Moorfields Eye Hospital NHS Foundation Trust

2021/22 Annual Report and Accounts

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Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Contents

1. Welcome from the chair and chief executive

The Covid-19 pandemic continues to have a significant impact across the NHS, and once again we have been deeply impressed with the dedication and commitment of our colleagues who are still endeavouring to provide the highest quality eye care despite the ongoing challenges, developing innovative sight-saving treatments and taking further critical steps towards building Oriel, a world-leading eye facility.

Our teams have worked tirelessly towards recovery of services and to reduce the backlog created by the pandemic, as well as seeing new patients, continuing to meet national targets and maintaining a strong financial position throughout the year, despite cost pressures and our planned investment in services and Oriel.

Oriel, our project to build a new world class facility in partnership with the UCL Institute of Ophthalmology and Moorfields Eye Charity, moved ahead again during the year. We plan to design, build and operate a new, purpose-built centre of excellence for eye care, research and education. In November 2021 the board approved the decision to enter into contract negotiations with a preferred bidder for the City Road site, a key milestone in the project. Our governors have been with us every step of the way and the challenging yet constructive collaboration between the board and membership council has been a key element in allowing us to make such excellent progress.

We continue to be at the forefront of ground-breaking research, with two particularly exciting developments taking place during the year. Steve Verze was given the world's first 3D printed prosthetic eye in November. Another patient from the trust has been able to detect signals in her blind eye thanks to a revolutionary new implant and is the first UK patient to receive this device that offers the hope of partially restored vision for people with geographic atrophy (GA), a form of dry age-related macular degeneration. We are proud that Moorfields continues to provide these innovations that make such a huge difference for patients and their quality of life.

This year we opened the new research-focussed Brent Cross diagnostic hub, the findings from which should make it easier to deploy hubs in new settings and assist learning in other specialties such as cardiac and cancer. This has been supported by a team of UCL architects and scientists led by Professor Paul Foster as part of a National Institute for Health and Care Research (NIHR) supported project and we look forward to seeing the outputs in the coming year.

We continue to demonstrate leadership across the wider NHS system, working with NHS England and NHS Improvement on new national clinical pathways for eye care and on initiatives such as the National Eye Care Recovery and Transformation Programme (NECRTP), the aim of which is to deliver rapid high impact improvements and support a sustainable future for eye care across England, working with systems to increase productivity and ensure safety by trialling/evaluating new, technologically-enabled ways of working

Following the departure of David Probert in July 2021, we were delighted to welcome Dr Martin Kuper as our new chief executive. Martin was previously the deputy chief executive for transformation and medical director at London North West University Healthcare NHS Trust and brings a wealth of experience, which will support us in the next stage of our development at Moorfields.

We can look forward to 2022/23, with the very real possibility of starting enabling works on the Oriel site as we continue to drive forward innovative practice through our dedicated team of clinicians. We are confident that the spirit, determination and ingenuity of our staff, together with their dedication to the best possible care, will guide us as we continually challenge ourselves to deliver the best for our patients.

Tessa Green
Chairman

Dr Martin Kuper
Chief executive

2. Performance report

Who we are

Moorfields Eye Hospital NHS Foundation Trust is the leading provider of eye health services in the UK and a world-class centre of excellence for ophthalmic research and education. Our reputation for providing the highest quality of ophthalmic care has developed over 200 years. The trust has 2,349 (full-time and part-time) staff who are committed to sustaining and building on our pioneering history, and ensuring we remain at the cutting edge of developments in ophthalmology.

We were one of the first to become an NHS foundation trust in 2004 and are a founder member of UCL Partners, one of the UK's first academic health science centres. Moorfields is one of only 20 sites nationally that has National Institute of Health Research (NIHR) Biomedical Research Centre (BRC) status, providing us with the infrastructure to support major innovative research initiatives and enabling us to fast-track projects to benefit patients more quickly.

We have a network of NHS sites in London and the south east of England, and provide private services both in England and internationally. We are registered without conditions and with an overall rating of 'Good' with the Care Quality Commission (CQC) from our last inspection in 2018.

What we do

We provide a wide range of ophthalmic services, caring for patients with routine eye conditions as well as those with rare and complex conditions. We serve the NHS and private sectors in the UK and deliver care through our international services. In partnership with the UCL Institute of Ophthalmology and other strategic partners, we conduct world-leading research and play a leading role in the training and education of eye care clinicians.

We have a unique patient case mix and more detail on our services can be found at https://www.moorfields.nhs.uk/listing/services

How we are structured

Moorfields North runs a number of network and partnership units across the division (north east, north west and Bedford). We provide a number of services in East London, including a local outpatient and surgical centre at St Ann's Hospital in Tottenham and community clinics at Barking Community Hospital, Mile End and the Sir Ludwig Guttmann Health and Wellbeing Centre in Stratford, as well as our partnership based at the Homerton Hospital in Hackney.

We provide a wide range of services in north west London from two main sites, Northwick Park and Ealing. We provide comprehensive outpatient and surgical care in following sub specialities: adnexal, cataract, corneal, general ophthalmology, glaucoma, medical retina, paediatrics, uveitis and strabismus. We also provide services at our local outpatient and surgical centre at Potters Bar. We have two local partnerships,, one in Watford and one in Wealdstone, Harrow. We run a district hub from Bedford Hospital and this service is also responsible for activity in our community clinic at Bedford Enhanced Services Centre.

Moorfields has led the way with the development of digital asynchronous diagnostic pathways for safe, efficient monitoring of long-term chronic ophthalmology conditions. We run standalone diagnostic hubs in Brent Cross shopping centre and in Hoxton

Moorfields South division provides half the ophthalmic care in the South West London Integrated Care System where we run a district hub from St George's Hospital in Tooting and a hub at Croydon University Hospital. The St George's hub has responsibility for the management of four other locations in south west London, including our surgical centre at Queen Mary's Hospital, Roehampton and our diagnostic hub at Nelson Health Centre in Merton. The Croydon central site has additional responsibility for the busy diagnostic hub at Purley War Memorial Hospital.

Moorfields City Road is managed as a unified division and comprises outpatient services from all sub-specialities (including many referrals from highly specialised services), clinical support services, A&E, a dedicated paediatric centre and comprehensive surgical facilities. Other specialty services at City Road

include adnexal, cataract, corneal, general ophthalmology, glaucoma, ocular oncology, medical retina, uveitis, strabismus, vitreo-retinal, neuro and genetics. The division is also responsible for our joint working arrangements with Barts Health, Guy's and St Thomas' hospitals, and Great Ormond Street Hospital for Children.

Each division is supported by a range of corporate services covering quality and safety, human resources, governance, strategy and business development and finance. Our access directorate is responsible for business continuity and emergency preparedness for the trust and also includes the trust's outpatient booking centre, health records department, medical secretaries, referral to treatment (RTT) team and diabetic retinal screening team.

Moorfields Private is our private patient unit in London. The Moorfields Private Outpatient and Diagnostic Centre provides consulting and diagnostic facilities for both general ophthalmology and refractive laser services, together with a dedicated pharmacy service, minor procedures room and injection suite.

Ward facilities stretch across three separate locations on the fourth floor of the hospital, accommodating up to 27 patients in individual rooms at any one time. The Refractive Laser Surgery Suite is also located on this floor. Two theatres in the main theatre department are dedicated to Moorfields Private.

In December 2020, the London Claremont Clinic on New Cavendish Street, in the heart of London's medical district, became part of the private division of Moorfields Eye Hospital NHS Foundation Trust. In January 2022, a lease for further premises on Wimpole Street, a building that will join onto the New Cavendish Street centre, was purchased, enabling the creation of a larger facility which will include a total of eleven consulting rooms, a range of diagnostic rooms, a laser eye surgery suite and a theatre for day case surgery. Extending services in the heart of London's clinical district will provide patients with more choice when accessing private services, consultants and treatment.

In 2021/22, Moorfields Private fulfilled over 35,000 outpatient appointments, completed laser procedures on over 2,000 patients and admitted over 5,500 patients for surgical procedures. These figures were significantly up on the previous year, which was disrupted by Covid-19.

The year saw the consolidation of our fourteenth year of operations in **Moorfields Eye Hospital Dubai** and the completion of five years of operations in Moorfields Eye Hospital Centre in Abu Dhabi. Our hospital in Dubai has seen around 265,000 patients and performed over 22,000 surgeries since inception.

The healthcare market in the UAE continues to be dynamic. Throughout the year we focused on contracts beneficial to increasing the patient flow, developing our market share and increasing awareness of our services within the United Arab Emirates and Gulf Cooperation Council. We also added targeted marketing and advertising, resulting in a higher percentage of new to returning patients than in previous years which, with more corporate and healthcare referral agreements, helped to maintain and actively grow the Moorfields brand name.

Moorfields Eye Hospital Centre Abu Dhabi officially opened in 2016 at Abu Dhabi Marina Village as the first joint venture of Moorfields in the Middle East in partnership with United Eastern Medical Services – a local healthcare operator and investment group. On 11 October 2021 Mubadala Health LLC acquired 60.38% of United Eastern Medical Services. Mubadala Health is ultimately owned 100% by the Government of Abu Dhabi.

We have been very active in the media and in negotiations with insurance companies to facilitate access for Abu Dhabi residents to our facility. Since the commencement of operations in Abu Dhabi, we have seen around 95,000 patients and performed around 3,850 surgical procedures.

Developing our new strategy

Over the last year, we have been updating our strategy to cover the period 2022-27, following widespread engagement with our patients and staff, articulating what is most important to them. The new strategy reflects both continuity and change, with a re-statement of our purpose "working together to discover,

develop and deliver excellent eye care, sustainably and at scale". The addition of "sustainably and at scale" reflects our adaptation to the financial context in which we operate; the opportunities presented by more overt and tangible system working; our strengths innovating across our scientific work and our pathways; and the commitments made in our green action plan.

To implement our new strategy, we identified a number of transformation programmes that focus our efforts on the change we want to see, across all aspects of our work, for example: realising our move to St Pancras; optimising our network; pathway and service improvements; data collaborations; workforce development; and improved patient experience. These programmes will give further impetus to work done over the last year to advance how eye care is delivered – through diagnostic hubs, remote consultations and surgical centres. We will capitalise on the relationships we have been building across our systems to make early progress on more joined up and cost-effective care.

