved a Risk Management Framework that describes the overall systems, structures, processes, and reporting that underpins internal controls and the means by which assurance on risk management is provided to the Board. These key documents also describe the leadership, accountability, roles, and responsibilities that govern the management of risks across the organisation.

Conflicts of Interest

The Trust has in place a Register of Interests for members of the Board of Directors and senior staff. All relevant individuals are required to declare any interests which may conflict, or could be perceived to conflict, with their duties to the Trust.

Declarations include financial interests, employment, directorships, shareholdings, and other relevant positions.

Declarations of interest are:

- Reviewed at least annually, and updated as necessary throughout the year
- Declared at the start of Board and committee meetings, with any conflicts appropriately managed in line with the Trust's policy
- Recorded in formal registers, which are maintained centrally

During the year 2025/2026 the Trust has complied with its policy on managing conflicts of interest. Where a potential conflict has been identified, appropriate action has been taken, including exclusion from discussions or decision-making where required.

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

The Trust's Register of Interests is publicly available via https://royalwolverhampton.mydeclarations.co.uk/ ensuring transparency and accountability.

The Board is satisfied that effective systems are in place to identify, record, and manage conflicts of interest, and that these arrangements operate effectively in practice.

Data Quality and Governance

The Trust recognises the importance of having effective data collection and analysis, in order to understand the operation of the services and enable the Board to effectively judge what actions are needed to improve performance.

It has in place several systems and services for the collection of data regarding the operation of services, including the Data Quality and Data Solutions Teams, the Information and Performance Team and the Trust's Validation Team. Meetings take place regularly and provide a forum to discuss changes in data standards, facilitate data quality measures and escalate concerns. Existing systems and platforms are continuously reviewed to ensure they meet both national and local Data Quality Standards. Systems are automated where possible in order to reduce the possibility of human error.

The Executive Team regularly receives a full suite of performance data from across the Trust which is reviewed to identify and address any areas of concern. This suite of performance data is used as part of the Trust's Performance Review Process with Divisional and Corporate teams. The Board and its committees review a more selective set of data which enables them to focus on the key areas of strategic performance, together with exception reporting to identify the underlying cause of underperformance and the steps being taken to bring performance back to the required standard

The Risk and Control Framework

The Risk Management Strategy provides a framework for managing risks across the Trust and is consistent with best practice and Department of Health and Social Care guidance. The Risk

Management Strategy provides a clear, structured and systematic approach to the management of risks to ensure that risk assessment is an integral part of clinical, managerial and financial processes across the organisation. The Risk Management policy sets out the role of the Trust Board and its committees, together with the individual responsibilities of the Chief Executive Officer, Executive Directors and all staff, in managing risk.

The Board recognises that, working in a healthcare environment, many of its day-to-day activities will carry relatively high risks that are not susceptible to effective reduction. This arises from the specialist nature of many medical procedures, and also the need to provide care and treatment for individuals who are undergoing acute health challenges. The risk management policy ensures that risks are managed at the level appropriate to the identified impact and likelihood of the risk eventuating, including departmental, Divisional and Trust-wide structures.

Risk Appetite

The assessment of each risk includes an assessment of the related risk appetite, which seeks to identify the Trust's willingness to accept risk in that area and a target score is set, which identifies the optimal risk rating associated with the activity (the point where the decision becomes to accept the risk or cease the activity). Risk appetite levels have been determined by the Board around the Trust's strategic objectives. The risk appetite statements will continue to be developed as the risk management processes continue to mature.

Board Assurance Framework

The Board maintains a Board Assurance Framework (BAF), reflecting the risks identified to the achievement of the Trust's strategic objectives and how they are managed. The Board and Board committees regularly review the BAF and high rated corporate risks, as well as future opportunities and risks for each strategic objective. This allows the Trust Board to scan the horizon for emergent opportunities or threats and consider the nature and timing of the response required in order to ensure risk is kept under prudent control at all times. The BAF has matured to include future threats and opportunities to allow the Board and the Board Committees particular focus in this area. Operationally, all staff have both the opportunity and expectation of reporting risks within their area of operation, which are then subject to a process of review, validation and, where appropriate, scoring and management. Management of risk is undertaken at a level appropriate to the potential impact of the risk, including departments, care groups/directorates, divisions and on a cross-divisional basis. The Risk Management Executive Group focuses on all high or significant risk exposures and oversees risk treatment to ensure: (a) the correct strategy is adopted for managing risk; (b) controls are present and effective; and (c) action plans are robust for those risks that remain intolerant.

GBR 1	If the Trusts in the Group are individually and collectively unable to achieve financial break-even by year end 2027/28.	**Then** The Trusts and the system will be non-compliant with NHSE/ DH+ NHS Provider License	**Resulting in** Special measures regime imposition and reputational damage and vulnerability as non-financially viable organisations.

		requirements.	
GBR 2	If the Trusts in the Group are individually and/or collectively unable to meet the in-year access standards over the next 3-5 years (e.g. RTT).	**Then** The Trusts individually and/or collectively will be non-compliant with future contract and regulatory requirements.	**Resulting in** Potential special measures regime imposition and reputational damage.
GBR 3	If the Group Trusts are unable to optimise the Group Structure (from the Corporate Services Review) (including potential use of a Subsidiary vehicle) including the scale of efficiencies and cost-reduction required whilst maintaining or improving standards and performance.	**Then** The Trusts/Group would be unable to meet future corporate governance needs, financial and staff reduction requirements.	**Resulting in** Inability to achieve financial recovery, special measures regime imposition, reputational damage and vulnerability as non-financially viable organisations.
GBR 4	If the Trusts/Group workforce transformation plan (reduced staffing, use of new technology, culture and behaviour) is not achieved.	**Then** There may be a disconnect between the corporate aspirations, targets and requirements.	**Resulting in** An increasingly disengaged and disenfranchised workforce (staff survey) (and regulatory expectations/requirements e.g. CQC safe staffing) that slows, halts or reverses the transformation programme including greater efficiencies and service change.
GBR 5	If the Trusts/Group clinical service transformation plan is unable to achieve its aims and objectives and/or maintain or improve quality & safety.	**Then** Quality and safety standards may fall and/or become compromised	**Resulting in** Increased claims, low staff morale (staff survey), declining reputation (F&FT) and increased scrutiny/inspection and/or declining ratings (CQC et al).

Review of Economy, Efficiency and Effectiveness of the Use of Resources

I and the Trust recognise that Parliament has set out a requirement for the Trust to ensure that the services that are provided have due regard to the economy, efficiency and effectiveness of the use of public resources. The Trust undertakes a number of activities to seek to ensure its activities deliver all three of these requirements, each of which Parliament has given an equal weighting.

Ultimate responsibility for ensuring the Trust complies with this legal duty rests with the Board, through setting the strategic direction of the Trust, together with monitoring and oversight of performance. This work is supported by the Boards Committees, which look more closely at both performance and strategic direction and provide advice and recommendations to the Board. In particular, the Finance and Productivity Committee provides scrutiny and review in respect of Trust performance relating to a number of areas including efficient and effective use of resources. The committee has oversight of the improvement projects. The Quality Committee oversees the impact of quality improvement work.

The Trust's Executive leadership is aware of the need to ensure that the provision of services meets the requirements of the local population. With service developments, consideration is given as to how the proposals will impact on patients, local community, staff and partner organisations. Each change requires a quality impact assessment and sign off by the responsible Directors. When reviewing implementation, consideration is given to how well the project or development has advanced these requirements, and where further improvements might give better achievement of them. The Quality Committee has oversight of the quality impact assessment.

The effective and efficient use of resources is managed by key policies. The Standing Orders are contained within the Trust's legal and regulatory framework and set out the regulatory processes and proceedings for the Trust Board and its committees and working groups including the Audit Committee, thus ensuring the efficient use of resources.

The Trust did deliver all of its statutory financial targets due to delivering an end of year surplus of £4.2m and delivered the Capital Programme within its Capital Resource Limits.

Anti-Fraud, Anti-Bribery, and Corruption

The Trust is committed to providing a zero-tolerance culture to fraud, bribery and corruption whilst maintaining an absolute standard of honesty and integrity in dealing with its assets. We are committed to the elimination of fraud and illegal acts within the Trust. We have a team of fully accredited Local Counter Fraud Specialists (LCFS) to ensure the rigorous investigation of reported matters of fraud, bribery or corruption and the pursuance of redress for financial losses stemming from such acts, and the application of disciplinary sanctions or other actions, including consideration of criminal sanction, as appropriate. We adopt best practice procedures to tackle fraud, bribery, and corruption, as recommended by the NHS Counter Fraud Authority. This is supported by the Trust's Anti-Fraud, Bribery and Corruption Policy.

Throughout 2025/26 awareness of fraud and bribery along with the Trust policies in place has been raised across the organisation and we will continue this work in 2026/27. All referrals of fraud, bribery and corruption were investigated during the year, and where appropriate cases were referred for disciplinary consideration or criminal sanction if appropriate. Overall, for

2025/26, the level of referrals has remained strong, which reflects the confidence of staff to report fraud and the embeddedness of reporting procedures across the Trust.

We have continued to actively identify and prevent fraud, undertaking proactive reviews and working alongside Internal Audit, as well as assisting with the implementation and review of key policies and procedures, utilising intelligence, best practice and guidance from the NHS Counter Fraud Authority. Detection exercises are undertaken where a known area is at high risk of fraud and the National Fraud Initiative (NFI) data matching exercise is conducted bi-annually.

We have an annual counter fraud plan which will continue to raise the awareness of fraud and bribery and respond to emerging issues identified both nationally and locally by the NHS Counter Fraud Authority, so that appropriate controls are implemented to safeguard public funds as well as meeting the Government Functional Standard GovS 013: Counter Fraud.

The Chief Finance Officer oversees this process as the nominated Executive lead for counter fraud and is responsible for the strategic management of all anti-fraud, bribery and corruption work. All reports on activity are submitted to the Audit Committee.

Standing Financial Instructions

The Standing Financial Instructions detail the financial responsibilities, policies and principles adopted by the Trust in relation to financial governance. They are designed to ensure that its financial transactions are carried out in accordance with the law and government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness.

They do this by laying out very clearly who has responsibility for all the key aspects of policy and decision making in relation to the key financial matters. This ensures that there are clear divisions of duties, very transparent policies in relation to competitive procurement processes, effective and equitable recruitment and payroll systems and processes. The budget planning and allocation process is clear and robust and ensures costs are maintained within budget or highlighted for action.

The Standing Financial Instructions are to be used in conjunction with the Trust's Standing Orders and the Scheme of Reservation and Delegation and the individual detailed procedures set by Directorates.

Scheme of Reservation and Delegation

This sets out those matters that are reserved to the Trust Board and the areas of delegated responsibility to Board committees and individuals. The document sets out who is responsible and the nature and purpose of that responsibility. It assists in the achievement of efficient and effective resources by ensuring that decisions are taken at an appropriate level within the organisation by those with the experience and oversight relevant to the decision being made. It ensures that the focus and rigour of the decision-making processes are aligned with the strategic priorities of the Trust, and it ensures that the Trust puts in place best practice in relation to its decision making.

Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by

the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on the information provided in this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, the Audit Committee, Quality Committee, Group Finance and Productivity Committee, Group People Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

In describing the process that had been applied in maintaining and reviewing the effectiveness of the system of internal control, I have set out below some examples of the work undertaken and the roles of the Trust Board and committees in this process:

The Board has met in public session on six occasions and each meeting has been both well attended and quorate. Meetings were held in person

The committees of the Board operate to formal terms of reference that the Board has approved and carry out a range of Board work at a level of detail and scrutiny that is not possible within the confines of a Board meeting. The committees each reviewed their effectiveness in 2025/26 and provided an annual report and amended terms of reference to the Board for approval. Their cycles of business were updated to reflect the revised terms of reference

Each of the committees provides assurance to the Board in relation to the activities defined within its terms of reference; this is reported to the next meeting of the Board in the form of a highlight report to ensure that necessary issues are highlighted in a timely way. The minutes of the meetings of each of the committees once approved are made available to the Board Members

The work that has been undertaken by the committees include:

- Scrutiny and approval of the annual financial statements, Annual Report and Quality Account
- Receiving all reports prepared by the Trust's Internal and External Auditors and tracking of the agreed management actions arising
- Monitoring the Clinical Audit Programme, serious events and never events and ensuring that risk is effectively and efficiently managed and that lessons are learned and shared
- Monitoring of compliance with external regulatory standards including the Care Quality Commission and the Data Security and Protection Toolkit
- Monitoring of the Improvement Programme and the delivery of strategic objectives
- Ensuring the adequacy of the Trust's Strategic Financial Planning

Taking account of national and local context, the strategic direction for the Trust has been reviewed by the Trust Board. Areas key to the delivery of the Trust's business strategy are

managed and monitored by the Trust Board and the committees of the Board

The Trust Board recognises the importance of ensuring that it is fit for purpose to lead the Trust, and a programme of Board Development activity has taken place during the year through a programme of Board Development. Non-Executive Directors have also carried out Board walks, visiting wards and services to obtain first-hand accounts of the issues that colleagues are dealing with. Regular newsletters and communications have been shared with all staff on behalf of the Chief Executive, Chair and the Board including the Non-Executive Director

The Audit Committee has primary responsibility for oversight of the controls systems for the Trust, including financial and governance, and for advising the Board as to the available levels of assurance. It is supported in this work by the internal and external audit providers, the Local Counter Fraud Service, and work undertaken by other committees. Key functions that it undertakes which enable it to judge the amount of available assurance include:

The regular reports of the Internal Audit service, which provide specific advice on the level of assurance available in relation to the area reviewed. These also enable the Audit Committee to review management's response and proposed actions to the review's findings, and to form a view about the level of assurance those responses provide.

