Oxford University Hospitals
NHS Foundation Trust

Council of Governors

Review of 2023/24 Annual Accounts

2023/24 Headlines

Control total deficit
(£10.7m)

Income growth
9% or £140m

Operating cost growth
11% or £160m

Efficiencies delivered
£88.9m

Closing cash balance
£46m

Capital expenditure
£80m

Statement of Comprehensive Income

Financial year	2021/22 £000	2022/23 £000	2023/24 £000	
Income	1,402,833	1,511,798	1,651,990	↑
Employee costs	(812,297)	(886,354)	(949,104)	↑
Other operating costs	(575,304)	(596,958)	(694,400)	↑
Operating surplus / (deficit)	**15,232**	**28,486**	**8,486**	↓
Net financing costs	(33,094)	(37,003)	(42,596)	↑
Other gains/(losses) including Investment Properties and share of JVs	180	3,045	5,933	↑
Surplus / deficit for the year	**(17,682)**	**(5,472)**	**(28,177)**	↓
Adjustments not included on a control total basis	14,430	5,558	17,429	↑
Adjusted financial performance (control total basis)	**3,252**	**86**	**(10,748)**	↓

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Statement of Financial Position

Financial year	2021/22 £000	2022/23 £000	2023/24 £000
Non-current assets	718,215	812,991	823,884
Current assets (excluding cash)	87,405	111,593	101,656
Cash and cash equivalents	57,323	32,604	46,813
Current liabilities	(181,180)	(190,938)	(217,414)
Non-current liabilities	(249,265)	(245,104)	(390,853)