Oriel 2021/2

This year has been a year of significant milestone achievements for Oriel. Following extensive design and engagement work to prepare our planning application, the London Borough of Camden made a unanimous resolution to grant planning permission for our proposed centre in June 2021. The council has subsequently referred the scheme for approval to the Greater London Authority, given its strategic importance to the city, with approval granted in Spring 2022.

To ensure the design will meet the needs of the people that will use it, we ran a robust programme of engagement with patients, staff, students and charity partners to develop the internal designs of the new integrated centre. In line with social distancing requirements, an Oriel showcase exhibition was held in June, which was the first time many staff and patients had the opportunity to understand the design and share their feedback in person. Work concluded with the AECOM design team in November, with final technical design to be undertaken by the building contractor.

Following a global competitive marketing exercise for the sale of the City Road and Bath Street sites currently home to Moorfields Eye Hospital and the UCL Institute of Ophthalmology, Derwent London plc were the confirmed as preferred developers in December. NHS regulators approved the submitted land disposal business case; however the sale remains conditional to final approvals of the full business case by HM Treasury.

In December, our academic partner, UCL, approved their Oriel full business case, committing their support to create an integrated research, education and eye care centre. The completion for the Moorfields full business case took place in spring 2022.

A going concern disclosure

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Key issues and risks

Our board assurance framework includes the high level risks to the organisation. These are rated depending on the level and potential impact of risk, with red being the highest. A summary following a review in March 2022 is included in the Annual Governance Statement on page 49.

The year at Moorfields

Covid-19

This year has been another challenging year for the NHS and a large focus of our work this year continues to be linked to the Covid-19 pandemic, addressing the backlog of patients that built up over the previous year as well as seeing new patients.

Our hospital sites remain subject to advanced infection control measures that are regularly assessed against national guidance. We continue to implement new ways of working to support staff and patients in delivering and accessing care, such as the Attend Anywhere video consultation platform used by A&E and multiple clinics. This allows patients to receive consultations via smart phones, laptops or iPads.

The majority of non-clinical staff have the option of hybrid working as we enabled wide access to remote working last year and we continue to undertake risk assessments to establish those staff most at risk, putting in place measures to protect the vulnerable.

We provided support to NHS London during the pandemic, with over 150 clinical and non-clinical staff trained and deployed to hospitals most in need of staff during the second wave. Collaboration and the provision of mutual aid have been incredibly important during the pandemic, and the trust is proud to have been a support to NHS colleagues.

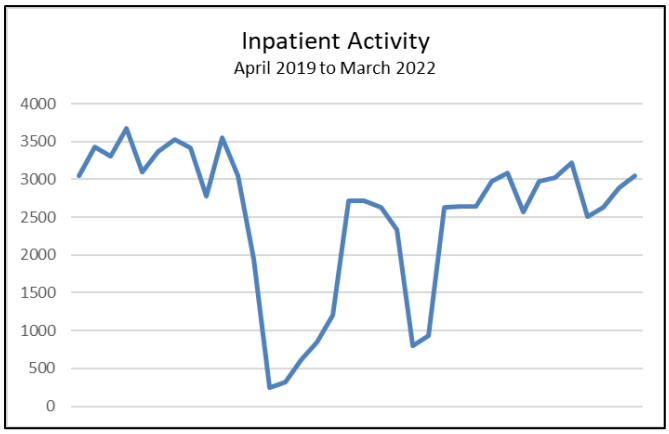
The new hubs at Hoxton and Brent Cross have given us additional capacity for diagnostic work across glaucoma, cataracts and medical retina. These offer many patients testing closer to their homes, in just 45 minutes.

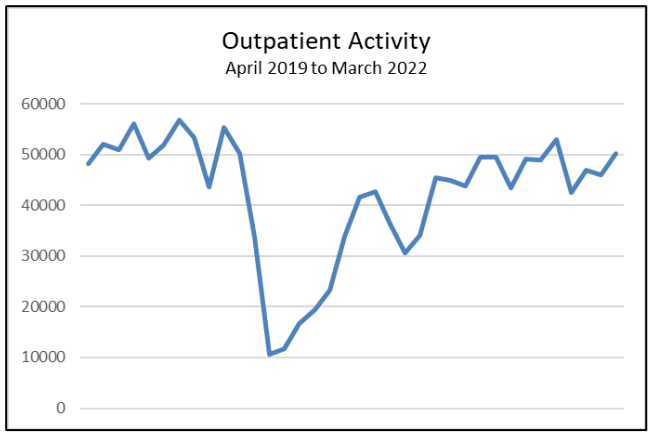
Patient activity

Moorfields' NHS patient activity and the total volume of Moorfields' NHS activity in 2021/22 are shown in the table below, with figures from 2019/20 and 2020/21 for comparison (*these figures exclude Bedford activity)*.

	Activity Totals		
Point of delivery	**2019/20**	**2020/21**	**2021/22**
A&E	95,523	61,173	61,404
Inpatient day case	40,383	15,999	31,272
Inpatient elective (planned)	1,582	704	856
Inpatient non-elective (unplanned)	2,957	1,244	2,089
Outpatient	643,343	340,180	567,553
Grand total	783,788	419,300	663,174

This activity profile across those years has of course reflected the national response to the Covid-19 pandemic with falls and rises in activity levels that mirror the timelines of government guidance and legislation. As can be seen in the graphs below the trusts response to bringing services back to pre-pandemic levels continues. When comparing 2019/20 data to 2021/22, Inpatient activity is achieving 86% of pre-pandemic activity levels and outpatients 91%.





2.1 Performance analysis 2021/22

The Integrated Performance Report (IPR) provides the board with in-depth information on the performance of Moorfields. Each month, the performance and information department report on the following areas:

- operational measures such as A&E measures, attendance rates, theatres utilisation and waiting time;
- workforce measures such as staff vacancy rate;
- quality and safety measures such as rates of infection;
- research and development measures such as number of studies closed;
- finance measures such as variance from financial plan; and
- commercial and private patient measures.

The report gives both an overview and detailed performance for each individual metric, comparing this month's performance to previous months and the target. A red, amber or green rating method shows whether a target is achieved, with green indicating performance is on target. Importantly, the report also identifies additional information and remedial action plans for any metrics which are rated red or amber. The report is shared with internal and external stakeholders.

18-weeks referral to treatment (RTT) standard

Indicator	Target	2019/20	2020/21	2021/22
18-weeks RTT incomplete – all pathways	≥ 92%	94.1%	59.7%	78.1%
18-weeks RTT incomplete – pathways with DTA*	n/a	83.9%	50.9%	71.2%
New RTT periods all patients	n/a	144,338	74,001	123,954

***decision to admit**

Performance for the measure retained as the primary key performance indicator (18-weeks referral to treatment incomplete) has improved on the previous year's position but has yet to return to pre-pandemic levels and remains below the annual target of 92%.

A&E

Indicator	Target	2019/20	2020/21	2021/22
A&E four-hour performance	≥ 95%	98.50%	99.98%	99.9%
Total number of arrivals in A&E	N/A	95,523	61,173	61,404
Time to treatment in A&E department – median	≤ 60 mins	126	85	87
Time to assessment in A&E department – median	≤ 15mins	18	10	18

The national requirement is to report the proportion of attendances lasting fewer than four hours from arrival to admission, transfer or discharge in A&E. This has a minimum target of 95% which we have consistently exceeded and improved upon – in the total of 61,404 patients only 31 exceeded the four-hour threshold.

Cancer waiting times

Indicator	Target	2019/20	2020/21	2021/22*
Cancer two week waits – first appointment urgent GP referral	≥ 93%	96.40%	97.80%	98.5%
% cancer 14-day target – NHS England referrals (ocular oncology)	≥ 93%	91.10%	94.50%	97.8%
Cancer 31-day waits – diagnosis to first appointment	≥ 96%	99.20%	100%	99.0%
Cancer 31-day waits – subsequent treatment	≥ 94%	100%	100%	100%
Cancer 62-days from urgent GP referral to first definitive treatment	≥ 85%	85.70%	100%	100%
28-day Faster Diagnosis Standard	≥ 85%	n/a	87.2%	91.9%

***2021/22 data reflects April – February data**

Cancer waiting times performance has seen all measures maintain their high levels this year and the national targets for these metrics have been exceeded. This includes the '28-day' Faster Diagnosis Standard, which requires patients to be informed about their diagnosis within 28 days of urgent GP referral

for suspected cancer. For this metric we adopted a ‘stretch’ target of 85% rather than the national target of 75% and it is pleasing to note that this has been achieved.

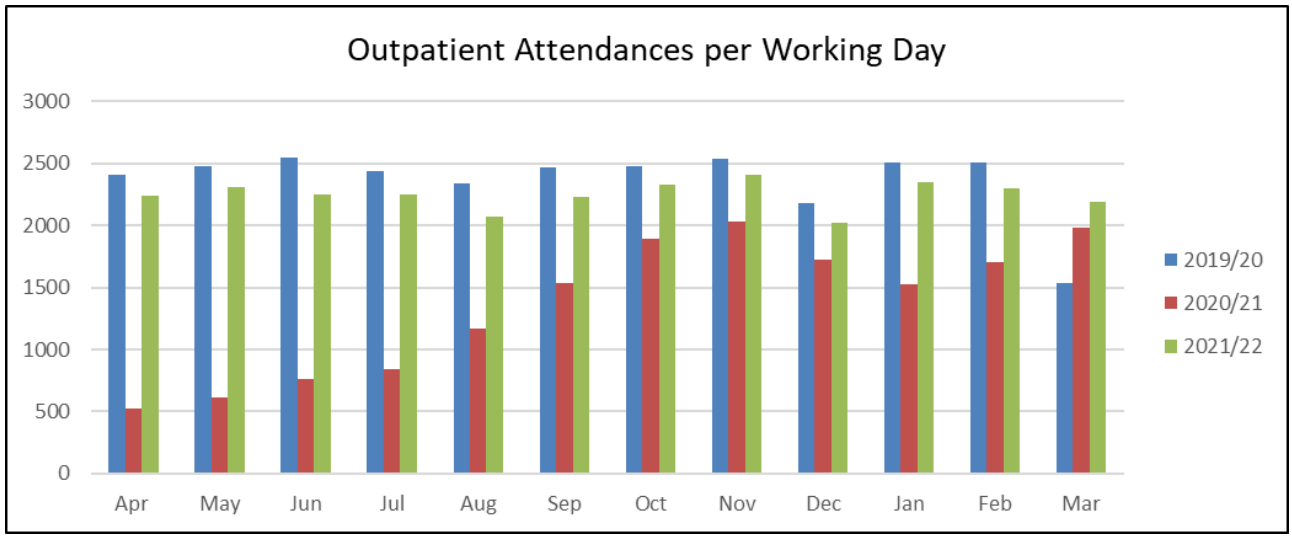
Cancer targets are challenging and the relatively low number of patients makes performance percentages fluctuate. Performance can be influenced by patient choice or the fitness of the patient to undergo surgery, much of which is outside of the control of the trust. Despite this and patents’ reluctance to seek medication assistance due to their Covid-19 infection concerns, the trust has continued to ensure that cancer patients receive exceptional service.