Advice from both the internal and external audit providers on the environment in which the Trust is operating.

The work of the Local Counter Fraud Service which provides evidence for the committee to judge the available assurance for systems to detect and prevent fraud and misappropriation on the public funds made available to the Trust.

Regular review of the main documentation related to the Trust's control systems - this will usually cover the Standing Financial Instructions, the Schedule of Delegations, and the Schedule of Matters Reserved to the Board of Directors.

The Trust Board is required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended in 2011 and 2012) to prepare a Quality Account for each financial year.

The Quality Committee also has oversight on behalf of the Board of clinical audit activities, which form an important part of the Trust's work. A plan for clinical audits is agreed at the start of every year, and progress is monitored through the course of the year to ensure that the work plan is being appropriately prosecuted. The majority of the programme reflects national audit programmes and similar, which the Trust is expected to participate in, and details of which are provided in the Quality Report. The Trust does seek to ensure that it obtains learning and implements change as a result of the work of clinical audit, and the Quality Committee is responsible for assessing the assurance available and reporting to the Board.

Finance and Productivity Committee has provided a forum for the Trust Board to seek

additional assurance in relation to all aspects of financial and general performance, including performance against nationally set and locally agreed targets.

The People Committee is the forum which seeks assurance in relation to organisational development and workforce strategy, and the support of staff in the provision and delivery of safe, high-quality care.

The internal audit plan, which is risk based, is approved by the Audit Committee at the beginning of each year. Progress reports are then presented to the Audit Committee at each meeting with the facility to highlight any major issues. The Chair of the Audit Committee can, in turn, quickly escalate any areas of concern to the Trust Board via a Highlight Report and produces an annual report on the work of the committee and a self-evaluation of its effectiveness. The plan also has the flexibility to change during the year.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The Royal Wolverhampton NHS Trust has undertaken risk assessments on the effects of climate change and severe weather and has developed a Green Plan following the guidance of the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The effective and efficient use of resources is managed by the following key policies:
Standing Orders - The Standing Orders are contained within the Trust's legal and regulatory framework and set out the regulatory processes and proceedings for the Trust Board and its committees and working groups including the Audit Committee, thus ensuring the efficient use of resources

Establish and Maintain Safe, Sustainable Staffing

The Trust maintains a comprehensive and integrated approach to workforce planning and staffing systems to ensure that services are delivered safely, sustainably and effectively across the short, medium and long term.

The Trust operates a Workforce Strategy that is aligned to the strategic objectives, clinical strategy, operational priorities and financial plans. This incorporates detailed workforce modelling to anticipate current and future staffing requirements, taking into account demographic trends, service transformation, national policy, and local population needs. Medium- and long-term workforce plans are supported by scenario planning and pipeline development, including education partnerships, apprenticeships and international recruitment where appropriate.

Safe staffing is supported through established evidence-based staffing models, including the use of recognised workforce tools, Safer Nurse Care Tool, and benchmarks. The Trust regularly reviews nurse staffing levels in line with national guidance and ensures that safer staffing indicators are triangulated with quality metrics such as patient outcomes, incidents and patient experience. Staffing levels are reviewed daily through operational management processes, with escalations in place to respond to risks. The Trust utilises e-rostering and workforce management systems to ensure effective deployment of staff, optimise skill mix and monitor staffing gaps in real time.

The Board receives regular reporting on workforce metrics, including vacancy rates, turnover, sickness absence, staff engagement, and compliance with safe staffing requirements. This information is triangulated with quality and performance data to provide assurance that staffing processes are safe and effective. Workforce risks are captured on the Trust's risk register and are subject to ongoing scrutiny through Board committees, including the People Committee and Quality Committee.

The Trust is committed to continuous improvement in workforce planning and staffing systems. This includes learning from internal audits, benchmarking against peer organisations, and adopting national best practice guidance. The Trust actively engages with staff, professional bodies and system partners to refine its approach and ensure that staffing remains responsive to changing needs.

Freedom to Speak Up

There are two full time Freedom to Speak Up (FTSU) Guardians at the Royal Wolverhampton NHS Trust (RWT) with ring fenced time. The Guardians role commenced in October 2016 as part of a national mandate and continues as an essential part of the organisational 'Speak up Culture'. The Guardians are supported by a group of over 16 Champions across various specialities.

The RWT remains steadfast in its support and continues to work collaboratively with its Freedom to Speak Up (FTSU) Guardians and Champions. The FTSU Guardian is an independent role and focuses on creating an open, honest and psychologically safe reporting culture, enabling staff to talk about anything that could compromise delivery of safe and effective patient care. The Trust Board has shown tenacity and continue to work alongside the guardians with a high level of commitment and support which re-iterates the importance of the FTSU service whilst ensuring the ethos remains rooted in respect, diversity, equality and accountability without detriment or retribution.

FTSU Objectives

RWT set out the below five objectives to achieve a well led and psychologically safe speaking up organisation:

1. Raise the profile and develop a culture were speaking up becomes normal practice to address concerns
2. Develop mechanisms to empower and encourage staff to speak up safely
3. Ensure that the Trust provides a safe environment for employees and others to raise concerns and speak up
4. Ensure that concerns are effectively investigated and the Trust acts on its findings
5. Ensure shared learning amongst local/ regional/national networks FTSU updates

For the financial Year 2025/26, the FTSU Guardian Team has continued to prioritise staff's wellbeing and patient safety and encouraged the workforce to use the service without the fear of retribution or demeaning treatment. Should detriment occur there is zero tolerance, and

support is available as per the detriment policy. Our service is advertised through our internal and external communications, including screen savers, staff walkabouts, drops-ins, presentations in staff forums and joint trust inductions, we use social media to help raise the profile of the service as well as to raise awareness, the Freedom to Speak up week which is observed yearly in October, saw us undertake several visits and drop ins to working areas accompanied by member of the Exec team and the Chair of the BAME Employee Voice Group.

The team have also continued to create more innovative ways for staff to have accessibility to the FTSU service by providing additional drop-in sessions and attendance at many staff forums, awareness sessions and inductions. The FTSU team works closely with colleagues in the Human Resources (HR), Organisational Development (OD) Teams where we provide 'Speak Up, Listen Up, Follow Up' and close the loop sessions within the managers essentials training. We also work alongside the RWT's Employee Voice Groups which enables a multidisciplinary approach to creating a healthy workplace culture that promotes compassionate leadership, with a restorative and just culture, underpinned by civility and respect.

The Trust FTSU data has been recorded for the financial year 2025/26 and we also discuss 2024/25 to show a clear comparison. This data is reported to the Trust Board and to the National Guardians Office (NGO) as an independent non-statutory body with the remit to lead culture change in the NHS so that speaking up becomes business as usual. The office is not a regulator but is sponsored by the Care and Quality Commission (CQC) and NHS England and Improvement (NHSE/i). The table below shows total number of FTSU cases for 2025/2026.

Q1 -Q4 2025-2026 Prominent Themes and number of complaints

	Q1 2025/2026	Q2 2025/2026	Q3 2025/2026	Q4 2025/2026
Attitudes & Behaviours	29	12	22	20
Bullying and harassment directed at me	7	10	12	12
Bullying directed at others	2	0	1	2
Staff Safety in relation to staffing levels	0	12	1	2
Feedback on Policies, procedures and processes	11	15	12	20
Concerns about capability	1	1	1	0
Concerns about Patient Quality and safety	0	4	7	7
Concerns about impact on service	2	7	2	0
Concerns about equipment	0	0	0	0
Concerns about patient experience	0	0	0	0
Staff Safety in relation to something else	1	1	2	1
Unknown	2	1	1	0
Detriment	1	1	0	2
Total	56	64	61	66

Numbers of concerns received in 2025- 2026 (247) by quarter:

Q1 2025/2026	Q2 2025/2026	Q3 2025/2026	Q4 2025/2026
56	64	61	66

Number of concerns received in 2024- 2025 (247) by quarter:

Q1 2025/2026	Q2 2025/2026	Q3 2025/2026	Q4 2025/2026
55	62	62	68

There are exactly the same number of cases being reported to the FTSU Guardian Team in 2025- 2026 compared with 2024- 2025.

We continue our proactive approach to staff engagement by offering regular drop-ins within departments and walk-arounds, with details below. This has provided greater opportunities for staff to speak up. Inappropriate attitudes and behaviours remains high, with a slight decrease seen on the previous year. We also see a consistently high number of cases recorded for this year around Policies and Procedures.

Drop-in sessions, Staff Presentations and Engagement.

By Staff/management request, drop-in sessions are arranged where there are reported or perceived challenges/issues via both anonymous and identified routes.

In the last year we have had 12 drop-ins (177 attendees; 26 spoke up) and 40 awareness sessions reaching 1,042 staff from all activity. Activities spans from 17 MDT inductions, forums, and ward/unit walkarounds and accreditation team visits (11 Staff interviews).

Additionally, four Trust staff events were attended resulting in 151 staff attending to receive information. Three Executive and EVG (BAME) Walkabouts took place in Speak Up Week 2025, attending eight clinical areas.

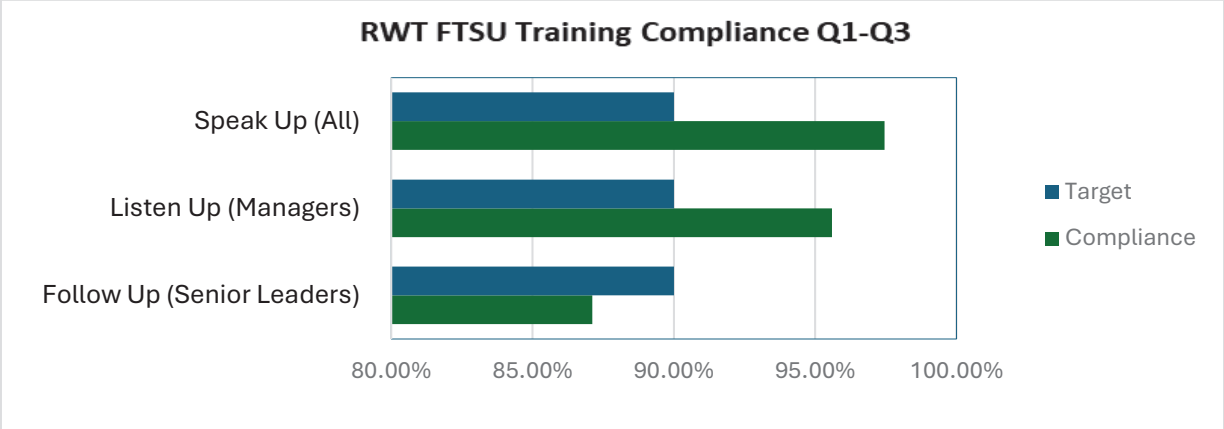
During 2025-26, the Black Country ICB network also hosted two FTSU events, in June 2025 for senior leaders and Executives, and an in-person event was held. In October 2025 an online FTSU event called ‘Not Just a Tick Box Exercise’ was also held for all healthcare staff across the system as part of the national Speak Up week activities.

We saw a number of high-profile events and collaborative ventures facilitated by the RWT FTSU guardians and champions.

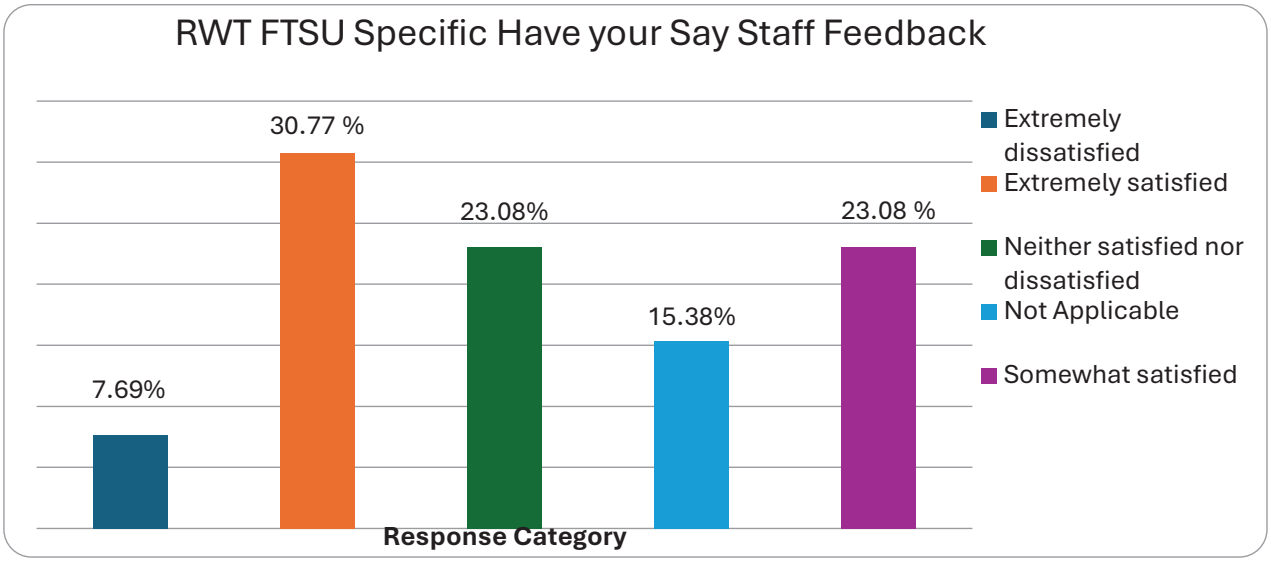
Training and Compliance 2025-2026

- Speak Up (All): 98.3%
- Listen Up (Managers): 95.3%
- Follow Up (Senior Leaders): 87.12%

Consistent high compliance across FTSU training modules in 2024/25 and 2025/26.