Total Net Assets	**432,498**	**521,146**	**364,086**

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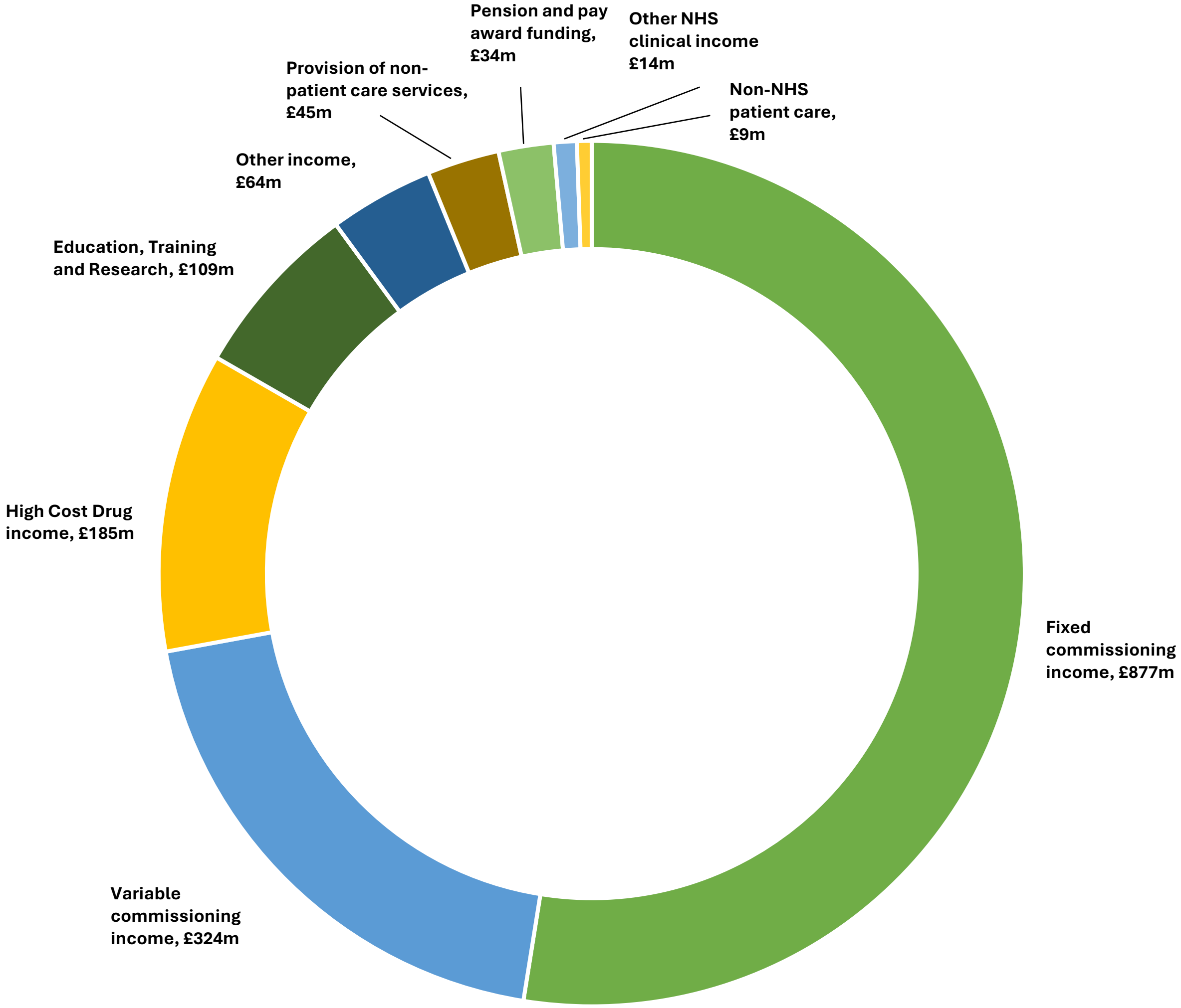
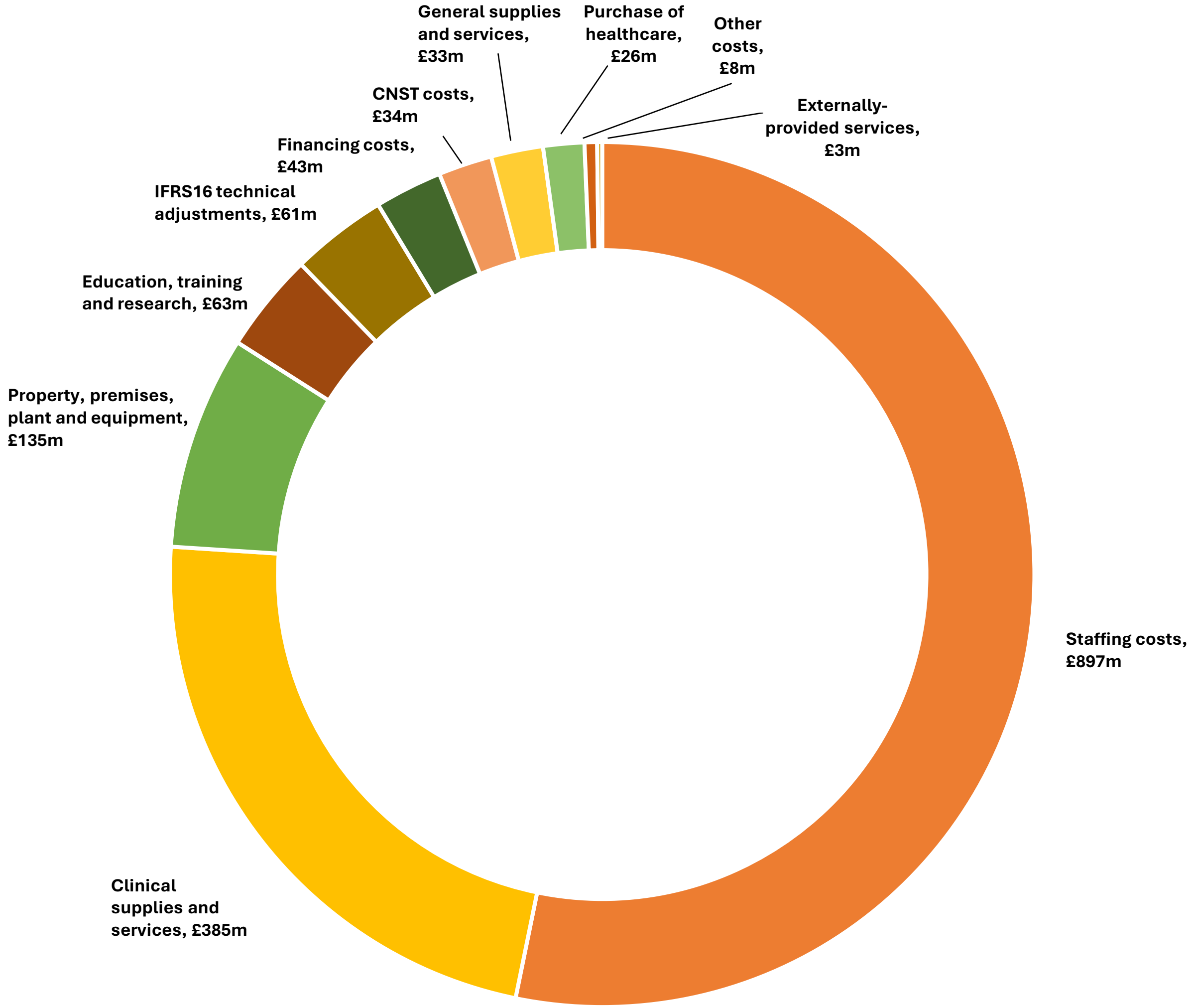
2023/24 Income and Expenditure





2023/24 Capital Spend

Projects (£29m)

- JR Theatres
- Public Sector Decarbonisation Schemes

Digital (£11m)

- Safe Digital Environments
- Digital programmes
- Non-programme digital improvements

Equipment (£22m)

- MEPG / MERRP Programme
- PFI MES equipment replacement
- Other equipment

Other (£19m)

- Estates compliance (CIR)
- PFI life cycling
- RAAC estates
- Other estates

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2023/24 Accounts: Key messages

- Accounts were submitted on time, in line with the national timetable.
- Two key material areas of judgement were:
  - **Implementation of IFRS16 for PFI** – changed accounting for impact of inflation, resulting in a £144m increase in PFI liability and increased interest charges. No cash impact.
  - **Capital valuation** – in-year restatement of property values using the Modern Equivalent Asset (MEA) approach; valuation is based on a hypothetical replacement asset of equivalent capacity and function to current provision. This has reduced asset values, depreciation and PDC dividend charges in year, but no prior year adjustments were necessary. Small cash benefit.
- The auditors have issued an **unqualified** opinion, meaning that, based on their assessment, accounts have been properly prepared and give a true and fair view of financial position.
- Value for Money assessment of financial sustainability, governance and economy, efficiency and effectiveness **did not identify any significant weaknesses.**
- The auditors have raised two immaterial misstatements related to FY2023/24; both were projected, i.e. based on extrapolation of sample-based testing.
- Three immaterial unadjusted differences were raised as part of the audit, related to treatment of property, plant and equipment and isolated error identified in testing of accruals.

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Any questions…?