Access

Indicator	Target	2019/20	2020/21	2021/22
Diagnostic waiting times – six weeks	≥ 99%	100%	64.4%	99.0%
Percentage of GP referrals from electronic booking	100%	97.3%	96.2%	98.0%

Diagnostic waiting times have returned close to their pre-pandemic level. The electronic GP referral is short of target but reflects the trust’s commitment to patient safety whereby patients are not disadvantaged if their referral comes via an alternative, non-electronic route.

Outpatient activity



This table shows all activity for Moorfields systems *(not including Bedford).*

Indicator	2019/20	2020/21	2021/22
Outpatient total attendances – first appointment	132,821	67,421	125,351
Outpatient total attendances – follow up appointments	467,400	278,644	442,245
Outpatient cancellations (hospital cancellations)	4.6%	28.4%	4.0%
Outpatient DNA* rate – first appointment	11.8%	13.3%	13.3%
Outpatient DNA* rate – follow up appointment	10.5%	14.4%	13.2%

The figures in the table above show that the trust has recovered to near pre-pandemic activity level for Outpatients. The number of first appointments has been approximately 94% of the 2019/20 position previous year while follow-up appointments are at 95%. The outpatient cancellation rate has shown a marked improvement from the 2019/20 position.

Safety

Indicator	Target	2019/20	2020/21	2021/22
Number of MRSA cases	0	0	0	0
Number of Clostridium difficile cases	0	0	0	0
Venous thromboembolism (VTE) screening	≥ 95%	98.5%	97.5%	99.4%
Mixed sex accommodation	0	0	0	0

Performance within the safety arena has been strong with all key targets met.

Service delivery measures

Ward staffing levels are calculated for those wards with inpatient beds which, for Moorfields, includes the observation unit and Francis Cumberlege wing at City Road and Duke Elder ward at St George's Hospital. The data included reflects the national methodology, which requires trusts to publish fill rates for both registered nursing staff and care staff separated into day and night periods. This data is shown in the table below.

Designation	Percentage fill rate 2020/21
Registered nurses – day	98%
Registered nurses – night	94%
Care staff – day	97%
Care staff – night	136%
Total fill rate	98.7%

Financial report

2021/22 was again another exceptional period as a result of Covid-19 and transitional funding structures within the NHS.

During the financial period, the trust reported a surplus of £19.4m compared with a surplus of £5.4 million in 2020/21, predominantly as a result of receiving block funding income based on historical activity levels and the recovery of private patient income.

Statement of comprehensive income
Income for the year was £283.8 million (2020/21: £244.0 million), an increase of £39.8m on the prior year, as patient activity recovered from the unprecedented decrease in 2020/21.

Income and expenditure

All figures in £ million	2021/22	2020/21
Income		
Income from activities		
NHS income	215.8	193.6
Private patient income	37.2	24.3
Total income from activities	**253.0**	**217.9**
Other operating income	30.8	26.1
Total other operating income	**30.8**	**26.1**
Total income	**283.8**	**244.0**
Expenses		
Pay costs	145.8	133.2
Non-pay costs	108.9	95.9
Depreciation and amortisation	8.5	8.6
Total operating expenses	**263.2**	**237.7**
Operating surplus	**20.6**	**6.3**
Interest and dividends	(1.5)	(1.0)
Other one-off gains for disposal of assets and share of JV profit / (loss)	0.3	0.1
Surplus for the year	**19.4**	**5.4**

Income from our Private and Overseas Patient activities in London and United Arab Emirates increased during the year by £12.9 million (53%) to £37.2 million (2020/21: £24.3 million) increasing by £6.3m above the pre-pandemic 2019/20 level.

Other operating income, including Research and Development, Education and Training, Charitable Income, increased by £4.7 million (18%), to £30.8 million (2020/21: £26.1 million).

Operating expenditure excluding impairments increased in-year by £25.4 million (11%) to £263.1 million (2020/21: £237.7 million). Non–pay costs include £3.9m (£2.2m 20/21) on consultancy spend. This includes payments for specialist services and advice from external subject matter experts.

Pay costs increased by £12.6 million (9%) to £145.8 million (2020/21: £133.2 million), and non-pay costs increased by £13.0 million (14%) to £96.2 million (2020/21: £95.9 million), an impact of the return to increased patient activity levels from the low 2020/21 comparator.

Income disclosures
Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes.

The trust met this requirement. In 2021/22, 14.7% of income from provision of goods and services was derived from non-NHS income (2020/21 11.3%).

Section 43(3A) of the NHS Act 2006 requires NHS Foundation Trusts to provide information on the impact that other income it has received has had on its provision of goods and services for the purposes of the health service in England.

Surpluses from other income the Trust received have been used to support the provision of goods and services for the purposes of the health service in England.

Statement of financial position
Total assets have increased by £23.4 million to £120.0 million as at 31 March 2022 (2021/21: £96.6 million). Non-current assets increased by £9.1 million to £111.6 million (2020/21: £102.5 million).

Current assets increased by £5.4 million to £97.7 million (2020/21: £92.3 million).

Current liabilities have reduced by £6.8 million at £55.5 million (2020/21: £62.3 million) due to reduction in accruals and deferred income. Non-current liabilities reduced by £2.2 million to £33.8 million (2020/21: £36 million) primarily as a result of loan repayments made during the financial year.

Taxpayers' equity increased by £23.4 million during the year.

Statement of cash flows
The trust generated a net cash in-flow of £20.6 million from operations in 2021/22. The net cash surplus from operations was used to internally fund capital expenditure of £17.9 million (2020/21: £16.2 million) and loan repayment, net interest and Public Dividend Capital (PDC) payments of £3.1 million (2020/21: £3.0million)

The trust ended the year with an improved level of cash at £69.3 million (2020/21 £68.4 million), an increase of £0.9 million.

Counter-fraud arrangements
The trust has established a counter-fraud policy and response plan to minimise the risk of fraud or corruption. The trust's local counter-fraud specialist (LCFS) reports to the chief financial officer and performs a programme of work designed to provide assurance to the board with regard to fraud and corruption. The LCFS also gives regular fraud awareness sessions for Moorfields' staff and investigates concerns reported by staff. If these are substantiated, the trust takes appropriate criminal, civil or disciplinary measures.

Political donations
The trust made no political donations during 2021/22 (2020/21: nil).

Commissioning arrangements
During 2021/2, transitional funding flows were implemented to reimburse organisations on a block contract value basis to provide certainty during the emergency response to Covid-19.

Further information on the trust's financial position can be found in the annual accounts.

Better payment practice code
The better payments practice code requires the trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

The trust achieves the aims of the better payment practice code in the majority of cases and works with staff and suppliers throughout the year to minimise the remaining cases.

	2021/22 Number	2021/22 £000	2020/21 Number	2020/21 £000
Non-NHS				
Total bills paid in the year	33,280	157,352	23,762	125,291
Total bills paid within target	30,237	142,952	19,497	103,515
Percentages of bills paid within target	91%	91%	82%	83%
NHS				
Total bills paid in the year	1,830	15,251	1,736	13,063
Total bills paid within target	1,724	13,382	1,012	5,180
Percentages of bills paid within target	94%	88%	58%	40%
Total				
Total bills paid in the year	35,110	172,603	25,498	138,354
Total bills paid within target	31,961	156,334	20,509	108,695
Percentages of bills paid within target	91%	91%	80%	79%

'Single oversight framework' and 'finance and use of resources'

During the Covid-19 pandemic, the 'single oversight framework' and 'finance and use of resources' reporting was suspended.

The trust has complied with all cost allocation and charging guidance issued by HM Treasury.

The trust has no income-generating schemes with an individual cost exceeding £1m.

Chief executive's statement on performance 2021/22

2021/22 was an exceptional period as a result of Covid-19 and the transitional funding regime for the NHS. During the financial period, the trust reported a surplus of £19.4m compared with a surplus of £5.4 million in 2020/21, predominantly as a result of a largely elective organisation receiving funding income based on historical activity levels, whilst performing reduced activity during the emergency phases of the pandemic.

The trust's capital programme also supported the Covid-19 emergency response, and total capital expenditure for the year was £14.8 million (2020/21 £17.5m). With cautious management of working capital, this enabled the trust to maintain cash reserves to £69.3 million (2020/21 £68.4) and maintain a level of liquidity in order to respond to evolving external circumstances.

Equality, diversity and inclusion

The trust's aspiration for equality, diversity and inclusion (ED&I) is a culture that supports staff in realising their potential while helping patients in realising the best possible health outcomes.

Our equality, diversity and human rights policy sets out how we ensure that neither patients nor staff are treated differently because of any protected characteristic they may have. For new joiners, this is supported by a comprehensive recruitment policy and training for managers in managing equality, diversity and inclusion.

In 2020, an equality, diversity and human rights steering group, chaired by the chief executive, was set up with a strong governance oversight and representation from staff, ED&I leads, patient governors and executive sponsors.