Have your Say RWT FTSU Specific Staff Feedback



Future ambitions

Remain a highly collaborative, visible and impartial service that support staff Increase visibility via Trust social platforms and expand Champion recruitment across under-represented groups.

Continue working collaboratively with Staff, Organisational Colleagues, Senior Management, Executives and Non-Executives.

Align policies and systems with WHT and strengthen cross-site collaboration.

Deepen triangulation with OD, Quality and Assurance teams (e.g., exit interviews, retention, policy feedback).

Continue to support with the reduction of attitude and behaviour-related concerns via compassionate leadership and early intervention, raising awareness of the Behavioural Framework and how it can be utilised to help enhance.

Maintain vigilance for patient safety and use assist with a culture of feedback and learning for all involved.

Progress a modernised FtSU data system.

Information Governance

Summary of Serious Incidents requiring investigations involving personal data as reported to the Information Commissioner's Office in 2025/26:

The table below details the incidents reported on the NHS England incident reporting tool and to the Information Commissioners Office (ICO), within the financial year 2025/26. Any incidents that are still being investigated for the period 2025/26 are not included. The incidents listed below are for the Royal Wolverhampton NHS Trust and GP partnerships that have joined the Trust as listed below.

Date incident occurred (Month)	Nature of incident	No. of data subjects	Description/ Nature of data involved	Further action on information risk
March 2026	Unauthorised access	1	Medic currently assigned to the Trust has accessed the records of relative who was receiving care at the Trust.	ICO reported Investigation underway
March 2026	Unauthorised access	1	Concern raised from clinician that it appears a staff member who is a parent of a patient has been accessing the EPR.	Investigation underway
November 2025	Unauthorised access	6	Staff member when accessing patient record noticed that it was locked by someone with same surname. review of audit shows access and no legitimate reason.	ICO reported Investigation underway
September 2025	Unauthorised access	1	Staff member has been looking at family members which was found by a review of audit logs.	ICO reported Investigation underway
September 2025	Unauthorised access	1	Patient raised concerns that their sensitive health data has been accessed. Audit review showed one access attempt that was not authorised.	ICO reported Investigation underway
April 2025	Unauthorised access	4	The NMC contacted the Trust seeking assurances following a complaint the received from someone with regards to a Nurse that had inappropriately accessed records. A review of a staff Nurse audit shows that records of family members have been inappropriately accessed.	ICO reported. Trust provided NMC with audit data and NMC have taken forward the investigation.

Overview of incidents classified at lower severity level

Incidents classified at severity level 1 or below are aggregated and provided in the table below. Please note this is not all incidents, just level ones and below against the below listed categories:

Category	Breach Type	Total
A	Corruption or inability to recover electronic data	0
B	Disclosed in Error	132
C	Lost in Transit	1
D	Lost or stolen hardware	0
E	Lost or stolen paperwork	16
F	Non-secure Disposal – hardware	0
G	Non-secure Disposal – paperwork	5
H	Uploaded to website in error	1
I	Technical security failing (including hacking)	35
J	Unauthorised access/disclosure	18
		208

Data Protection and Security Toolkit Return 2024 – 2025 – final submission from last year.

The Royal Wolverhampton NHS Trust submission for RL4 against the new CAF aligned DSPT was - STANDARDS NOT MET – IMPROVEMENT PLAN AGREED. Out of the 47 mandated outcomes 36 were achieved and 11 did not meet the expected standard. Actions plans are in place and have been signed off by NHS England to ensure the Trust is managing any risk and working towards a compliant position.

For the RWT GP practices, all submitted against the 10 data standards and were all STANDARDS MET.

Thornley Street	M92028
Coalway Road	M92006
Penn Manor	M92006
Alfred Squire	M92006
West Park Surgery	M92011
Lea Road	M92011
Warstones	M92011
Oxley Surgery	M92011
Tettenhall Road Medical Practice	M92011

An internal audit of the DSP Toolkit in 2024/25 resulted in an overall High Risk rating. Of the 12 outcomes assessed, three were found to be not meeting the required standard. Action plans have been put in place to address any gaps in assurance.

Looking forward to 2025/26 Data security and Protection work programme

The Trust continues to actively monitor patterns and trends in data security incidents and to implement proportionate measures to reduce these to the lowest level practicable. Current risks include a continued and increasing external cyber-security threat, particularly relating to email-based phishing attacks and other forms of social engineering. The Trust also recognises the growing cyber and information security risks associated with the supply chain, including reliance on third-party systems and services, and continues to strengthen assurance and due diligence arrangements in this area.

Additional risks to data security include the potential for disclosure in error through a variety of means. These risks are influenced by the operational realities of healthcare delivery, including increased remote and hybrid working practices and greater use of digital tools.

In addition, the Trust is actively delivering the actions set out within the DSP Toolkit improvement plan, developed in response to areas of non-compliance identified in the 2024/25 submission. This programme of work is focused on strengthening cyber resilience, incident response and recovery arrangements, and associated governance and assurance processes, in line with the CAF-aligned DSPT requirements, including RL4.

Progress against the improvement plan is being closely monitored through established Information Governance and Digital assurance forums, with clear ownership, defined milestones, and regular reporting to senior leadership and the Trust Board. Key actions include strengthening incident management processes, improving documentation and testing of response and recovery arrangements, enhancing assurance over third-party and supply-chain cyber risks, and embedding learning from incidents and exercises into operational practice.

This targeted work is designed to ensure that identified gaps are fully addressed and embedded ahead of the 2025/26 DSPT submission, with the aim of improving the Trust's overall assurance position, reducing residual information and cyber risk, and demonstrating sustained compliance with national data security and protection standards.

The Trust remains focused on embedding the principles of privacy by design and by default across all Trust processes, including procurement, digital innovation, and service redesign. This includes the increasing adoption of artificial intelligence (AI) and advanced digital solutions, with appropriate governance, risk assessment, and assurance mechanisms in place to ensure lawful, ethical, and secure use of data. AI initiatives are subject to proportionate assessment to ensure compliance with data protection, cyber security, and clinical safety requirements.

This programme of work continues to be monitored through established governance structures, including the committees outlined below.

- The Trust has several committees that provide assurance in relation to compliance with the Data Security and Protection Toolkit (DSPT) and UK GDPR, chaired by senior Board members
- The Chief Medical Officer, as the Trust's trained Caldicott Guardian, is responsible for protecting the confidentiality of patient and service-user information while enabling appropriate information sharing and chairs the Information Governance Steering Group
- The Chief Financial Officer, as Senior Information Risk Owner (SIRO), is accountable for overseeing the Trust's overall information risk profile, including cyber and supply-chain risks, and for ensuring robust incident reporting and escalation to the Trust Board
- The Trust's Data Protection Officer (DPO) operates independently to monitor GDPR compliance and reports through the Caldicott Guardian to the Trust Board

- The Trust is progressing implementation of a robust information asset management system and clarifying responsibilities for Information Asset Owners (IAOs) to support effective identification, management, and escalation of information risks
- All Trust staff receive mandatory annual data security and information governance training, and the Trust continues to provide specialist and role-based training to ensure awareness remains current and aligned with emerging threats and regulatory expectations
- Mandatory cyber-security training, including phishing awareness, has been implemented for all staff and is kept under regular review to ensure ongoing relevance. This is alongside cyber-security briefings and training to maintain informed oversight, particularly in relation to emerging technologies, AI-related risks, and supply-chain dependencies.

Emergency Preparedness, Resilience and Response

The Royal Wolverhampton NHS Trust has a statutory duty under the Civil Contingencies Act (2004) to maintain robust Emergency Preparedness, Resilience and Response (EPRR) and Business Continuity arrangements. During 2025/26, the Trust has continued to strengthen its organisational resilience, demonstrating measurable progress across planning, training, exercising, and assurance.

Business Continuity

Business Continuity remains a critical component of organisational resilience. During 2025/26, the Trust strengthened its capability through the introduction of improved Business Impact Analysis (BIA) and Business Continuity Plan (BCP) templates and increased engagement across divisions.

Health and Safety at Work

The Trust remains firmly committed to creating and maintaining a safe environment for patients, staff, visitors, contractors and all who may be affected by our activities. During 2025/26, Health and Safety continued to be embedded as a core organisational responsibility, supporting the delivery of safe, effective and compassionate care, and fulfilling the Trust's legal duties under the Health and Safety at Work etc. Act 1974.

Throughout the year, the Trust sustained a strong focus on prevention, learning and continuous improvement, ensuring that health and safety arrangements remained proportionate, risk based and responsive to both operational pressures and regulatory expectations. This approach recognises the complexity of service delivery while maintaining clear accountability for managing risk and reducing avoidable harm.

Health and Safety governance continued to be overseen through the Trust Health and Safety Steering Group, chaired by the Group Chief Safety and Assurance Officer under delegated authority from the Group Chief Executive Officer. The Group met quarterly during the year, with meetings quorate and providing effective oversight of performance, compliance, risk and improvement activity. Membership included divisional leaders, professional and staff side representatives, and specialist advisors, ensuring that discussion and decision making were well informed, inclusive and aligned with wider organisational objectives.

The Trust retained a strong focus on proactive safety management. A comprehensive programme of training, audits, inspections and assurance activity was undertaken to support services in identifying risks and implementing appropriate controls. Structured self-assessment and quality assurance processes enabled Divisions to assess compliance against regulatory and Trust standards and provided senior leaders with visibility of areas requiring additional focus. While performance varied across the organisation, there was evidence of improving maturity and

learning. High compliance with mandatory Health and Safety training was maintained across the year.

The Trust continued to complement its formal audit programme with Safety Assurance Walkabout Inspections, providing visible assurance over environmental, fire and workplace safety standards. These inspections supported early identification of hazards and reinforced expectations around good housekeeping, safe storage and fire safety. Feedback from inspections was shared with local teams and used to support timely remedial action, reinforcing a proactive and learning focused safety culture.

Incident reporting during 2025/26 remained stable, which provides reassurance of a sustained culture of openness and reporting. This enables the Trust to understand where risks are occurring and take action to reduce harm. Violence and aggression (V&A) continued to be a significant challenge, reflecting wider societal pressures and the nature of delivering care in high acuity environments. Encouragingly, the overall number of incidents reduced compared with the previous year, although the Trust remains mindful of the impact such events have on staff wellbeing and continues to prioritise prevention and support measures.

Targeted programmes of work continued throughout the year to strengthen prevention and learning. Improvements in V&A data analysis, investigation quality, risk assessment processes and organisational learning were evident, supporting the Trust's commitment to reducing repeat incidents and supporting staff safety and wellbeing. The Trust also continues to promote close working between specialist teams across patient safety, workforce wellbeing, estates and security to ensure a co-ordinated approach to risk management.

RIDDOR reportable incidents increased slightly during the year, from 35 to 40; these incidents remained low in number relative to the size and activity of the organisation and were thoroughly investigated. The Trust continues to strengthen arrangements to support reduction and continues to engage openly with regulators and to use regulatory feedback to strengthen internal systems and processes. No Health & Safety Executive (HSE) regulatory inspection was undertaken during the year.

The Trust recognises the importance of maintaining resilience within its Health and Safety arrangements, particularly during periods of significant operational change across the NHS. A risk-based approach continues to be applied to prioritise activity, ensuring that resources are focused on the areas of greatest foreseeable risk while maintaining appropriate wider assurance and oversight.

Looking forward, the Trust remains committed to building on the progress made during 2025/26. Priorities for the coming year include further strengthening of local divisional ownership of Health and Safety risks, continuing to reduce incidents related to violence and aggression, sharps, manual handling and environmental hazards, improving training and competence, particularly for those with managerial responsibilities, and promoting a just and learning focused culture that supports openness, improvement and shared accountability.

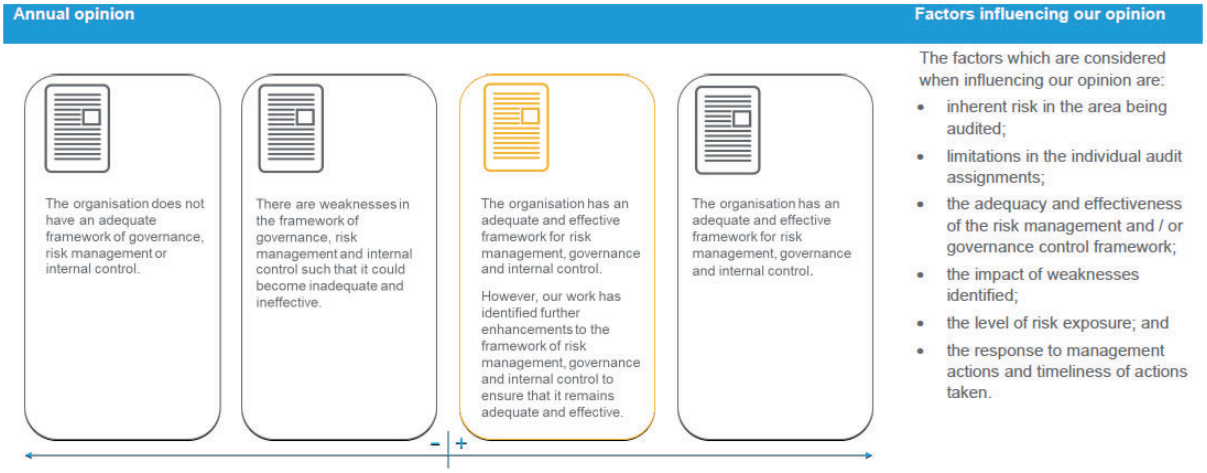
Through these actions, the Trust continues to demonstrate its commitment to protecting the safety of its patients and workforce while supporting high quality care delivery now and in the future.