The steering group has set four objectives for building a programme of work in 2021/22:

1) Supporting career progression for staff from ethnic minority backgrounds (previously BAME backgrounds);
2) Understanding patient population demographic and accessing language services;
3) Investing in infrastructure to support the capability and maturity of staff networks; and
4) Reducing bullying & harassment.

Further progress has been made against additional objectives to include recruitment of an organisational development consultant role and to establish an engagement officer role to drive forward our inclusion and diversity agenda. The trust intends to review the bullying and harassment pathway to relaunch with alternative pre-intervention support. We are also accredited with the 'two ticks' status, which guarantees people with a disability an interview if they meet the minimum criteria for a role.

A business case for additional resources is being developed to create a resource of ED&I expertise for the trust on these matters, researching and keeping up to date with all legislative requirements, best practice and NHS-specific initiatives to support the trust to be at the forefront of ED&I issues. This resource will provide strategic and operational leadership, coordination and support for delivering ambitious workforce equality, diversity and inclusion programmes for staff and patients at Moorfields.

Our equality objectives
To improve the equality outcomes for patients, carers and visitors, we are committed to:

- improving the experience of people identified by the protected characteristics when waiting for their appointment; and
- making information more accessible and specific to patients who have a clinical need.

To improve the equality outcomes for our staff we are committed to:
- increasing the diversity of people in leadership and management roles;
- continuing to build a strong and positive culture of inclusion;
- improving our collection of equality data;
- sharing our leadership of inclusion across our community; and
- broadening our reach to voluntary partners to gain different perspectives.

Modern slavery and human trafficking
The Modern Slavery Act 2015 establishes a duty for commercial organisations with an annual turnover in excess of £36 million to prepare an annual slavery and human trafficking statement. This organisation takes the following steps during the financial year to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business:

- identifies and mitigate the risks of modern slavery and human trafficking in our own business and our supply chain the trust:
- adheres to the national NHS employment checks/standards (this includes employees UK address, right to work in the UK and suitable references;
- follows NHS Agenda for Change terms and conditions to ensure that staff receive fair pay rates and contractual terms;

- consults Trade Unions on any proposed changes to employment terms and conditions;
- has systems to encourage the reporting of concerns and the protection of whistle blowers;
- purchases a significant number of products through NHS Supply Chain, whose 'supplier code of conduct' includes a provision around forced labour. Other contracts are governed by standard NHS terms and conditions;
- upholds professional practices relating to procurement and supply, and ensures procurement staff attend regular training on changes to procurement legislation;
- ensures the majority of our purchases utilise existing supply contracts or frameworks which have been negotiated under the NHS standard terms and conditions of contract, which all have the requirement for suppliers to have modern slavery and human trafficking policies and processes in place; and
- requests all suppliers comply with the provisions of the Modern Slavery Act (2015), through agreement of our 'supplier code of conduct', purchase orders and tender specifications.

Further information on policies and procedures and training can be found here: Modern slavery and human trafficking statement | Moorfields Eye Hospital NHS Foundation Trust

Improved facilities and sustainability

The Covid-19 pandemic has affected much of the planned activity of the projects team, driving change through previously established schemes in favour of improved pathways and learning from our 2020/21 implementations of diagnostic hubs in City Road and Hoxton.

Specifically, the Moorfields estates capital projects team were instrumental in developing the Brent Cross diagnostic hub with our UCL colleagues. The facility is the next iteration of outpatient diagnostic hubs, with researchers striving to create the most time efficient and cost-effective layout for patient flow to guide further configurations.

The third floor of City Road saw more clinical development, with the introduction of a new glaucoma space with five diagnostic lanes. The same estates team that delivered Brent Cross designed and constructed the clinic, utilising much of the learning from the research project alongside further iterations undertaken at Hoxton.

Our team has also undertaken refurbishment work at our sites in City Road and Croydon, updating flooring, lighting and ventilation systems without disrupting our services to patients. As well as enabling us to continue to deliver the care our patients need in a modern environment, the upgrades also benefit the wider environment by being more energy efficient.

We took steps during 2021/22 to support the greener NHS campaign and commitment to net-zero emissions by 2040. At Moorfields, we want to work in a way that has a positive effect on our communities. We strive to be a truly sustainable trust, which means we must make effective use of public funding and make smart and efficient use of natural resources to support healthy, resilient, and greener communities.

Demonstrating that we consider the social and environmental impacts ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met. We acknowledge this responsibility to our patients, local communities, and the environment by working hard to minimise our carbon footprint. The trust has now produced its board approved green plan, which details the efforts taken to meet our sustainability ambitions.

Climate change is one of the most pressing challenges facing our society, but it also has considerable implications for health and wellbeing. Because of this, the trust is committed to

continually working towards integrating sustainability, and adaptation to climate change, into our core business.

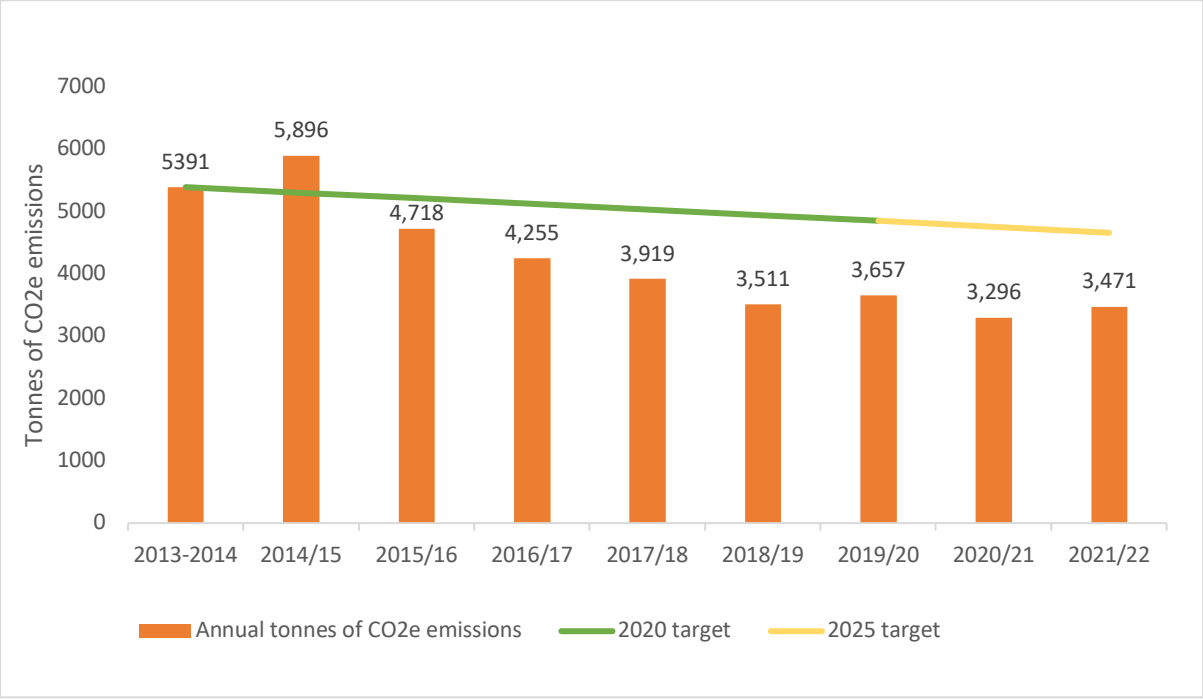
By making the most of our social, environmental, and economic assets, the trust can improve patient health, ensure critical care pathways remain sustainable, and minimise risk as our service delivery grows.

We achieved our last target of a 28% reduction from our 2014 baseline, and we are targeting a further 10% reduction by 2025. These reductions will be made from optimising our control systems and changing the behaviours of our staff and visitors.

Utilities – energy

This section provides a high-level view of how the trust is performing in relation to its energy performance and carbon emissions. We have spent £ 1,117k on energy and emitted 3,471 tCO2e in 2021/22. This represents an increase of 5% in comparison to the previous financial year, mainly due to increased ventilation usage through Covid-19 guidelines.

Carbon footprint from energy



Though we met our 28% reduction target for 2020 from a 2014 baseline, this year there has been a small increase in carbon emissions due to the increased usage. However, this is still a reduction of 186tnCO2e from the previous, business as usual year 2019/20. We are still on track to meet our 10% target reduction by 2025.

From the energy and emissions table below, Moorfields successfully reduced our carbon emissions by nearly 2,000 tonnes from the 2013/14 baseline. Over the next year, we will benefit from renewable grid electricity, leading to another reduction in our carbon impact.

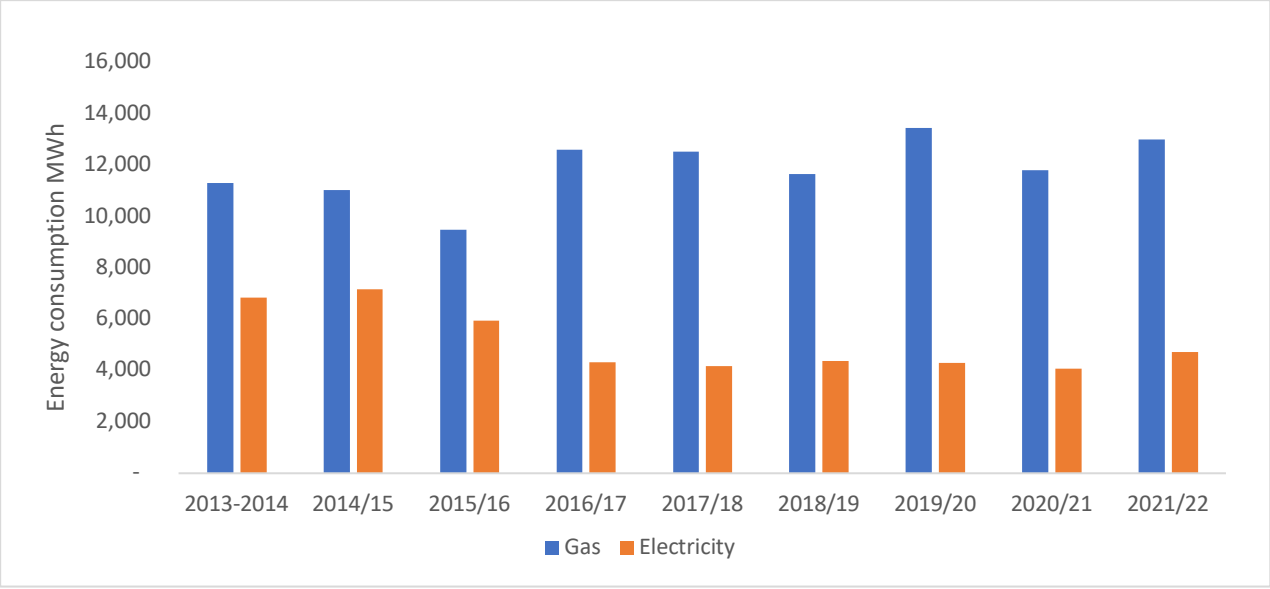
We continue to look to the future with Oriel, our plan to develop a new integrated centre for advancing eye health in the next five years. As our plans progress, we maintain our focus on our existing network site strategy which focuses on delivering low-cost improvements to our current sites to save energy in the short term.

Energy and carbon performance table from baseline year 2013/14

The graph below shows our gas and electrical energy usage from 2013/14 to 2021/22.

Source	Unit	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Gas	MWhs	11,302	11,018	9,477	12,576	12,521	11,644	13,429	11,792	12,995
	tCO2e	2080	2,038	1,748	2,314	2,306	2,142	2,469	2,168	2,380
Oil	MWhs	18	63							
	tCO2e	5	17	-	-	-	-	-	-	
Electricity (Scope 2)	MWhs	6,833	7,154	5,926	4,317	4,179	4,359	4,284	4,069	4,720
	tCO2e	3044	3,536	2,739	1,779	1,469	1,234	1,095	1,040	1002
Electricity (Scope 3)	MWhs	6,878	7,057	6,053	4,347	4,381	4,107	4,286	4,055	4,087
	tCO2e	262	305	231	162	144	135	93	88	89
Total energy carbon emissions	*tCO2e*	5391	5,896	4,718	4,255	3,919	3,511	3,657	3,296	3,471

Sustainability



Over the past year the trust has continued to work with its staff and partner organisations to reduce its impact on the environment.

Our former sustainability policy has been revised to form a modern ‘green plan’, formerly known as a Sustainable Development Management Policy (SDMP), and associated action plan.

This board approved plan, whilst being an evolution from our previous sustainable development management plans, is a step change in the way we approach being sustainable. We have engaged a wide variety of staff from across the trust to inform us of where change is needed, and where it is most important.

The primary mechanism for this engagement is the recent formation of our sustainability steering group. This group meets fortnightly to assign responsibility for items under our action plan and is formed by representatives and directors from all divisions and departments within the trust. Each of these sustainability meetings are also used to discuss progress and propose further sustainability actions such as the green plan and associated action plan will continue to be live documents, ensuring we remain engaged and ambitious in our drive to become a more sustainable trust.

This year we added sustainability as a standing agenda item to division meetings and engaged a sustainability consultancy to help drive our progress. We have digitised areas of our services, including providing electronic invoices and access to an online version of our trust magazine, halving the number of print run copies compared to 2019/20.

In anaesthetics, we have eliminated the use of desflurane gas, which has over 26 times the global warming potential of sevoflurane.

To reduce waste, we have reduced the use of scrubs only to where necessary in theatres, and our catering partners have begun offering a 20p reduction on drinks if customers bring reusable cups. To address our oversight on waste at the trust we have reprocured our waste contract allowing us to better monitor future waste output and segregation of waste.

Procurement is a vital area for measuring and reducing our scope three emissions. We are now meeting monthly with the newly formed North Central London Integrated Care System (NCL ICS) anchor working group, whose vision is to embed sustainable procurement and social value within the ICS' day-to-day procurement operations.

We have launched our sustainability communications campaign, which aims to engage our staff, students, visitors and patients in our journey to become more sustainable. The launch of this campaign and the subsequent sustainability case studies will be promoted on our new website.

Emergency planning, preparedness and resilience (EPPR)

Each year the we undertake an EPPR process review, the aim of which is to assure NHS England that we are prepared to respond to an emergency, and has the resilience in place to continue to provide safe patient care during a major incident or business continuity event. The most recent rating saw the trust awarded a green rating with substantial compliance in all standards.

2.2 Chief executive's statement on performance 2021/22

Following on from an unprecedented and challenging impact on our services during the Covid-19 pandemic, this year has been a year of recovery for Moorfields as we return to 'business as usual' following the pandemic.

We continue to provide safe and effective services for patients, underpinning everything we do as we strive to maintain high levels of patient feedback in order to continually improve services according to the needs of our patients and carers. Our clinical outcomes and safety record remain excellent, with ophthalmic clinical outcomes evidenced amongst the best in the world. Once again, our infection control team have excelled and in 2021/22 we have had no cases of MRSA or Clostridium difficile.

Our national friends and family test stated that the majority of respondents would recommend us to their friends and family, with positive scores of 92%, 93% and 95% in our A&E, outpatient and admitted environments respectively.

We had 663,174 patient contacts across our sites (excluding Bedford) which, while not yet at pre-pandemic level, is an increase of over 243,000 compared to 2020/21. We are aiming to achieve levels of pre-pandemic activity during the next financial year. We had 61,404 A&E attendances, but also saw 11,432 A&E patients via telemedicine (online) consultation. In our outpatient settings, we also continued to provide telephone and telemedicine environments, with over 47,000 patient appointments seen in a virtual setting.

We have continued to maintain many of our key targets in 2021/22, including all cancer waiting time targets, the A&E maximum four-hour waits at 99.9%, and we have recovered our diagnostic waiting times to 99%. We have not yet recovered our referral to treatment performance (71.2%) as we continue to reduce our waiting list while assisting other trusts with their longer waiting ophthalmic patients.

Dr Martin Kuper
Chief Executive
21 June 2022

3. Accountability report

3.1 Directors' report

The board of directors holds overall accountability for the organisation and is responsible for its strategic direction and the high-level allocation of resources. It delegates decision making for the operational running of the trust to the chief executive. The board of directors is accountable, via the chair and non-executive directors, to the membership council who represent the public, patients and staff.

The directors are additionally responsible for preparing the annual report and accounts. Taken as a whole, they consider these are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess Moorfields' performance, business model and strategy.

The board comprises 16 members, nine non-executive directors (including the chairman, eight are considered to be independent, the ninth being a representative of the UCL Institute of Ophthalmology as defined in the trust's constitution) and seven executive directors.

Non-executive directors, including the chairman, are appointed by the membership council following recommendations from the remuneration and nomination committee for non-executive directors. Executive directors are appointed by the remuneration and nomination committee of the board.

The board of directors believes it has the appropriate balance and completeness in its composition to meet the requirements of an NHS Foundation Trust. As at 31 March 2022, the following individuals comprised the voting members of the board of directors (expiry of terms of office for non-executive directors are listed):

Tessa Green – chairman (F) (3 years – 31 August 2022)
Martin Kuper – chief executive from 1 September 2021 (M)
Rosalind Given-Wilson – vice chairman and senior independent director (F) (2 years – 30 April 2024)
Vineet Bhalla – independent non-executive director (M) (3 years – 15 March 2023)
Professor Andrew Dick – non-executive director (M) (3 years – 30 September 2022)
Nick Hardie – independent non-executive director (M) (3 years – 31 December 2022)
David Hills – independent non-executive director (M) (3 years – 31 March 2023)
Richard Holmes – independent non-executive director (M) (3 years – 15 March 2023)
Sumita Singha – independent non-executive director (F) (End of term April 2022, No further extensions)
Adrian Morris – independent non-executive director (M) (3 years – 28 February 2024)
Jonathan Wilson – chief financial officer (M)
Louisa Wickham – medical director (F)
Professor Sir Peng Tee Khaw – director of research and development (M)
Jon Spencer – chief operating officer (M)
Johanna Moss – director of strategy and partnerships (F)
Sarah Needham – acting chief nurse and director of allied health professionals (F)

The non-voting directors listed below attend board meetings, but do not have voting rights:
Nick Roberts – chief information officer (M)
Ian Tombleson – director of quality & patient safety (M)
Sandi Drewett – director of workforce & OD (F)
Kieran McDaid – director of estates, capital and major projects (M)

Full profiles of all board members can be found here: https://www.moorfields.nhs.uk/content/trust-board

2021/22 attendance record – voting board of directors

Name	Apr 21	May 21	Jun 21	Jul 21	Sept 21	Oct 21	Nov 21	Jan 22	Feb 22	Mar 22	Total
Tessa Green	√	√	√	√	√	√	√	√	√	√	10/10
Martin Kuper	*	*	*	*	√	√	√	√	√	√	6/6
Vineet Bhalla	√	√	√	√		√	√	√	√	√	9/10
Andrew Dick	√	√	√		√	√	√	√	√	√	9/10
Ros Given-Wilson	√	√	√	√	√	√	√		√	√	9/10
Nick Hardie	√	√	√	√	√	√	√	√	√	√	10/10
David Hills	√	√	√	√	√	√	√	√	√	√	10/10
Richard Holmes	√	√	√		√	√	√		√	√	8/10
Peng Tee Khaw	√	√	√	√	√	√	√	√	√	√	10/10
Adrian Morris	√	√		√	√	√	√	√	√	√	9/10
Johanna Moss	√	√	√	√	√	√	√	√	√	√	10/10
Sumita Singha	√	√	√	√	√	√		√	√	√	9/10
Jon Spencer	√	√	√	√	√	√	√	√	√	√	9/10
Louisa Wickham	√		√	√	√	√	√	√	√	√	10/10
Jonathan Wilson	√	√	√	√	√	√	√	√	√	√	10/10
David Probert	√	√	√	√	*	*	*	*	*	*	4/4
Sarah Needham+	*	*	*	*	*	*	*	√	√	√	3/3

* Not in post
+ Acting role

The **register of interests** of individual directors is available to the public on request and also via the trust's website via https://www.moorfields.nhs.uk/content/trust-board. Please write to: Company secretary, Moorfields Eye Hospital NHS Foundation Trust, 162 City Road, London EC1V 2PD, email: foundation.moorfields@nhs.uk or phone: 020 7566 2490.