Compliance with NHS Provider Licence

The Trust holds an NHS Provider Licence issued by NHS England. During the year, the Board has undertaken a review of compliance with the conditions of the licence. Based on the assurance provided, the Board is satisfied that the Trust has maintained appropriate systems and processes to support compliance with the licence, the NHS Acts, and the NHS Constitution.

THE ANNUAL INTERNAL AUDIT OPINION

The annual internal audit opinion is based upon, and limited to, the work performed on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. For the 12 months ending 31 March 2026 the head of internal audit opinion for Royal Wolverhampton NHS Trust is:



No material breaches of the provider licence have been identified during 2025-26. Compliance with licence conditions is supported through the Trust's governance framework, risk management processes, and internal control systems as described in this Annual Governance Statement.

Opinion

Reasonable Assurance: The Trust has an adequate and effective framework for risk management and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

While systems are generally established and operating effectively, a number of areas require improvement to strengthen the overall control environment.

Basis for Opinion

The opinion is based on work performed as part of the 2025/26 risk-based internal audit plan, which was agreed with management and approved by the Audit Committee.

The audit programme included coverage of:

- Authorised Engineer
- Key financial controls
- Shared Business Services – Accounts Payable and Accounts Receivable
- Charitable Funds
- Workforce Planning – Nurse Rostering and Bank Usage
- Data Quality – Cancer Waits
- Board Assurance Framework and risk management

- Advisory - Clinical Coding – Diabetic and Respiratory Outpatients

The opinion reflects:

- The assurance opinions assigned to individual audits
- Follow-up activity on agreed management actions
- The impact and significance of identified control weaknesses
- Management's responsiveness to audit findings

Key Findings Informing the Opinion

Audit work during the year resulted in a mixed assurance profile:

Areas of lower assurance (Partial Assurance)

- Authorised Engineer arrangements
- Key Financial Controls – system implementation
- Shared Business Services (Accounts Payable and Receivable)

Key themes identified:

- Gaps in governance oversight and formal reporting structures
- Weaknesses in system implementation controls and programme management
- Reliance on manual workarounds and incomplete system functionality
- Need for improved assurance over third-party service delivery

Areas of stronger assurance (Reasonable Assurance)

- Charitable funds
- Workforce planning, including nurse rostering and bank usage
- Data quality (cancer waits)
- Board Assurance Framework and risk management

These findings demonstrate that core governance and risk management frameworks are embedded and operating effectively in key areas, although further enhancements are recommended.

Progress on Management Actions

Management has:

- Agreed actions to address all internal audit findings
- Made good progress in implementation, particularly in higher-risk areas
- Established improved action tracking arrangements during the year (transitioning to the 4action system)

This reflects a positive and constructive approach to strengthening the control environment.

Significant Issues for Consideration

Based on the work undertaken:

No issues have been identified that are considered significant enough to be reported as material control weaknesses in the Annual Governance Statement.

Scope and Limitations

The opinion is derived from a risk-based programme of audit work and is therefore subject to inherent limitations, including:

- Not all risks and systems have been reviewed
- Audit testing is selective and cannot provide absolute assurance
- Control weaknesses may exist that were not identified during the audit process

No significant limitations or conflicts of interest were identified that would impact this opinion.

Conclusion

The Board of The Royal Wolverhampton NHS Trust is satisfied that, for the year ended 31 March 2026, the organisation has maintained generally effective systems of governance, risk management and internal control that are consistent with the requirements of the NHS Act 2006, the NHS Provider Licence and the NHS Code of Governance.

The Trust has continued to operate within a robust governance framework, strengthened through the establishment of the Group Board in July 2024, supported by well-established Board committees and clear lines of accountability. The Board Assurance Framework and supporting risk management processes have enabled the identification, monitoring and mitigation of the Trust's principal risks, aligned to strategic objectives.

Internal audit has provided a reasonable assurance opinion, confirming that the core elements of governance and control are in place and operating effectively, although, as expected in a complex organisation, further improvements are required in specific areas. The Trust has demonstrated continued compliance with its statutory duties, including maintaining its NHS Provider Licence and meeting key financial reporting requirements, with a year-end surplus delivered and financial duties achieved.

However, the Board recognises that significant challenges remain, and that areas of control require continued strengthening. In particular:

- The Care Quality Commission inspection identified concerns within Urgent and Emergency Care at New Cross Hospital, resulting in a downgrade to Requires

Improvement, with the safety domain rated Inadequate.

- Operational pressures, including high demand, ambulance handover delays and extended waiting times, continue to impact performance against some constitutional standards.
- The NHS Staff Survey results highlight important issues relating to wellbeing, inclusion, morale and retention, indicating the need for sustained cultural and organisational development.
- Patient experience and complaints activity have shown areas where further improvement is required to ensure consistent, high-quality care.

The Board has taken decisive action to address these matters, including strengthening clinical governance oversight, increasing staffing and leadership presence in key services, enhancing risk management arrangements, and prioritising staff engagement and organisational culture through the Trust's refreshed strategy.

The Trust continues to embed a culture of learning, openness and continuous improvement, supported by Freedom to Speak Up arrangements, patient feedback mechanisms, and structured quality improvement programmes.

Based on the evidence available, including reports from internal audit, external audit, Board committees and executive management, the Board is assured that:

- There are no significant internal control issues that would undermine the overall effectiveness of the system of governance
- Identified weaknesses are understood, actively managed and subject to clear improvement plans
- The Trust has appropriate plans in place to continue strengthening governance, improving quality and addressing its key risks during 2026/27

The Board therefore concludes that the Trust's governance framework is fit for purpose but acknowledges that continued focus and delivery are required to ensure sustained improvement in quality, performance, workforce experience and patient outcomes.

Signed: 

Accountable Officer: Joe Chadwick-Bell,
Group Chief Executive Officer
Organisation: The Royal Wolverhampton NHS Trust
Date: 23 June 2026

Statement of Comprehensive Income

	Note	2025/26 £000	2024/25 £000
Operating income from patient care activities	3	**912,315**	874,224
Other operating income	4	**167,867**	167,167
Operating expenses	7,9	**(1,063,060)**	(1,039,868)
Operating surplus/(deficit) from continuing operations		**17,122**	1,523
Finance income	11	**2,592**	2,438
Finance expenses	12	**(2,159)**	(3,292)
PDC dividends payable		**(13,371)**	(13,099)
Net finance costs		**(12,938)**	(13,953)
Other gains / (losses)	13	**2**	32
Surplus / (deficit) for the year from continuing operations		**4,186**	(12,398)
Surplus / (deficit) for the year		**4,186**	(12,398)
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	**(185)**	0
Revaluations	17	**13,421**	6,419
Fair value gains / (losses) on equity instruments designated at fair value through OCI	19	**0**	4
Total other comprehensive income for the period		**13,236**	6,423
Total comprehensive income / (expense) for the period		**17,422**	(5,975)

Statement of Financial Position

	Note	31 March 2026 £000	31 March 2025 £000
Non-current assets			
Intangible assets	14	**13,073**	9,351
Property, plant and equipment	15	**532,610**	521,391
Right of use assets	18	**13,338**	18,233
Other investments / financial assets	19	**16**	16
Receivables	21	**3,953**	3,073
Total non-current assets		**562,990**	552,064
Current assets			
Inventories	20	**10,430**	9,766
Receivables	21	**55,177**	38,389
Cash and cash equivalents	22	**42,739**	50,886
Total current assets		**108,346**	99,041
Current liabilities			
Trade and other payables	23	**(105,917)**	(104,725)
Borrowings	25	**(9,102)**	(8,731)
Provisions	26	**(2,855)**	(8,072)
Other liabilities	24	**(11,141)**	(12,138)
Total current liabilities		**(129,015)**	(133,666)
Total assets less current liabilities		**542,320**	517,439
Non-current liabilities			
Borrowings	25	**(26,601)**	(31,567)
Provisions	26	**(1,336)**	(1,980)
Total non-current liabilities		**(27,936)**	(33,547)
Total assets employed		**514,384**	483,892
Financed by			
Public dividend capital		**350,852**	337,782
Revaluation reserve		**133,711**	120,643
Financial assets reserve		**(1,414)**	(1,414)
Other reserves		**190**	190
Merger reserve		**0**	0
Income and expenditure reserve		**31,045**	26,691
Total taxpayers' equity		**514,384**	483,892

The notes on pages 50 to 80 form part of these accounts.

Name Joe Chadwick-Bell
Position Group Chief Executive
Date 23 June 2026

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

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000
Taxpayers' equity at 1 April 2025 - brought forward	**337,782**	**120,643**	**(1,414)**	**190**	**26,691**	**483,892**
Surplus/(deficit) for the year	**0**	**0**	**0**	**0**	**4,186**	**4,186**
Impairments	**0**	**(185)**	**0**	**0**	**0**	**(185)**
Revaluations	**0**	**13,421**	**0**	**0**	**0**	**13,421**
Transfer to retained earnings on disposal of assets	**0**	**(168)**	**0**	**0**	**168**	**0**
Public dividend capital received	**13,070**	**0**	**0**	**0**	**0**	**13,070**
Taxpayers' equity at 31 March 2026	**350,852**	**133,711**	**(1,414)**	**190**	**31,045**	**514,384**

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

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000
Taxpayers' equity at 1 April 2024 - brought forward	316,202	114,224	(1,418)	190	39,089	468,287
Surplus/(deficit) for the year	0	0	0	0	(12,398)	(12,398)
Revaluations	0	6,419	0	0	0	6,419
Fair value gains/(losses) on equity instruments designated at fair value through OCI	0	0	4	0	0	4
Public dividend capital received	21,580	0	0	0	0	21,580
Taxpayers' equity at 31 March 2025	337,782	120,643	(1,414)	190	26,691	483,892

Information on reserves

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

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

Financial assets reserve
This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Merger reserve
This legacy reserve reflects balances formed on previous mergers of NHS bodies.

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

Statement of Cash Flows

	Note	2025/26 £000	2024/25 £000
Cash flows from operating activities			
Operating surplus / (deficit)		**17,122**	1,523
Non-cash income and expense:			
Depreciation and amortisation	7.1	**33,856**	33,489
Net impairments	8	**1,250**	2,594
Income recognised in respect of capital donations	4	**(866)**	(4,223)
(Increase) / decrease in receivables and other assets		**(14,613)**	5,529
(Increase) / decrease in inventories		**(664)**	(717)
Increase / (decrease) in payables and other liabilities		**6,469**	12,784
Increase / (decrease) in provisions		**(5,871)**	6,434
Net cash flows from / (used in) operating activities		**36,684**	57,413
Cash flows from investing activities			
Interest received		**2,592**	2,438
Purchase of intangible assets		**(4,988)**	(3,312)
Purchase of PPE and investment property		**(32,182)**	(38,202)
Sales of PPE and investment property		**2**	32
Receipt of cash donations to purchase assets		**866**	4,204
Net cash flows from / (used in) investing activities		**(33,710)**	(34,840)
Cash flows from financing activities			
Public dividend capital received		**13,070**	21,580
Capital element of lease rental payments		**(4,769)**	(4,503)
Capital element of PFI, LIFT and other service concession payments		**(4,433)**	(3,974)
Interest paid on lease liability repayments		**(626)**	(635)
Interest paid on PFI, LIFT and other service concession obligations		**(1,241)**	(1,448)
PDC dividend (paid) / refunded		**(13,121)**	(12,164)
Net cash flows from / (used in) financing activities		**(11,120)**	(1,144)
Increase / (decrease) in cash and cash equivalents		**(8,146)**	21,429
Cash and cash equivalents at 1 April - brought forward		**50,886**	29,457
Cash and cash equivalents at 31 March	22.1	**42,739**	50,886

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2025/26 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.
The Trust has prepared its financial plans and cash flow forecasts for the coming year on the assumption that funding will be received from the Department of Health and Social Care. These funds are expected to be sufficient to enable the Trust to meet its obligations as they fall due and will be accessed through the nationally agreed process published by NHS England and the Department of Health and Social Care.

The Board of Directors has therefore concluded that these financial statements should be prepared on a going concern basis as there is a reasonable expectation that the Trust will have adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements.

Note 1.3 Revenue from contracts with customers

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

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

The main source of income for the Trust is contracts with commissioners in respect of health care services. The timing of the satisfaction of performance obligations is in line with typical timing of payment (i.e. 14-30 days dependant on credit terms agreed with customer).

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS). The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, out-patient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

High costs drugs and devices excluded from the calculation of national prices are reimbursed by NHS England based on actual usage or at a fixed baseline in addition to the price of the related service.

The Trust also receives income from commissioners under the Best Practice Tariff (BPT) scheme. Delivery under the scheme is part of how care is provided to patients. As such BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner and are accounted for as variable consideration under IFRS 15. Payment for BPT on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

Additional payments for specialised services reflecting patient complexity are included within the fixed element of API contracts. This is accounted for as variable consideration under IFRS 15.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

The NHS Trust receives income from the National Institute for Health Research (NIHR) for the hosting of the Regional Research Delivery Networks (RRDNs). Previously known until 30 September 2024 as West Midlands Clinical Research Network, which comprises the majority of the Trust's Research and Development Income.

NHS injury cost recovery scheme

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

Note 1.4 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the Statement of Comprehensive Income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

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

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

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

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

Note 1.6 Expenditure on other goods and services

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

Note 1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or operational capacity deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or operational capacity, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

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

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

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current value in existing use is defined as market value except where a building is so specialised in nature no active market exists from which to draw satisfactory transactional evidence. In this case a valuer will adopt a depreciated replacement cost (DRC) model on a modern equivalent asset (MEA) basis.

A DRC model estimates current value in existing use as the present value of the asset's remaining operational capacity, which is assumed to be at least equal to the cost of replacing that operational capacity. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.
This is the most significant estimate in the accounts and is based on the professional judgement of the Trust's independent valuer; Avison Young with extensive knowledge of the physical estate and market factors.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the trust.

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

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

Depreciation

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

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

Revaluation gains and losses

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

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

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

Impairments

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

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

De-recognition

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

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

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

Donated and grant funded assets

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

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

Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the trust. Annual contract payments to the operator (the unitary charge) are apportioned between the repayment of the liability including the finance cost, the charges for services and lifecycle replacement of components of the asset.

Initial recognition

In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Initial measurement of the asset and liability are in accordance with the initial measurement principles of IFRS 16 (see leases accounting policy).

Subsequent measurement

Assets are subsequently accounted for as property, plant and equipment and/or intangible assets as appropriate.

The liability is subsequently reduced by the portion of the unitary charge allocated as payment for the asset and increased by the annual finance cost. The finance cost is calculated by applying the implicit interest rate to the opening liability and is charged to finance costs in the Statement of Comprehensive Income. The element of the unitary charge allocated as payment for the asset is split between payment of the finance cost and repayment of the net liability.

Where there are changes in future payments for the asset resulting from indexation of the unitary charge, the Trust remeasures the PFI liability by determining the revised payments for the remainder of the contract once the change in cash flows takes effect. The remeasurement adjustment is charged to finance costs in the Statement of Comprehensive Income.

The service charge is recognised in operating expenses in the Statement of Comprehensive Income.

Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	1	77
Dwellings	3	26
Plant & machinery	5	15
Transport equipment	5	7
Information technology	4	5
Furniture & fittings	7	10

Note 1.8 Intangible assets

Recognition

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

Internally generated intangible assets

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

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

Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset where it meets recognition criteria.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. From 1 April 2025, subsequent measurement of intangible assets is at cost less amortisation.

Prior to 1 April 2025, intangible assets were held under a revaluation approach reflecting current value in existing use. Revaluation gains and losses and impairments were treated in the same manner as for property, plant and equipment. On 1 April 2025, the carrying value of these assets was carried forward as 'deemed cost' and any related revaluation surpluses in the revaluation reserve were transferred to the I&E reserve.

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

Impairments

Where indicators of impairment exist, the recoverable amount is assessed as the higher of its fair value and the cost to replace the service capacity. Where this is lower than the carrying value an impairment is recognised in expenditure. The recoverable amount of intangible assets under construction is assessed annually, irrespective of indicators of impairment.

Amortisation

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

Useful lives of intangible assets

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

	Min life Years	Max life Years
Software licences	4	5

Note 1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method.

Note 1.10 Cash and cash equivalents

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

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

Note 1.11 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

Financial assets or financial liabilities in respect of assets acquired or disposed of through leasing arrangements are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

The Trust has irrevocably elected to measure the following equity instruments at fair value through other comprehensive income:

- Arcturis Data Limited (formerly known as Sensyne Health Limited) Shares on the basis the Trust are holding these shares as an investment and not for trading. Any subsequent fair value movements from initial recognition will therefore be a reserves movement.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

At the end of the reporting period, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' require an allowance for an expected credit loss. Lifetime credit losses are recognised if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset and that have an impact on the estimated future cash flows of the asset. However, NHS bodies are not allowed to recognise any impairments against intra-DHSC balances as it is expected that they will be recoverable, therefore no lifetime credit losses are made against NHS bodies.

When estimating lifetime credit losses in relation to Injury Cost Recovery (ICR) receivables, the GAM instructs the Trust to include an amount within the credit loss allowances for contract receivables to reflect income that is not expected to be recoverable. Each year, the Compensation Recovery Unit (CRU) advises a percentage probability of not receiving the income. For 2025/26 this is 24.62% (2024/25 24.45%).

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

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

Derecognition

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

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

Note 1.12 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as a lessee

Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 4.81% applied to new leases commencing in 2025 and 5.32% to new leases commencing in 2026.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term or other systematic basis Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as a lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. 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.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance leases

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

Operating leases

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

Note 1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2026:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	3.64%	4.03%
Medium-term	After 5 years up to 10 years	4.22%	4.07%
Long-term	After 10 years up to 40 years	5.32%	4.81%
Very long-term	Exceeding 40 years	5.07%	4.55%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2026:

	Inflation rate	Prior year rate
Year 1	2.5%	2.60%
Year 2	2.0%	2.30%
Into perpetuity	2.0%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.95% in real terms (prior year: 2.40%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at Note 26.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in Note 27 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 27.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.15 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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

Note 1.16 Value added tax

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

Note 1.17 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.18 Foreign exchange

The functional and presentational currency of the trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

• monetary items are translated at the spot exchange rate on 31 March
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.19 Third party assets

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

Note 1.20 Losses and special payments

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

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

Note 1.21 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.22 Transfers of functions from other NHS bodies

For functions that have been transferred to the Trust from another NHS body, the transaction is accounted for as a transfer by absorption. The assets and liabilities transferred are recognised in the accounts using the book value as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition.

For property, plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

Note 1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2025/26.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

The DHSC GAM does not require the following IFRS Standards to be applied in 2025/26:

IFRS 9 Financial Instruments: Disclosures is effective for accounting periods beginning on or after 1 January 2026. The Standard is not yet UK endorsed and has not been adopted by the Trust. Early adoption is not permitted. The potential impact of applying the Standard in future periods has not yet been assessed.

IFRS 18 Presentation and Disclosure in Financial Statements - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

IFRS 19 Subsidiaries without Public Accountability: Disclosures - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

Changes to non-investment asset valuation – Following a thematic review of non-current asset valuations for financial reporting in the public sector, HM Treasury has made a number of changes to valuation frequency, valuation methodology and classification which are effective in the public sector from 1 April 2025 with a 5 year transition period. NHS bodies are adopting these changes to an alternative timeline.

From 2026/27 NHS bodies' valuation methodology will be a mandated quinquennial revaluation frequency (or rolling programme) supplemented by annual indexation in the intervening years. The requirement in IAS 16 to revalue an asset when its fair value differs materially from its carrying value is being withdrawn for the public sector. Given the variation in PPE valuations in any given year, and future changes in indices, it is not possible to quantify the impact of applying these changes in future periods. PPE and right of use assets currently subject to revaluation have a total book value of £355m as at 31 March 2026.

The current accounting policy for property assets measures the cost of replacing the service potential using a 'modern equivalent asset'. This policy is not changing. In deriving the modern equivalent asset, the Trust and its valuers currently adopt an 'alternative site' assumption for all of its specialised buildings, meaning the replaced service potential may be in a different location. The option of using this assumption is being withdrawn for NHS bodies from 1 April 2028. Therefore the hypothetical modern equivalent asset will change to be located on current sites in asset valuations from 2028/29. Assets valued on an alternative site basis have a total book value of £355m at 31 March 2026.

Note 1.25 Critical judgements in applying accounting policies

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

In the application of the NHS Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Note 1.26 Sources of estimation uncertainty

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

-Valuation of Non-Current Assets
As detailed in accountancy policy note 1.7 'Property, plant and equipment' the Trust's Valuer provided the Trust with a valuation of the land and building assets (estimated fair value and remaining useful life). The significant estimation being the specialised building - depreciation replacement value, using modern equivalent asset optimised alternative site methodology, of the hospital sites. The result of this valuation, based on estimates provided by a suitably qualified professional in accordance with HM Treasury guidance, is disclosed in note 17 to the financial statements. Future revaluations of the Trust's property may result in further material changes to the carrying value of non-current assets. The impact of using modern equivalent asset valuation is shown in note 17.

Note 2 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Trust Board that makes strategic decisions.

The Board, as 'Chief Operating Decision Maker', has determined that the Trust operates in one material segment which is the provision of healthcare services. The segmental reporting format reflects the Trust's management and internal reporting structure.

The provision of healthcare (including medical treatment, research and education) is within one main geographical segment, the United Kingdom, and materially from Departments of HM Government in England.

The Trust has only one business segment which is provision of healthcare. A segmental analysis is therefore not applicable.

Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)	2025/26 £000	2024/25 £000
Acute services		
Income from commissioners under API contracts - variable element*	**187,550**	199,071
Income from commissioners under API contracts - fixed element*	**514,055**	503,439
High cost drugs income from commissioners****	**66,388**	35,147
Other NHS clinical income	**31,966**	25,557
Community services		
Income from commissioners under API contracts*	**50,958**	49,384
Income from other sources (e.g. local authorities)	**8,597**	9,061
All services		
Private patient income	**1,154**	795
National pay award central funding***	**0**	1,974
Additional pension contribution central funding**	**39,461**	37,380
Other clinical income	**12,186**	12,416
Total income from activities	**912,315**	874,224

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2025/26 NHS Payment Scheme documentation.

https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/

**Increases to the employer contribution rate for NHS pensions since 1 April 2019 have been funded by NHS England. NHS providers continue to pay at the former rate of 14.38% with the additional amount being paid over by NHS England on providers' behalf. The full cost of employer contributions (23.7%) and related NHS England funding (9.4%) have been recognised in these accounts.

***Additional funding was made available directly to providers by NHS England in 2024/25 for implementing the backdated element of pay awards where government offers were finalised after the end of the 2023/24 financial year. NHS Payment Scheme prices and API contracts are updated for the weighted uplift in in-year pay costs when awards are finalised.

****Updated guidance on population that high cost drugs with fixed elements of contracts are to be included for 25/26 and going forward with the movement from block contract. This is a movement from Income from commissioners under API contracts - fixed element*

Note 3.2 Income from patient care activities (by source)	2025/26 £000	2024/25 £000
Income from patient care activities received from:		
NHS England	**115,336**	114,854
Integrated care boards	**773,918**	736,546
Other NHS providers	**974**	1,189
NHS other	**1,062**	1,333
Local authorities	**8,603**	9,061
Non-NHS: private patients	**1,154**	795
Non-NHS: overseas patients (chargeable to patient)	**283**	350
Injury cost recovery scheme	**1,369**	1,175
Non NHS: other	**9,616**	8,921
Total income from activities	**912,315**	874,224
Of which:		
Related to continuing operations	**912,315**	874,224

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2025/26	2024/25
	£000	£000
Income recognised this year	**283**	350
Cash payments received in-year	**106**	102
Amounts added to provision for impairment of receivables	**310**	350
Amounts written off in-year	**86**	99

Note 4 Other operating income

	2025/26			2024/25		
	Contract income	**Non-contract income**	**Total**	Contract income	Non-contract income	Total
	£000	**£000**	**£000**	£000	£000	£000
Research and development	**39,721**	**0**	**39,721**	38,883	0	38,883
Education and training	**30,291**	**1,582**	**31,873**	32,067	1,733	33,800
Non-patient care services to other bodies	**68,573**		**68,573**	66,015		66,015
Income in respect of employee benefits accounted on a gross basis	**13,246**		**13,246**	11,623		11,623
Receipt of capital grants and donations and peppercorn leases		**866**	**866**		4,223	4,223
Revenue from operating leases		**934**	**934**		415	415
Other income*	**12,654**	**0**	**12,654**	12,208	0	12,208
Total other operating income	**164,485**	**3,382**	**167,867**	160,796	6,371	167,167
Of which:						
Related to continuing operations			167,867			167,167

* Other contract income includes car parking income, catering income, pharmacy sales, staff accommodation rental and other income generation schemes (recognised under IFRS 15).

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2025/26	2024/25
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	**4,741**	4,985
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	**0**	0

Note 5.2 Transaction price allocated to remaining performance obligations

	31 March 2026	31 March 2025
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	**£000**	£000
within one year	**10,906**	8,120
after one year, not later than five years	**235**	4,018
after five years	**0**	0
Total revenue allocated to remaining performance obligations	**11,141**	12,138

The trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 5.3 Fees and charges

The following disclosure is of income from charges to service users where the full cost of providing that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2025/26	2024/25
	£000	£000
Income	**5,373**	5,520
Full cost	**(4,379)**	(4,967)
Surplus / (deficit)	**994**	553

The fees and charges income generated by the Trust include income from non-patient care income generation activities such as car parking, staff residences and catering. The objective is to ensure all costs associated with the operation of such activities are covered and that any surplus generated for the Trust is used to re-invest in the operation of its core services.

Note 6 Operating leases - The Royal Wolverhampton NHS Trust as lessor

This note discloses income generated in operating lease agreements where The Royal Wolverhampton NHS Trust is the lessor.

Included within this note are a number of third party services and retail outlets on site with whom the Trust have a leasing arrangement.