Audit and risk committee

The board is required to maintain a sound system of internal control to safeguard its NHS clinical services, assets, and non-NHS commercial services and investments. The audit and risk committee provides assurance to the board about the adequacy and effectiveness of the trust's systems of internal control, its governance processes, service quality and economy, efficiency and effectiveness (value for money). The committee also recommends to the board the approval of the trust's annual accounts and financial statements, management letter of representation and annual governance statement. Together with the quality and safety committee, the audit and risk committee recommend to the board the approval of the trust's annual quality report.

In carrying out its duties, the audit and risk committee draws on, but is not limited to, the work of internal and external audit, the local counter-fraud specialist, financial, performance and other evidenced assurance reports from management.

The audit and risk committee provides written activity reports following each committee meeting. These reports increase the visibility of the audit process to stakeholders.

The audit and risk committee assists the board in fulfilling its oversight responsibilities in respect of the integrity of the trust's accounts, risk management and internal control arrangements, compliance with legal and regulatory requirements, the performance, qualifications and independence of the external auditors and the performance of the internal audit function.

Management supplies the audit and risk committee with the information necessary for the performance of its duties. The internal auditors, the local counter-fraud specialist and the external auditors have direct access to the committee chairman and members separately from management.

The audit and risk committee comprises three non-executive directors, including the quality and safety committee chair. The board has satisfied itself that all the members of the committee are competent in financial matters. The chair has recent and relevant financial experience. The committee's meetings are attended by the chief financial officer, internal auditors, local counter-fraud specialist, external auditors and others as required. The chief executive has a standing invitation to attend the committee on an annual basis.

During 2021/22, the audit and risk committee met as follows:

Members/ dates	**13.4.21**	**8.6.21**	**13.7.21**	**12.10.21**	**19.1.22**	**Total**
Nick Hardie (chair)	√	√	√	√	√	**5/5**
Ros Given-Wilson	√	√	√	√	√	**5/5**
David Hills	√		√	√	√	**4/5**
Total	**3**	**2**	**3**	**3**	**3**	

The audit and risk committee work plan covers a wide range of issues and reports were received during the year from a number of sources. Key areas and issues that were considered include core financial systems, board assurance framework, Covid-19 and recovery, theatre management, data quality and performance and divisional performance.

The trust's **internal audit** function is performed by RSM. The role of internal audit is to focus on reviewing areas that either complement or underpin delivery of the trust's strategy, based on risk assessment. RSM provide written updates on progress against an annual internal audit work plan and any recommendations made to management. This enables the committee to track both the timely completion of the work plan and the implementation of recommendations by management.

Where internal audit reviews indicate a material, significant or repeated theme of concern, the committee also makes recommendations for the board to assess and seek adequate assurance from executive management as necessary.

Moorfields' **external auditor** is Grant Thornton LLP. The trust and Grant Thornton have safeguards in place to avoid the possibility that the external auditors' objectivity and independence could be compromised. The audit and risk committee has responsibility for reviewing the annual report from the external auditors and ensuring their impudence from the trust. The committee also ensures that actions are taken to comply with professional and regulatory requirements and best practice.

The audit and risk committee also reviews the statutory audit and other services (as relevant) provided by Grant Thornton, and compliance with the trust's policy which describes in detail the types of services which the external auditors can and cannot provide. The services provided by Grant Thornton relate to:

- external audit
- other audit services, for example work that regulators require the auditors to undertake, such as on behalf of a regulator

All engagements with the external auditors over a specified amount require the advance approval of the chair of the audit and risk committee. The policy is regularly reviewed and where necessary is amended in the light of internal developments, external requirements and best practice.

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware and the directors have taken all the steps they should in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Recommendations from the audit and risk committee to the membership council

Following completion of the work of the external auditors, the audit and risk committee did not identify any matters where it considered that action or improvement needed to be reported to the membership council. The committee made a positive report to the governors which included that the external audit was of a sufficiently high standard and the fees were reasonable and in line with the agreed contract.

Remuneration and nomination committee

The remuneration and nominations committee is responsible for two key areas:

- Setting the pay and terms of employment of executive directors and other board-level posts, as well as taking an overview of performance reward strategy in the trust; and
- Making recommendations to the board about the appointment of executive and other director positions.

A rigorous selection process took place during 2021/22 to recruit a new chief executive and a new chief nurse and director of allied health professions.

The committee is chaired by the trust's chairman and comprises all independent non-executive directors. The chief executive and the director of workforce and organisation development attend

meetings of the remuneration and nominations committee in an advisory capacity. The committee's decisions are informed by benchmarking information from published reward research, such as the NHS boardroom pay report, and surveys of other trusts' remuneration for similar posts.

During 2021/22, the remuneration and nominations committee met as follows:

Members / dates	28.4.21	27.5.21	23.9.21	27.1.22	Totals
Tessa Green	√	√	√	√	**4**
Adrian Morris	√	√	√	√	**4**
Ros Given-Wilson	√	√	√		**3**
Nick Hardie	√	√	√	√	**4**
David Hills	√	√	√	√	**4**
Sumita Singha		√	√	√	**4**
Vineet Bhalla	√	√		√	**3**
Richard Holmes	√	√	√		**3**
Totals	**7**	**8**	**7**	**6**	

Accounting policies for pensions and other retirement benefits are set out in note 9. Details of employee costs can be found in note 8 in the annual accounts.

Performance evaluation

Executive directors each undergo formal annual appraisals led by the chief executive which are considered further by the board's remuneration committee. The chairman appraises the performance of the chief executive, and all non-executive directors, and discusses the outcome of these meetings with the governor's remuneration & nominations committee with a particular focus on those due for reappointment. The vice-chairman of the board discussed the chairman's performance with non-executive directors. The outcomes of these discussions were taken to the remuneration and nominations committee of the membership council.

The following non-statutory committees have also been established by the board of directors:

Strategy and commercial committee

The purpose of the committee is to review, on behalf of the board, the following key areas:

- the development of strategic plans and in particular the network strategy;
- the development of business cases and investment proposals, including the approval of business cases within the limits set out in the standing financial instructions;
- oversight of the research strategy carried out by and for the trust;
- oversight of the education strategy carried out by and for the trust; and
- oversight of all commercial activity and areas of income generation.

Quality and safety committee

The purpose of the committee is to review, on behalf of the board, the following key areas:

- to provide oversight and board assurance about the quality and safety aspects of clinical services;
- to provide assurance about legal compliance with health and safety and related legislation;
- to steer the quality elements of the trust's strategy;
- to support the implementation of the quality strategy and quality improvement plan; and
- to oversee the development and implementation of the quality account.

People and culture committee

The purpose of the committee is to review, on behalf of the board, the following key areas:

- the recruitment, retention, management and development of the trust's workforce;
- The workforce strategy of the trust and its implementation;
- the education strategy of the trust and its implementation; and
- the trust's obligations under the public sector equality duty.

Finance committee

The purpose of the committee is to review, on behalf of the board, the following key areas:

- financial policies and strategy; and
- financial performance and delivery of the trust budget.

Capital scrutiny committee

The purpose of the committee is to provide advice and scrutiny to the trust board on all capital investment projects above £1m.

The committee is led by a property professional able to advise and challenge the executive responsible for the trust's capital programme (currently the director of estates, capital and major projects).

3.2 Membership report

The **membership council** has a duty under the NHS Act 2006 to represent the interests of NHS Foundation Trust members and the public and trust staff in the governance of an NHS Foundation Trust. The membership council includes elected and nominated governors as shown in the table overleaf and has decision-making powers defined by statute. These powers are described in the constitution and are mainly concerned with holding to account the non-executive directors individually and collectively for the performance of the trust board; the appointment, removal and remuneration of the chairman and non-executive directors; the appointment and removal of our external auditors; the provision of views on strategic plans; and representing the views of members.

The council formally met five times during 2021/22 to discuss a wide range of subjects, including patient engagement and communication, digital and technology progress, Oriel engagement and progress, the sustainability agenda, artificial intelligence, the ethical use of patient data and diagnostic hubs. An extraordinary meeting was held in December 2021 to provide a detailed briefing on the sale of the City Road site and approved the sale of City Road in March 2022.The council also formally approved the appointment of the new chief executive in April 2021. All meetings were held online.

This year has been another challenging one for governors, who were still unable to come into the hospital and engage with members in the way they usually would. Therefore, the council has had to continue its 2020/21 approach to membership engagement and holding NEDs to account for the performance of the board.

Governors receive a copy of the public board papers and are actively encouraged to attend the meetings. The move to virtual board meetings has meant that more of our governors have the opportunity to attend, which is an extremely positive step and allows them to gain assurance that the trust continues to work well under considerable pressure. Feedback from membership council meetings is provided at the next available board meeting. Governors are encouraged to provide as much feedback to membership council meetings as possible, and this includes reporting from their established subgroups and any courses they attend.

The trust continues to schedule sessions for governors on specific topics; most recently, there has been a series of in-depth briefings designed to help governors through the detail of the Oriel full business case, which is due to come to the board for decision in April 2022. The topics for these briefings have been the sale of City Road, the clinical model and design and the financial case for Oriel, although governors have been updated as often as possible about the progress of Oriel.

Governors have also had their annual session with the chairs of the audit and quality committees as well as a session with Richard Holmes, chair of the strategy and commercial committee, and Adrian Morris, our most recently appointed non-executive director.

The process for resolving any dispute between the membership council and the board of directors is described in the constitution (paragraph 17).

Membership Council composition and attendance report 2021/22

Name and constituency	29.4.21	29.7.21	21.10.21	1.12.21	1.2.22	Subgroup representation
Jane Bush (NCL) Elected 1 April 2019 (3 years)	√	√	√	√	√	RNC GDG
Andrew Clark (Beds and Herts) Elected 1 April 2019 (3 years)	√	√	√	√	√	External audit panel
John Sloper (Beds and Herts) Elected 1 April 2019 (3 years)	√	√	√	√	√	GDG
Kimberley Jackson (SWL) Elected 1 April 2019 (3 years)	√	√	√	√	√	GDG
Roy Henderson (patient) Elected 1 April 2020 (3 years)	√	√	√	√	√	GDG RNC
Rob Jones (patient) Elected 1 April 2018 (3 years)	√	√	√	√	√	Lead governor Chair, GDG
Allan MacCarthy (SEL) Elected 1 April 2019 (3 years)	√	√	√	√	√	Vice-chair GDG RNC
Ian Wilson (NWL) Elected 1 April 2019 (3 year)	√		√	√	√	
Paul Murphy (NCL) Elected 1 April 2018 (3 years)	√	√	√	√	√	GDG
Naga Subramanian (SEL) Elected 1 April 2019 (3 years)	√	√	√	√	√	RNC
Richard Collins (NEL and Essex) Elected 1 April 2018 (3 years)	√	√	√		√	Chair, RNC GDG
John Russell (NEL and Essex) Elected 1 April 2019 (3 years)	√	√	√	√	√	
Marcy Ferrer (Patient) Elected 1 April 2021 (3 years)	√					
Vijay Arora (NWL) Elected 1 April 2021 (3 years)	√	√	√		√	
Modupe Gisanrin (staff: network sites) Elected 1 April 2020 (3 years)						

Amit Arora (staff: City Road) Elected 1 April 2019 (3 years)	√	√	√	√	√	RNC GDG
Remija Mponzi (staff: network sites) Elected 25 March 2019 (3 years)		*	*	*	*	
Vijay Tailor (staff: City Road) Elected 31 March 2021 (3 years)	√	√	√		√	
Una O'Halloran, London Borough of Islington Appointed 1 October 2022	√	√	√	√	√	Equality, Diversity and Human Rights group
Ian Humphreys, College of Optometrists Appointed 5 December 2019	√	√	√	√	√	
David Shanks, University College London Appointed 14 November 2017	√		√		√	
Tricia Smikle, Royal National Institute for the Blind Appointed 14 November 2017	√	√	√	√	√	RNC

GDG	Governance development group
RNC	Remuneration and nominations committee
√	Present
*	Not in post

Elected governors usually hold their positions for three years. Nominated governors are proposed by their host organisation and hold the position until a new nomination is made.

The council has one formal committee and one subgroup:

The **remuneration and nominations committee** of the membership council met once in 2021/22. This committee is established to ensure that the selection and appointment process for non-executive directors is robust, and to regularly review non-executive director remuneration levels to ensure an appropriate balance between value for money and attracting candidates of sufficient calibre.

During 2021/22, the remuneration and nominations committee considered and recommended the reappointment of two non-executive directors for additional one and two year terms of office, and recommended that the chair be offered a further three-year term of office.

The **governance development group** is established to propose and carry out initiatives that will improve the role of the membership council in the governance of the trust and the development of governors individually and collectively. In 2021/22 the group was largely focused on how best to continue to engage with membership and the board during the pandemic, the membership magazine, decision-making required for the Oriel FBC, the changing ICS landscape and other engagement ideas.

The **register of interests** of individual governors on the membership council is available to the public on request. Please write to: company secretary, Moorfields Eye Hospital NHS Foundation Trust, 162 City Road, London EC1V 2PD, email: foundation@moorfields.nhs.uk or phone: 020 7566 2490.

Our membership

The trust has approximately 18,500 members, including 2,000 staff members.

Membership numbers in each public constituency reflect to some degree the size of the service provision in the area. For example, north west and north east London have the greatest number of members because they include some of our largest locations. North central London includes the main City Road site. The patient constituency is the largest constituency overall with members from across all services and geographical locations.

All members are invited to the annual general meeting (AGM), which took place virtually in July this year. The breakdown of our membership between constituencies is as follows:

Constituency	Number of members
Patient constituency	10,404
Bedfordshire and Hertfordshire public constituency	410
North central London public constituency	1,167
North east London and Essex public constituency	1,646
North west London public constituency	1,982
South east London public constituency	420
South west London public constituency	609

Staff constituencies	1997
TOTAL	**18,635**

Representing our membership

Members are represented by elected patient, public and staff governors on the membership council which meets at least four times a year. Governors participate in a range of activities, such as membership development and engagement, conducting site visits, reviewing quality initiatives and attending recruitment panels for non-executive appointments.

We draw our public membership from six geographic constituencies, set out in the table above. Any member of the public who lives in one of these areas and is aged 16 years or over can join as a public member. Any patient aged 16 years or over can join the wider patient constituency. Eligible staff will be automatically registered as members and are able to opt out. A member of the trust may cease their membership at any time via the contact below.

Members who want to contact their representative governor or a member of the board should write to: Company secretary, Moorfields Eye Hospital NHS Foundation Trust, 162 City Road, London, EC1V 2PD, email: moorfields.foundation@nhs.net. This information is also available on the trust's website: www.moorfields.nhs.uk/membership.

Elections

Elections were held in March 2022. The constituencies and outcomes are set out below.

Date	Constituency	Number of seats	Successful candidate(s)
March 2022	Staff City Road	1	1
	Staff: Network sites	2	1
	Public: NWL	1	1
	Public: NCL	1	1
	Public: NEL and Essex	1	1
	Public: SEL	1	1
	Public: SWL	2	2
	Public: Beds and Herts	2	2

If a successfully elected governor is unable or ineligible to take up their role at the start of their term of office, the vacancy is offered to the next placed candidate.

Full details of the composition of the membership council from 1 April 2022 and of election results are posted on our website at www.moorfields.nhs.uk/membership.

All elections are held in accordance with the election rules set out in the constitution. This has been confirmed by the returning officer for the elections held during 2021/22.

Compliance with the Foundation Trust code of governance
Moorfields Eye Hospital NHS Foundation Trust has applied the principles of the NHS Foundation Trust code of governance on a 'comply or explain' basis. The NHS Foundation Trust code of governance was revised in July 2014 and is based on the principles of the UK corporate governance code issued in 2012. The Board of Directors support and agree with the principles set out in the NHS foundation trust code of governance. The following areas have been identified as non-compliant with the code, or are in the process of being implemented:

The procedure for resolving conflicts between the Board of Directors and the Membership Council is outlined at section 17 of the trust's constitution.

Areas of non-compliance
The code refers to the appointment of executive directors that should be on fixed term arrangements and reviewed every five years. All executive directors have permanent contracts of employment which cannot be changed without agreement by both parties.

NHS oversight framework
NHS England and Improvement's oversight framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- quality of care
- finance and use of resources
- operational performance
- strategic change
- leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where 4 reflects providers receiving the most support, and 1 reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach, or suspected breach, of its licence. We are currently in segment 2.

Dr Martin Kuper
Chief executive
21 June 2022

3.3 Remuneration report

The trust's remuneration committee makes decisions in relation to directors' pay in light of benchmarking information derived from published research on reward, such as the NHS Providers remuneration survey, and surveys of other trusts'' remuneration for similar posts. In 2021/22 existing directors received a cost of living increase in line with guidance from NHS England and Improvement. No other uplifts were agreed, although performance and appraisals of all executives were discussed at the remuneration committee. Details of the remuneration committee can be found on page 27.

Remuneration is not split into different elements. The committee is always mindful of the national NHS pay uplift for staff and the system within which staff are remunerated, including restraints that apply to trusts and foundation trusts in special measures, when considering each individual. The final determination of the pay level for any individual is based on an assessment of performance. All contracts are open ended. As at 31 March 2022, all trust executive directors are on a six-month notice period. There is no termination payment built into the contract and there are no contractual provisions for early retirement beyond that required by the law. In certain circumstances, an individual may benefit from the provisions of the NHS pension scheme. The trust does not provide any non-cash benefits within the remuneration package.

Accounting policies for pensions and other retirement benefits are set out in note 9. Details of the board of directors' remuneration can be found on page 38, and details of employee costs can be found in note 8 in the annual accounts. Information relating to off-payroll arrangements is included in the staff report.

Acting on the recommendations of the Hutton review of fair pay and the reporting requirements of HM Treasury, the trust makes the following declarations [these declarations are subject to audit]:

- For employees of the Trust as a whole, the range of remuneration in 2021/22 was from £23,154 to £220.000 (2020/21 £21,606 to £212,200). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 3%. No employees received remuneration in excess of the highest-paid director in 2021-2022
- The banded remuneration of the highest-paid director in the organisation in the financial year 2021-22 was £220,000 (2020-21, £212,200). This is a change between years of 3.68%.
- The median remuneration of staff employed at the trust during the 2021/22 financial year was £37,841 (2021/22: £36,738). The calculation is based on full-time equivalent staff of the reporting entity at the reporting period end date on an annualised basis.
- The mid-point of the banded remuneration of the highest paid director of the trust for the sample period 2021/22 was £220,000 (2020/21: £212,500) – only those directors whose remuneration the trust is directly able to determine are included in this calculation.
- The ratio of the two amounts was 5.81:1 in 2021/22 (2020/21: 5.78:1) – that is, the mid-point of the banded remuneration of the highest paid director of the trust was 5.81 times that of the median remuneration for all staff employed at the trust.
- The ratio for the 25th Percentile in 2021/ 22 is 8.10 (2020/21 8.28) and the 75th Percentile in 2021/22 is 4.47 (2020/21 4.63).
- No payments for compensation for loss of office were made during 2021/22.

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

As required by section 156(1) of the Health and Social Care Act 2012, I declare that the total out-of-pocket expenses paid to governors of the trust in 2021/22 was nil (2020/21: £49), and that total out-of-pocket expenses paid in 2021/22 to the directors was £873 (2020/21 £322).