Note 6.1 Operating lease income

	2025/26	2024/25
	£000	£000
Lease receipts recognised as income in year:		
Minimum lease receipts	**934**	415
Total in-year operating lease income	**934**	415

Note 6.2 Future lease receipts

	31 March 2026	31 March 2025
	£000	£000
Future minimum lease receipts due in:		
- not later than one year	**923**	430
- later than one year and not later than two years	**55**	59
- later than two years and not later than three years	**44**	59
- later than three years and not later than four years	**10**	58
- later than four years and not later than five years	**10**	58
- later than five years	**86**	95
Total	**1,128**	759

Note 7.1 Operating expenses

	2025/26	2024/25
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	**8,324**	7,357
Purchase of healthcare from non-NHS and non-DHSC bodies	**4,738**	5,907
Staff and executive directors costs	**673,450**	652,545
Remuneration of non-executive directors	**170**	188
Supplies and services - clinical (excluding drugs costs)	**113,414**	111,897
Supplies and services - general	**13,715**	15,211
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	**81,870**	82,346
Consultancy costs	**4,072**	498
Establishment	**7,790**	6,209
Premises	**33,673**	35,196
Transport (including patient travel)	**2,571**	2,781
Depreciation on property, plant and equipment	**32,590**	32,055
Amortisation on intangible assets	**1,266**	1,434
Net impairments	**1,250**	2,594
Movement in credit loss allowance: contract receivables / contract assets	**1,141**	1,011
Change in provisions discount rate(s)	**(5)**	5
Fees payable to the external auditor*		
audit services- statutory audit	**200**	200
other auditor remuneration (external auditor only)	**4**	0
Internal audit costs	**133**	146
Clinical negligence	**21,002**	21,285
Legal fees	**234**	78
Insurance (as a policy holder)	**320**	283
Research and development	**36,762**	36,363
Education and training	**12,301**	13,758
Redundancy	**363**	514
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	**3,030**	2,779
Car parking & security	**1,575**	1,412
Losses, ex gratia & special payments	**26**	22
Other services, eg external payroll	**0**	21
Other	**7,081**	5,773
Total	**1,063,060**	1,039,868
Of which:		
Related to continuing operations	**1,063,060**	1,039,868

*** Audit fees exclude VAT**

Note 7.2 Other auditor remuneration

	2025/26 £000	2024/25 £000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	**0**	0
2. Audit-related assurance services	**0**	0
3. Taxation compliance services	**0**	0
4. All taxation advisory services not falling within item 3 above	**0**	0
5. Internal audit services	**0**	0
6. All assurance services not falling within items 1 to 5	**0**	0
7. Corporate finance transaction services not falling within items 1 to 6 above	**0**	0
8. Other non-audit services not falling within items 2 to 7 above	**4**	0
Total	**4**	0

Note 7.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1,000k (2024/25: £1,000k).

Note 8 Impairment of assets

	2025/26 £000	2024/25 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	**1,250**	2,594
Total net impairments charged to operating surplus / deficit	**1,250**	2,594
Impairments charged to the revaluation reserve	**185**	0
Total net impairments	**1,435**	2,594

The impairments relate to the impact of the full valuation of the Trusts land and buildings as at 31 March 2026 and desktop valuation of the Trusts land and buildings 31 March 2025. Both valuations were undertaken by a Professional Valuer, Avison Young (UK) Limited. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) and Valuation Manual in so far as these terms are consistent with the agreed requirements of the Department of Health and Social Care and HM Treasury. Impairments are due to a reduction in the value of a number of the Trusts' building assets where no revaluation reserve balance exists.

Note 9 Employee benefits

	2025/26 Total £000	2024/25 Total £000
Salaries and wages	**523,879**	523,686
Social security costs	**67,082**	51,995
Apprenticeship levy	**1,868**	1,868
Employer's contributions to NHS pensions	**99,836**	94,635
Temporary staff (including agency)	**4,375**	5,710
Total gross staff costs	**697,040**	677,894
Recoveries in respect of seconded staff	**(1,810)**	(2,436)
Total staff costs	**695,230**	675,458
Of which		
Costs capitalised as part of assets	**2,806**	2,863

Note 9.1 Retirements due to ill-health

During 2025/26 there were 4 early retirements from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2025). The estimated additional pension liabilities of these ill-health retirements is £491k (£72k in 2024/25).

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

Note 10 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2026, is based on valuation data as at 31 March 2024, updated to 31 March 2026 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027

Note 11 Finance income

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

	2025/26	2024/25
	£000	£000
Interest on bank accounts	2,592	2,438
Total finance income	2,592	2,438

Note 12.1 Finance expenditure

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

	2025/26	2024/25
	£000	£000
Interest expense:		
Interest on lease obligations	626	635
Finance costs on PFI, LIFT and other service concession arrangements:		
Main finance costs	1,241	1,448
Remeasurement of the liability resulting from change in index or rate	282	1,200
Total interest expense	2,149	3,283
Unwinding of discount on provisions	10	9
Total finance costs	2,159	3,292

Note 12.2 The late payment of commercial debts (interest) Act 1998

	2025/26	2024/25
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	7	7

Note 13 Other gains / (losses)

	2025/26	2024/25
	£000	£000
Gains on disposal of assets	2	32
Total gains / (losses) on disposal of assets	2	32
Total other gains / (losses)	2	32

Note 14.1 Intangible assets - 2025/26

	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Cost at 1 April 2025 - brought forward *	**11,937**	**6,318**	**18,255**
Additions	**253**	**4,735**	**4,988**
Reclassifications	**16**	**(16)**	**0**
Disposals / derecognition	**(1,552)**	**0**	**(1,552)**
Cost at 31 March 2026	**10,654**	**11,037**	**21,691**
Amortisation at 1 April 2025 - brought forward	**8,904**	**0**	**8,904**
Provided during the year	**1,266**	**0**	**1,266**
Disposals / derecognition	**(1,552)**	**0**	**(1,552)**
Amortisation at 31 March 2026	**8,618**	**0**	**8,618**
Net book value at 31 March 2026	**2,036**	**11,037**	**13,073**
Net book value at 1 April 2025	**3,033**	**6,318**	**9,351**

* From 1 April 2025, the option to apply the revaluation model in IAS 38 to intangible assets has been withdrawn prospectively. Where assets were previously revalued, the carrying value at the transition date was carried forward as 'deemed cost'.

Note 14.2 Intangible assets - 2024/25

	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2024 - as previously stated	11,717	3,505	15,222
Additions	0	3,312	3,312
Reclassifications	499	(499)	0
Disposals / derecognition	(279)	0	(279)
Valuation / gross cost at 31 March 2025	11,937	6,318	18,255
Amortisation at 1 April 2024 - as previously stated	7,749	0	7,749
Provided during the year	1,434	0	1,434
Disposals / derecognition	(279)	0	(279)
Amortisation at 31 March 2025	8,904	0	8,904
Net book value at 31 March 2025	3,033	6,318	9,351
Net book value at 1 April 2024	3,968	3,505	7,473

Note 15.1 Property, plant and equipment - 2025/26

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2025 - brought forward	**16,355**	**333,759**	**1,587**	**119,612**	**124,370**	**822**	**25,854**	**12,484**	**634,843**
Additions	**0**	**509**	**0**	**25,232**	**893**	**76**	**0**	**211**	**26,921**
Impairments	**(425)**	**(2,361)**	**0**	**0**	**0**	**0**	**0**	**0**	**(2,786)**
Reversals of impairments	**0**	**1,351**	**0**	**0**	**0**	**0**	**0**	**0**	**1,351**
Revaluations	**0**	**(1,461)**	**112**	**0**	**0**	**0**	**0**	**0**	**(1,349)**
Reclassifications	**0**	**6,118**	**0**	**(30,166)**	**22,106**	**39**	**0**	**1,903**	**0**
Disposals / derecognition	**0**	**0**	**0**	**0**	**(20,901)**	**(87)**	**(8,452)**	**(5,619)**	**(35,059)**
Valuation/gross cost at 31 March 2026	**15,930**	**337,915**	**1,699**	**114,678**	**126,468**	**850**	**17,402**	**8,979**	**623,921**
Accumulated depreciation at 1 April 2025 - brought forward	**0**	**0**	**0**	**0**	**83,132**	**624**	**21,555**	**8,141**	**113,452**
Provided during the year	**0**	**14,661**	**109**	**0**	**10,093**	**74**	**2,053**	**698**	**27,688**
Revaluations	**0**	**(14,661)**	**(109)**	**0**	**0**	**0**	**0**	**0**	**(14,770)**
Reclassifications	**0**	**0**	**0**	**0**	**8**	**(8)**	**0**	**0**	**0**
Disposals / derecognition	**0**	**0**	**0**	**0**	**(20,901)**	**(87)**	**(8,452)**	**(5,619)**	**(35,059)**
Accumulated depreciation at 31 March 2026	**0**	**0**	**0**	**0**	**72,332**	**603**	**15,156**	**3,220**	**91,311**
Net book value at 31 March 2026	**15,930**	**337,915**	**1,699**	**114,678**	**54,136**	**247**	**2,246**	**5,759**	**532,610**
Net book value at 1 April 2025	**16,355**	**333,759**	**1,587**	**119,612**	**41,238**	**198**	**4,299**	**4,343**	**521,391**

Note 15.2 Property, plant and equipment - 2024/25

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2024 - as previously stated	16,310	334,282	1,602	104,827	118,871	826	29,715	12,284	618,717
Additions	0	304	0	36,254	3,555	37	54	0	40,204
Impairments	0	(4,501)	0	0	0	0	0	0	(4,501)
Reversals of impairments	153	1,754	0	0	0	0	0	0	1,907
Revaluations	(108)	(7,960)	(15)	0	0	0	0	0	(8,083)
Reclassifications	0	9,880	0	(21,469)	10,916	(1)	474	200	0
Disposals / derecognition	0	0	0	0	(8,972)	(40)	(4,389)	0	(13,401)
Valuation/gross cost at 31 March 2025	16,355	333,759	1,587	119,612	124,370	822	25,854	12,484	634,843
Accumulated depreciation at 1 April 2024 - as previously stated	0	0	0	0	82,602	596	23,431	7,442	114,071
Provided during the year	0	14,396	106	0	9,502	68	2,513	699	27,284
Revaluations	0	(14,396)	(106)	0	0	0	0	0	(14,502)
Disposals / derecognition	0	0	0	0	(8,972)	(40)	(4,389)	0	(13,401)
Accumulated depreciation at 31 March 2025	0	0	0	0	83,132	624	21,555	8,141	113,452
Net book value at 31 March 2025	16,355	333,759	1,587	119,612	41,238	198	4,299	4,343	521,391
Net book value at 1 April 2024	16,310	334,282	1,602	104,827	36,269	230	6,284	4,842	504,646

Note 15.3 Property, plant and equipment financing - 31 March 2026

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	15,930	327,584	1,699	84,195	27,244	247	2,244	5,744	464,887
On-SoFP PFI contracts and other service concession arrangements	0	8,897	0	0	6,434	0	0	0	15,331
Owned - donated/granted	0	1,434	0	30,483	20,458	0	2	15	52,392
Total net book value at 31 March 2026	15,930	337,915	1,699	114,678	54,136	247	2,246	5,759	532,610

Note 15.4 Property, plant and equipment financing - 31 March 2025

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	16,355	323,665	1,587	74,504	27,972	198	802	4,325	449,408
On-SoFP PFI contracts and other service concession arrangements	0	8,779	0	0	6,881	0	0	0	15,660
Owned - donated/granted	0	1,315	0	45,108	6,385	0	3,497	18	56,323
Total net book value at 31 March 2025	16,355	333,759	1,587	119,612	41,238	198	4,299	4,343	521,391

Note 16 Donations of property, plant and equipment

For the year ended 31 March 2026, The Royal Wolverhampton NHS Trust Charity donated £257k (24/25 £19k) of assets to the Trust.

Note 17 Revaluations of property, plant and equipment

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value under IFRS 13 where there are no restrictions preventing access to the market at the reporting date and if it does not meet the requirement of IAS 40 or IFRS 5.

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

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

The current value of land and buildings is determined by valuations carried out by a Professional Valuer Avison Young (UK) Limited. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) and Valuation Manual in so far as these terms are consistent with the agreed requirements of the Department of Health and Social Care and HM Treasury. A full valuation (excluding assets under construction/work in progress) was carried out as at 31 March 2026 and assets lives were also reviewed by Avison Young (UK) Limited as at this date. This valuation was based on published data from the Building Cost Information Service (BCIS) which provides a level of consistency in reporting and forecasting future trends. The valuer has considered both the BCIS All-in Tender Price Index (TPI), the General Building Cost Index (BCI), along with the PUBSEC TPI Index which is a smoothed version of the All-in TPI specifically referencing public sector construction projects. This was agreed with a number of consultancy firms, with an indexation factor of 2.76% utilised in 25/26 (2.31% 24/25). Future revaluations of the Trust's property may result in further material changes to the carrying value of non-current assets.

The Trust has performed sensitivity analyses of reasonably possible changes in the significant assumptions. The sensitivity table is based on an illustrative % change, however the estimates may vary by greater amounts. The Trust considers the assets valuation to be a key estimate. The reported value of owned assets would change as follows should there be a change in these underlying assumptions on the basis that all other factors remain unchanged:

Assumption	Assumption value	Sensitivity (+ 1%) (£000)	Sensitivity (- 1%) (£000)
Build Cost Index	410.00	3,265	(3,265)
Obsolescence Factor for Sustainability and ESG	2% New Cross 2.5% Other Sites	(3,344)	3,344
Land value / acre	£450-900k	164	(164)

For 24/25

Assumption	Assumption value	Sensitivity (+ 1%) (£000)	Sensitivity (- 1%) (£000)
Build Cost Index	396.85	3,228	(3,228)
Obsolescence Factor for Sustainability and ESG	2.5%	(3,415)	3,415
Land value / acre	£450-900k	164	(164)

The tables above illustrate movement for a sensitivity of 1%, however to be material for the financial statements the values for either Build Cost Index or Obsolescence Factor for Sustainability and ESG would be required to move by 6.1% and 6.0% respectively.

Note 18 Leases - The Royal Wolverhampton NHS Trust as a lessee

This note details information about leases for which the Trust is a lessee.

The Trust is a lessee for a number of NHS properties and various pieces of equipment, including equipment under Managed Service Contracts.
The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives.

Note 18.1 Right of use assets - 2025/26

	Property (land and buildings)	Plant & machinery	Total	*Of which: leased from DHSC group bodies*
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2025 - brought forward	**14,795**	**19,012**	**33,807**	**14,208**
Additions	**0**	**7**	**7**	**0**
Valuation/gross cost at 31 March 2026	**14,795**	**19,019**	**33,814**	**14,208**
Accumulated depreciation at 1 April 2025 - brought forward	**6,251**	**9,323**	**15,574**	**6,050**
Provided during the year	**2,104**	**2,798**	**4,902**	**2,093**
Accumulated depreciation at 31 March 2026	**8,355**	**12,121**	**20,476**	**8,143**
Net book value at 31 March 2026	**6,440**	**6,898**	**13,338**	**6,065**
Net book value at 1 April 2025	**8,544**	**9,689**	**18,233**	**8,158**

Net book value of right of use assets leased from other NHS providers	**0**
Net book value of right of use assets leased from other DHSC group bodies	**6,065**

Note 18.2 Right of use assets - 2024/25

	Property (land and buildings)	Plant & machinery	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2024 - brought forward	5,995	17,984	23,979	5,408
Additions	8,800	1,028	9,828	8,800
Valuation/gross cost at 31 March 2025	14,795	19,012	33,807	14,208
Accumulated depreciation at 1 April 2024 - brought forward	4,117	6,686	10,803	3,978
Provided during the year	2,134	2,637	4,771	2,072
Accumulated depreciation at 31 March 2025	6,251	9,323	15,574	6,050
Net book value at 31 March 2025	8,544	9,689	18,233	8,158
Net book value at 1 April 2024	1,878	11,298	13,176	1,430

Net book value of right of use assets leased from other NHS providers	0
Net book value of right of use assets leased from other DHSC group bodies	8,158

Note 18.3 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note .

	2025/26	2024/25
	£000	£000
Carrying value at 1 April	**18,381**	13,056
Lease additions	**7**	9,828
Interest charge arising in year	**626**	635
Lease payments (cash outflows)	**(5,395)**	(5,138)
Carrying value at 31 March	**13,619**	18,381

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 7.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Income generated from subleasing right of use assets is £0k and is included within revenue from operating leases in note 4.

Note 18.4 Maturity analysis of future lease payments

	Total	Of which leased from DHSC group bodies:	Total	Of which leased from DHSC group bodies:
	31 March 2026	**31 March 2026**	31 March 2025	31 March 2025
	£000	**£000**	£000	£000
Undiscounted future lease payments payable in:				
- not later than one year;	**4,739**	**2,344**	5,326	2,446
- later than one year and not later than five years;	**9,652**	**4,422**	14,048	6,515
- later than five years.	**221**	**0**	504	0
Total gross future lease payments	**14,612**	**6,766**	19,878	8,961
Finance charges allocated to future periods	**(993)**	**(548)**	(1,497)	(772)
Net lease liabilities at 31 March 2026	**13,619**	**6,218**	18,381	8,189
Of which:				
Leased from other NHS providers		**0**		0
Leased from other DHSC group bodies		**6,218**		8,189

Note 18.5 Leases - other information

Lease liabilities created for existing operating leases during 2025/26 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 5.32% (24/25 4.81%).

Note 19 Other investments / financial assets (non-current)

	2025/26	2024/25
	£000	£000
Carrying value at 1 April - brought forward	**16**	12
Movement in fair value through OCI	**0**	4
Carrying value at 31 March	**16**	16

The Trust received 1,428,571 ordinary shares in Sensyne Health plc representing 0.9% of the existing issued share capital of Sensyne on 4th May 2021 as consideration for signing a five-year non-exclusive Strategic Research Agreement (SRA) with Sensyne Health plc. The agreement was to enable the ethical application of clinical AI research to improve patient care and accelerate research into new medicines. Research was to be undertaken to the highest standards of information governance and data security in accordance with NHS principles, the UK Government Code of Practice and data protection legislation. All data supplied to Sensyne was to be anonymised by the Trust beforehand and the provision of the data will operate under an agreed Data Processing Protocol ("DPP") under the Trust's ethical oversight. By mutual legal agreement the Strategic Research Agreement was terminated on 2 August 2023. The deferred income in relation to this agreement was released in accordance with IFRS 15 in 2023/24 financial year.

The Trust recognises Sensyne Plc shares as Fair Value through OCI. As at 31 March 2026 the Trust recognised the shares at the price provided by Sensyne (now named Arcturis Data Ltd) due to the delisting of the company (same as at 31 March 2025).

From 16th April 2024 Arcturis completed a consolidation of their ordinary shares to reduce the total number of ordinary shares in issue. This activity has resulted in the total number of shares in issue being reduced from 4.25 billion to 42.5 million through a consolidation of 100 ordinary shares for 1 new ordinary share. As part of this process, the nominal value of each ordinary share has been changed from £0.008 to £0.01. The current estimated market value of each ordinary share has changed from £0.008 to £1.057. The proportion of ordinary shares held by each shareholder immediately before and after the consolidation has, except for any fractional entitlements, remained unchanged. For the Trust, there is no change in the value of the Trust's shareholding in Arcturis, however the number of shares has reduced from 1,428,571 to 14,285 ordinary shares.

Note 20 Inventories

	31 March 2026	31 March 2025
	£000	£000
Drugs	**3,541**	3,363
Consumables	**6,394**	6,004
Energy	**325**	262
Other	**170**	137
Total inventories	**10,430**	9,766
of which:		
Held at fair value less costs to sell	**0**	0

Inventories recognised in expenses for the year were £99,495k (2024/25: £93,284k). Write-down of inventories recognised as expenses for the year were £0k (2024/25: £0k).

Note 21.1 Receivables

	31 March 2026	31 March 2025
	£000	£000
Current		
Contract receivables	**45,726**	29,527
Allowance for impaired contract receivables / assets	**(4,274)**	(3,343)
Prepayments (non-PFI)	**7,649**	7,159
PFI lifecycle prepayments	**2,272**	0
PDC dividend receivable	**0**	181
VAT receivable	**3,104**	1,836
Corporation and other taxes receivable	**0**	0
Other receivables	**700**	3,029
Total current receivables	**55,177**	38,389
Non-current		
Prepayments (non-PFI)	**0**	16
PFI lifecycle prepayments	**2,883**	1,919
Other receivables	**1,070**	1,138
Total non-current receivables	**3,953**	3,073
Of which receivable from NHS and DHSC group bodies:		
Current	**34,949**	18,079
Non-current	**1,070**	1,138

Note 21.2 Allowances for credit losses

	2025/26		2024/25	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April - brought forward	**3,343**	**0**	2,500	0
New allowances arising	**1,837**	**0**	1,430	0
Changes in existing allowances	**161**	**0**	162	0
Reversals of allowances	**(857)**	**0**	(581)	0
Utilisation of allowances (write offs)	**(210)**	**0**	(168)	0
Allowances as at 31 Mar 2026	**4,274**	**0**	3,343	0

Note 21.3 Exposure to credit risk

The Trust is recognising full lifetime credit losses on initial recognition. Balances with Department of Health and Social Care and associated agencies are assessed at zero credit risk, therefore are excluded from impairment calculation below.

	31 March 2026	31 March 2025
	Trade and other receivables	Trade and other receivables
Ageing of impaired financial assets	£000	£000
0-30 days	**185**	47
31-60 days	**51**	105
61-90 days	**63**	93
91-180 days	**667**	375
Over 181 days	**3,307**	2,724
Total	**4,274**	3,343
Ageing of non-impaired financial assets past their due date		
0-30 days	**898**	3,908
31-60 days	**747**	510
61-90 days	**139**	33
91-180 days	**504**	381
Over 181 days	**2,593**	2,479
Total	**4,881**	7,310

Note 22.1 Cash and cash equivalents movements

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

	2025/26	2024/25
	£000	£000
At 1 April	**50,886**	29,457
Net change in year	**(8,146)**	21,429
At 31 March	**42,739**	50,886
Broken down into:		
Cash at commercial banks and in hand	**29**	56
Cash with the Government Banking Service	**42,710**	50,830
Total cash and cash equivalents as in SoFP	**42,739**	50,886
Total cash and cash equivalents as in SoCF	**42,739**	50,886

Note 22.2 Third party assets held by the trust

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

	31 March 2026	31 March 2025
	£000	£000
Monies on deposit	**39**	64
Total third party assets	**39**	64

Note 23.1 Trade and other payables

	31 March 2026	31 March 2025
	£000	£000
Current		
Trade payables	**29,050**	20,775
Capital payables	**10,708**	17,051
Accruals	**41,775**	45,392
Social security costs	**7,411**	6,042
VAT payables	**1**	66
Other taxes payable	**7,565**	6,683
PDC dividend payable	**69**	0
Pension contributions payable	**8,398**	7,842
Other payables	**940**	874
Total current trade and other payables	**105,917**	104,725
Non-current		
Other payables	**0**	0
Total non-current trade and other payables	**0**	0
Of which payables from NHS and DHSC group bodies:		
Current	**12,273**	12,189
Non-current	**0**	0

Note 23.2 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	31 March 2026	31 March 2026	31 March 2025	31 March 2025
	£000	Number	£000	Number
- to buy out the liability for early retirements over 5 years	**0**		0	
- number of cases involved		**0**		0

Note 24 Other liabilities

	31 March 2026	31 March 2025
	£000	£000
Current		
Deferred income: contract liabilities	**11,141**	12,138
Total other current liabilities	**11,141**	12,138
Non-current		
Total other non-current liabilities	**0**	0

Note 25.1 Borrowings

	31 March 2026	31 March 2025
	£000	£000
Current		
Lease liabilities	**4,739**	4,739
Obligations under PFI, LIFT or other service concession contracts	**4,363**	3,992
Total current borrowings	**9,102**	8,731
Non-current		
Lease liabilities	**8,880**	13,642
Obligations under PFI, LIFT or other service concession contracts	**17,721**	17,925
Total non-current borrowings	**26,601**	31,567

Note 25.2 Reconciliation of liabilities arising from financing activities

	Lease Liabilities	PFI and LIFT schemes	Total
	£000	**£000**	**£000**
Carrying value at 1 April 2025	**18,381**	**21,917**	**40,298**
Cash movements:			
Financing cash flows - payments and receipts of principal	**(4,769)**	**(4,433)**	**(9,202)**
Financing cash flows - payments of interest	**(626)**	**(1,241)**	**(1,867)**
Non-cash movements:			
Additions	**7**	**4,317**	**4,324**
Remeasurement of PFI / other service concession liability resulting from change in index or rate		**282**	**282**
Application of effective interest rate	**626**	**1,241**	**1,867**
Carrying value at 31 March 2026	**13,619**	**22,083**	**35,702**

	Lease Liabilities	PFI and LIFT schemes	Total
	£000	£000	£000
Carrying value at 1 April 2024	13,056	22,652	35,708
Cash movements:			
Financing cash flows - payments and receipts of principal	(4,503)	(3,974)	(8,477)
Financing cash flows - payments of interest	(635)	(1,448)	(2,083)
Non-cash movements:			
Additions	9,828	2,039	11,867
Remeasurement of PFI / other service concession liability resulting from change in index or rate		1,200	1,200
Application of effective interest rate	635	1,448	2,083
Carrying value at 31 March 2025	18,381	21,917	40,298

Note 26.1 Provisions for liabilities and charges analysis

	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2025	354	190	9,508	10,052
Change in the discount rate	(5)	0	(86)	(91)
Arising during the year	(2)	136	2,101	2,235
Utilised during the year	(52)	(56)	(4,839)	(4,947)
Reversed unused	0	(59)	(3,080)	(3,139)
Unwinding of discount	10	0	71	81
At 31 March 2026	305	211	3,675	4,191
Expected timing of cash flows:				
- not later than one year;	39	211	2,605	2,855
- later than one year and not later than five years;	266	0	1,070	1,336
- later than five years.	0	0	0	0
Total	305	211	3,675	4,191

Other includes: provisions for the possible return of money received by the Trust for contractual income, provisions for payments to be made regarding HR issues, clinicians pension tax and provisions for VAT payments to HMRC.

Note 26.2 Clinical negligence liabilities

At 31 March 2026, £235,868k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of The Royal Wolverhampton NHS Trust (31 March 2025: £238,393k).

Note 27 Contingent assets and liabilities

	31 March 2026	31 March 2025
	£000	£000
Value of contingent liabilities		
Other	0	560
Gross value of contingent liabilities	0	560
Amounts recoverable against liabilities	0	0
Net value of contingent liabilities	0	560
Net value of contingent assets	0	0

In 2023/24 the Trust submitted a VAT claim totalling £448k to H.M. Revenue and Customs in accordance with the provisions of Regulation 35 of the Value Added Tax Regulations 1995/2518. The claim is in relation to car parking income that should not be treated as standard rated for VAT under NHS Brockenhurst claims, due to a ruling by Court of Appeal on 27 February 2024. In 2024/25 HMRC have appealed to the Supreme Court, whilst awaiting that hearing and subsequent judgment the Trust have elected to treat the provision of car parking as being outside the scope of VAT and HMRC have paid the Trust's claim in 2024/25 financial year. Due to HMRC appeal to Supreme Court in 2025/26 a contingent liability is disclosed for the value which was received in 2024/25. This contingent liability was realised in 2025/26 when the Supreme Court found in favour of HMRC, therefore the value received in 2024/25 was subsequently paid back to HMRC in 2025/26.

Note 28 Contractual capital commitments

	31 March 2026	31 March 2025
	£000	£000
Property, plant and equipment	14,609	12,095
Total	14,609	12,095

Note 29 On-SoFP PFI, LIFT or other service concession arrangements

The Trust has one PFI scheme and this relates to the provision of Radiology services.

The Trust and Wolverhampton Radiology Limited Company No: 4235982 (formally trading as Impregilo Wolverhampton Limited) entered into a contract dated 20 March 2002 for the design, construction, financing and equipping of, and provision of certain services in connection with the provision of a new serviced radiology facility.

The agreement allows for Variations to the project. For example there were contract variations in 2004 and again in 2010 in line with service requirement.

Operational period of contract years is 30 years. The Special Purpose Vehicle (SPV) is now Wolverhampton Radiology Limited (Company No: 4235982) of Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.

Service payments are made to the operator monthly following the submission to the Trust of an invoice accompanied by a Payment Report and a Performance Monitoring Report which list any payment adjustments.

Under IFRIC 12, the substance of the contract is that the Trust has a finance lease and payments comprising of two elements - imputed finance lease charges and service charges. Details of the imputed finance lease charges are provided in the following tables.

From 1 April 2023, the measurement principles of IFRS 16 has been applied to the Trust's PFI liabilities where future payments are linked to a price index representing the rate of inflation. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Such remeasurements will be recognised as a financing cost. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles was on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This has resulted in an increased PFI liability on the statement of financial position.

Note 29.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	31 March 2026 £000	31 March 2025 £000
Gross PFI, LIFT or other service concession liabilities	**26,790**	**28,011**
Of which liabilities are due		
- not later than one year;	4,363	3,992
- later than one year and not later than five years;	17,490	15,694
- later than five years.	4,937	8,325
Finance charges allocated to future periods	(4,706)	(6,094)
Net PFI, LIFT or other service concession arrangement obligation	**22,083**	**21,917**
- not later than one year;	4,363	3,992
- later than one year and not later than five years;	14,294	11,758
- later than five years.	3,426	6,167

Note 29.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2026 £000	31 March 2025 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**50,185**	**56,842**
Of which payments are due:		
- not later than one year;	8,364	8,120
- later than one year and not later than five years;	33,457	32,481
- later than five years.	8,364	16,241

Note 29.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2025/26 £000	2024/25 £000
Unitary payment payable to service concession operator	**8,364**	**8,120**
Consisting of:		
- Interest charge	1,241	1,448
- Repayment of balance sheet obligation	4,433	3,974
- Service element and other charges to operating expenditure	2,690	2,698
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	340	81
Total amount paid to service concession operator	**8,704**	**8,201**

Note 30 Financial instruments

Note 30.1 Financial risk management

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

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

Credit risk

Because the majority of the Trust's income arises from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposure as at 31 March 2026 are in contract receivables, as disclosed in the Trade and Other Receivables note.

Liquidity risk

The Trust's operating costs are primarily incurred under contracts with NHS Commissioning Organisations, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Currency risk

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

Interest rate risk

The Trust borrows from the government for capital expenditure, subject to affordability as confirmed by the strategic health authority. The borrowings are for 1-25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Market risk

The Trust is part of the NHS which is supported by the government and unless there is a major overall of healthcare provision, most importantly a reduction to access to free healthcare, then the Trust has low market risk.

Note 30.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2026	Held at amortised cost	Held at fair value through OCI	Total book value
	£000	£000	£000
Trade and other receivables excluding non financial assets	**42,104**	**0**	**42,104**
Other investments / financial assets	**0**	**16**	**16**
Cash and cash equivalents	**42,739**	**0**	**42,739**
Total at 31 March 2026	**84,843**	**16**	**84,859**

Carrying values of financial assets as at 31 March 2025	Held at amortised cost	Held at fair value through OCI	Total book value
	£000	£000	£000
Trade and other receivables excluding non financial assets	29,150	0	29,150
Other investments / financial assets	0	16	16
Cash and cash equivalents	50,886	0	50,886
Total at 31 March 2025	80,036	16	80,052

The Trust recognises Sensyne Health Plc (Sensyne) shares as Fair Value through OCI. As at 31 March 2026 the Trust recognised the shares at the price provided by Sensyne (now named Arcturis Data Ltd) due to the delisting of the company. As at 31 March 2024 due to Sensyne delisting the Trust recognised shares at the price provided by Sensyne. There was an increase in share price from £0.80 to £1.057 during 2024/25 financial year resulting in an increase in the carrying value of the asset. For 2025/26 there was no change in share price.

Note 30.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2026	Held at amortised cost	Total book value
	£000	£000
Obligations under leases	**13,619**	**13,619**
Obligations under PFI, LIFT and other service concession contracts	**22,083**	**22,083**
Trade and other payables excluding non financial liabilities	**82,473**	**82,473**
Total at 31 March 2026	**118,175**	**118,175**

Carrying values of financial liabilities as at 31 March 2025	Held at amortised cost	Total book value
	£000	£000
Obligations under leases	18,381	18,381
Obligations under PFI, LIFT and other service concession contracts	21,917	21,917
Trade and other payables excluding non financial liabilities	84,092	84,092
Total at 31 March 2025	124,390	124,390

Note 30.4 Maturity of financial liabilities

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

	31 March 2026	31 March 2025
	£000	£000
In one year or less	**91,575**	93,410
In more than one year but not more than five years	**27,142**	29,742
In more than five years	**5,158**	8,829
Total	**123,875**	131,981

Note 31 Losses and special payments

	2025/26		2024/25	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	**12**	**12**	12	5
Fruitless payments and constructive losses	**0**	**0**	0	0
Bad debts and claims abandoned	**66**	**212**	61	167
Stores losses and damage to property	**0**	**0**	2	1
Total losses	**78**	**224**	75	173
Special payments				
Compensation under court order or legally binding arbitration award	**0**	**0**	0	0
Extra-contractual payments	**0**	**0**	0	0
Ex-gratia payments	**24**	**69**	38	95
Special severance payments	**0**	**0**	0	0
Extra-statutory and extra-regulatory payments	**0**	**0**	0	0
Total special payments	**24**	**69**	38	95
Total losses and special payments	**102**	**293**	113	268
Compensation payments received				

Losses and special payments are charged to the relevant headings on an accrual basis, including losses which would have been made good through insurance cover had the Trust not been bearing its own risk.

Note 32 Related parties

During the year none of the Department of Health and Social Care Ministers, Trust Board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with The Royal Wolverhampton NHS Trust.

The Department of Health and Social Care is regarded as a related party. During the year 2025/26 the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below where income and/or expenditure has been in excess of £500,000.

Birmingham and Solihull Mental Health NHS Foundation Trust
Birmingham Community Healthcare NHS Foundation Trust
Birmingham Women's and Children's NHS Foundation Trust
Black Country Healthcare NHS Foundation Trust
Midlands Partnership University NHS Foundation Trust
The Dudley Group NHS Foundation Trust
University Hospitals Birmingham NHS Foundation Trust
George Eliot Hospital NHS Trust
Sandwell And West Birmingham Hospitals NHS Trust
Shrewsbury and Telford Hospital NHS Trust
University Hospitals Coventry And Warwickshire NHS Trust
University Hospitals of North Midlands NHS Trust
Walsall Healthcare NHS Trust
Worcestershire Acute Hospitals NHS Trust
Wye Valley NHS Trust
NHS Birmingham and Solihull ICB
NHS Black Country ICB
NHS Herefordshire and Worcestershire ICB
NHS Shropshire, Telford and Wrekin ICB
NHS Staffordshire and Stoke-on-Trent ICB
NHS England
UK Health Security Agency
NHS Resolution
NHS Property Services
Community Health Partnerships
Department of Health and Social Care
HM Revenue & Customs
NHS Pension Scheme
Welsh Health bodies - Powys Local Health Board
NHS Blood and Transplant
Wolverhampton City Council

The Trust has also received revenue and capital payments from a number of charitable funds for which the Trust acts as the Corporate Trustee, under the umbrella of Royal Wolverhampton NHS Trust Charitable Funds. Charitable funds held by the Trust are a related party as the Trust is Corporate Trustee for the funds. In 2025/26 the total amount received from RWT Charity was £261k (2024/25: £142k). At the end of the year £77k (2024/25 £295k) was outstanding and is included within trade and other receivables. The income received relates mainly to the purchase by the RWT Charity of equipment that enhances the service provided by the Trust. For practical purposes these purchases are administered via the Trust's established ordering and payment procedures with the RWT Charity reimbursing the cost to the Trust.

Note 33 Better Payment Practice code

	2025/26 Number	**2025/26 £000**	2024/25 Number	2024/25 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	**112,037**	**498,337**	121,932	490,536
Total non-NHS trade invoices paid within target	**91,469**	**448,326**	107,637	455,666
Percentage of non-NHS trade invoices paid within target	**81.6%**	**90.0%**	88.3%	92.9%
NHS Payables				
Total NHS trade invoices paid in the year	**3,453**	**77,580**	3,858	97,148
Total NHS trade invoices paid within target	**2,862**	**67,121**	3,039	87,142
Percentage of NHS trade invoices paid within target	**82.9%**	**86.5%**	78.8%	89.7%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 calendar days of receipt of goods or a valid invoice (whichever is later) unless other payment terms have been agreed.

Note 34 Capital Resource Limit

	2025/26 £000	2024/25 £000
Gross capital expenditure	**31,916**	53,344
Less: Disposals	**0**	0
Less: Donated and granted capital additions	**(866)**	(4,223)
Plus: Loss on disposal from capital grants in kind and peppercorn lease disposals	**0**	0
Charge against Capital Resource Limit	**31,050**	49,121
Capital Resource Limit	**31,050**	49,122
Under / (over) spend against CRL	**0**	1

Note 35 Adjusted financial performance

	2025/26 £000	2024/25 £000
Surplus / (deficit) for the period per SOCI	**4,186**	(12,398)
Remove net impairments not scoring to the departmental expenditure limit	**1,250**	2,594
Remove (gains) / losses on transfers by absorption	**0**	0
Remove I&E impact of capital grants and donations	**517**	(3,406)
Prior period adjustments	**0**	0
Remove non-cash element of on-SoFP pension costs	**0**	0
Remove I&E impact of IFRIC 12 schemes on an IFRS 16 basis	**5,674**	6,806
Add back I&E impact of IFRIC 12 schemes on former UK GAAP basis	**(6,698)**	(6,714)
Remove net impact of DHSC centrally procured inventories	**1**	15
Remove loss recognised on peppercorn lease disposals	**0**	0
Remove loss recognised on capital grants in kind	**0**	0
Other performance adjustments	**0**	0
Adjusted financial performance surplus / (deficit)	**4,929**	(13,103)

Note 36 Breakeven duty financial performance

	2025/26 £000	2024/25 £000
Adjusted financial performance surplus / (deficit)	**4,929**	(13,103)
Remove impairments scoring to Departmental Expenditure Limit	**0**	0
Add back non-cash element of On-SoFP pension scheme charges	**0**	0
IFRIC 12 breakeven adjustment	**1,024**	0
Breakeven duty financial performance surplus / (deficit)	**5,953**	(13,103)

Note 37 Breakeven duty rolling assessment

	1997/98 to 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		8,035	7,964	9,297	8,688	7,891	3,663	153	8,542
Breakeven duty cumulative position	(7,438)	597	8,561	17,858	26,546	34,437	38,100	38,253	46,795
Operating income		289,830	306,023	374,417	384,917	394,045	461,810	509,405	536,028
Cumulative breakeven position as a percentage of operating income		0.2%	2.8%	4.8%	6.9%	8.7%	8.3%	7.5%	8.7%

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	4,327	3,021	5,735	243	4,454	363	(25,320)	(13,103)	5,953
Breakeven duty cumulative position	51,122	54,143	59,877	60,121	64,574	64,937	39,617	26,514	32,468
Operating income	548,538	592,975	676,114	743,285	817,270	899,891	940,686	1,041,391	1,080,182
Cumulative breakeven position as a percentage of operating income	9.3%	9.1%	8.9%	8.1%	7.9%	7.2%	4.2%	2.5%	3.0%

NHS England has provided guidance that the first year for consideration for the breakeven duty should be 2009/10. The Royal Wolverhampton NHS Trust is subject to a three year period for recovery of any deficit incurred.

Breakeven duty financial performance is determined as guided by NHS England, in a manner consistent with previous years in this note.

English

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Lithuanian

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Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਹ ਜਾਣਕਾਰੀ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿਚ, ਜਿਵੇਂ ਪੜ੍ਹਨ ਵਿਚ ਆਸਾਨ ਰੂਪ ਜਾਂ ਕਿਸੇ ਦੂਜੀ ਭਾਸ਼ਾ ਵਿਚ, ਚਾਹੀਦੀ ਹੈ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਸਾਨੂੰ ਦੱਸੋ।

ਜੇ ਤੁਹਾਨੂੰ ਦੁਭਾਸ਼ੀਏ ਦੀ ਜਾਂ ਸਹਾਇਤਾ ਦੀ ਲੋੜ ਹੈ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਸਾਨੂੰ ਦੱਸੋ।

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Traditional Chinese

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