Dr Martin Kuper
Chief executive
21 June 2022

Salary entitlements of the board of directors [the following table is subject to audit]

2021/22				
Name and Title	**Executive Salary (bands of £5,000) £'000s**	**Clinical / Research Salary (bands of £5,000) £'000s**	**Pension-Related Benefits (bands of £2,500) £'000s**	**Total Entitlement (bands of £5,000) £'000s**
Dr Martin Kuper - Chief Executive (start date 01.09.2021)	125 - 130	-	37.5 - 40.0	165.0 - 170.0
Mr D Probert - Chief Executive (end date 30.08.2021)	85 - 90	-	32.5 - 35.0	120.0 -125.0
Mr J Wilson - Chief Financial Officer and Deputy Chief Executive	155 - 160	-	0.0 - 2.5	155.0 -160.0
Prof P Khaw - Research Director	30 - 35	205 - 210	0.0 -2.5	240.0 -245.0
Ms T Luckett - Director of Nursing & Allied Health Professions (end date 31.01.2022)	100 -105	-	70.0 - 72.5	170.0 - 172.5
Ms S Needham - Director of Nursing & Allied Health Professions (start date 01.01.2022, end date 31.03.2022)	25-30	-	7.0 - 7.5	30.0 - 35.0
Ms L Wickham - Medical Director	55 -60	120 -125	20.0 - 22.5	195.0 - 200.0
Ms J Moss Director of Strategy & Buisness Development	135 - 140	-	52.5 - 55.0	190.0 - 195.0
Mr J Spencer - Chief Operating Officer	135 - 140	-	42.5 - 45.0	175.0 - 180.0
Ms T Green - Chairman	45 -50	-	-	45 -50
Ms R Given-Wilson - Non-Executive Director	15 -20	-	-	15 -20
Ms S Singha - Non-Executive Director	15 -20	-	-	15 -20
Mr A Dick - Non-Executive Director	10- 15	-	-	10- 15
Mr A Morris - Non-Eexecutive Director	10-15	-	-	10-15
Mr N Hardie - Non-Executive Director	15 -20	-	-	15 -20
Mr D Hills - Non-Executive Director	15 -20	-	-	15 -20
Mr V Bhalla - Non-Executive Director	10- 15	-	-	10- 15
Mr R Holmes - Non-Executive Director	10- 15	-	-	10- 15

2020/21				
Name and Title	**Executive Salary (bands of £5,000) £'000s**	**Clinical / Research Salary (bands of £5,000) £'000s**	**Pension-Related Benefits (bands of £2,500) £'000s**	**Total Entitlement (bands of £5,000) £'000s**
Mr D Probert - Chief Executive	210 - 215	-	47.5 - 50.0	260 - 265
Mr J Wilson - Chief Financial Officer	145 - 150	-	10.0 - 12.5	155 - 160
Prof P Khaw - Research Director	30 - 35	200 - 205	0.0 - 2.5	235 - 240
Ms T Luckett - Director of Nursing & Allied Health Professions	120 -125	-	0.0 - 2.5	120 - 125
Mr J Quinn - Chief Operating Officer (end date 21.12.2020)	95 - 100	-	35.0 - 37.5	130 - 135
Mr N Strouthidis - Medical Director (end date 31.12.2021)	45 - 50	80 - 85	47.5 - 50.0	180 - 185
Ms L Wickham - Medical Director (start date 04.01.2021)	15 - 20	30 - 35	20.0 - 22.5	65 - 70
Ms J Moss Director of Strategy & Buisness Development (start date 01.03.2021)	10 - 15	-	2.5 - 5.0	15 - 20
Mr J Spencer - Chief Operating Officer (start date 01.03.2021)	10 - 15	-	2.5 - 3.0	15 - 20
Mr A Stamp - Acting Chief Operating Officer (start date 21.12.2021 to end date 28.02.2021)	20 - 25	-	10.0 - 12.5	30 - 35
Ms T Green - Chairman	45 - 50	-	-	45 - 50
Mr S Williams - Non-Executive Director (end date 15.03.2021)	15 - 20			15 - 20
Ms R Given-Wilson - Non-Executive Director	15 - 20	-	-	15 - 20
Ms S Singha - Non-Executive Director	15 - 20	-	-	15 - 20
Mr A Dick - Non-Executive Director	10 - 15	-	-	10 - 15
Mr A Morris (start date 01.03.2021)	0 - 5			0 - 5
Mr N Hardie - Non-Executive Director	15 - 20	-	-	15 - 20
Mr D Hills - Non-Executive Director	15 - 20	-	-	15 - 20
Mr V Bhalla - Non-Executive Director	10 - 15	-	-	10 - 15
Mr R Holmes - Non-Executive Director	10 - 15	-	-	10 - 15

Pension-related benefits are intended to show the notional increase or decrease in the value of directors' pensions assuming the pension is drawn for 20 years after retirement. It is calculated as 20 x annual pension increase + lump sum increase, adjusted for inflation, less employees' pension contributions paid in the year.

Six members of the Board were paid more than the threshold of £150,000 per annum used in the Civil Service for approval by the Chief Secretary of the Treasury, which equates to the Prime Minister's ministerial and parliamentary salary. We are mindful of our responsibility in ensuring value for money.

Nevertheless we have an obligation to secure suitable individuals, and therefore the trust’s Remuneration Committee agreed the salaries in excess of the threshold following benchmarking and market testing.

Pension benefits of directors [the following table is subject to audit]

Name and Title	Value of accrued pension at 31 March 2021 (bands of £5,000) £'000s	Value of accrued pension at 31 March 2022 (bands of £5,000) £'000s	Real increase in year in the value of accrued pension (bands of £2,500) £'000s
Dr Martin Kuper – Chief Executive	65- 70	70 -75	2.5 – 5.0
Mr D Probert – Chief Executive	60 – 65	65 – 70	2.5 – 5.0
Mr J Wilson – Chief Financial Officer	25 – 30	0 -5	0.0 – 2.5
Ms T Luckett – Director of Nursing & Allied Health Professions	50 – 55	55 -60	2.5 – 5.0
Ms S Needham – Director of Nursing & Allied Health Professions	25 – 30	30 – 35	0.0 – 2.5
Ms L Wickham – Medical Director	40 – 45	40 – 45	0.0 – 2.5
Ms J Moss Director of Strategy & Business Development	35- 40	35 – 40	2.5 – 5.0
Mr J Spencer – Chief Operating Officer	25 – 30	30 – 35	0.0 – 2.5

Name and Title	Value of automatic lump sums at 31 March 2021 (bands of £5,000) £'000s	Value of automatic lump sums at 31 March 2022 (bands of £5,000) £'000s	Real increase in year in the value of automatic lump sums (bands of £2,500) £'000s
Dr Martin Kuper – Chief Executive	155- 160	165 – 170	10.0 – 12.5
Mr D Probert – Chief Executive	115 – 120	115 – 120	0.0 – 2.5
Mr J Wilson – Chief Financial Officer	85 – 90	0 -5	0.0 – 2.5
Ms T Luckett – Director of Nursing & Allied Health Professions	150 – 155	165 – 170	12.5 - 15.0
Ms S Needham – Director of Nursing & Allied Health Professions	55 - 60	55 – 60	0.0 – 2.5
Ms L Wickham – Medical Director	85 – 90	80 – 90	0.0 – 2.5
Ms J Moss Director of Strategy & Business Development	60 – 65	65 – 70	0.0 – 2.5
Mr J Spencer – Chief Operating Officer	55 – 60	60 – 65	2.5 – 5.0

Name and Title	Cash equivalent transfer value at 31 March 2021 £'000s	Cash equivalent transfer value at 31 March 2022 £'000s	Real increase in cash equivalent transfer value in 2021/22 £'000s
Dr Martin Kuper - Chief Executive	1,290	1,405	90
Mr D Probert - Chief Executive	919	997	62
Mr J Wilson - Chief Financial Officer	536	0	0
Ms T Luckett - Director of Nursing & Allied Health Professions	1,136	1,268	111
Ms S Needham - Director of Nursing & Allied Health Professions	454	494	36
Ms L Wickham - Medical Director	690	730	18
Ms J Moss Director of Strategy & Buisness Development	476	529	30
Mr J Spencer - Chief Operating Officer	422	462	34

Prof P Khaw is not a member of the NHS Pension Scheme.

J Wilson is not a member of the NHS Pension Scheme in 2021/22

Non-executive directors do not receive pensionable remuneration.

A cash equivalent transfer value (CETV) is the actuarially assessed capital value of the pension scheme benefits accumulated by a member at a particular point in time. The benefits valued are the member's accumulated benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real Increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the year.

The value of trust contributions to the NHS Pension Scheme in 2021/22 in respect of executive directors was £91k (2020/21: £89k).

During the year, the Government announced that public sector pension schemes will be required to provide indexation on the Guaranteed Minimum Pension element of the pension. NHS Pensions has updated the methodology used to calculate CETV values as at 31 March 2021. The impact of the change in methodology is included within the reported real increase in CETV for the year.

3.4 Staff report

Staff sickness absence	
Average full time equivalent (FTE)	0.84
FTE days lost	33,708 (12 months)
Average sick days per FTE	6.8

Staffing WTE & Headcount 2022	
Permanently employed: Staff with a permanent (UK) employment contract directly with the entity	HC 1997 WTE 1785.43
Other: Staff that do not have a permanent (UK) employment contract with the entity.	HC 377 WTE 353.95
Blank Assignment	HC 8 WTE 3.19

The following figures show our staffing breakdown by staff group, age, gender, ethnicity, disability and sexual orientation, as at 31st March 2021.

Workforce by staff group	
Additional Prof Scientific and Technic	HC 251 WTE 167.89
Additional Clinical Services	HC 380 WTE 350.52
Administrative and Clerical	HC 805 WTE 762.51
Allied Health Professionals	HC 52 WTE 42.61
Estates and Ancillary	HC 34 WTE 33.92
Healthcare Scientists	HC 59 WTE 55.63
Medical and Dental	HC 365 WTE 326.68
Nursing and Midwifery Registered	HC 436 WTE 402.81
Students	HC 4 WTE 4.00

Workforce by ethnicity	
Asian	HC 593 WTE 525.76
Black	HC 392 WTE 366.68
Chinese	HC 51 WTE 45.68
Mixed	HC 92 WTE 84.18
Not Stated	HC 323 WTE 290.67
Other BME	HC 133 WTE 124.69
White	HC 798 WTE 704.91

Workforce by sexual orientation	
Bisexual	HC 18 WTE 16.47
Gay or Lesbian	HC 40 WTE 34.14
Heterosexual or Straight	HC 1,436 WTE 1,313.37
Not Stated	HC 857 WTE 757.52
Unspecified	HC 27 WTE 17.07
Other sexual orientation not listed	HC 4 WTE 4.00

Workforce by disability status	
No	HC 2223 WTE 2,005.07
Yes	HC 53 WTE 50.82
Not Declared	HC 60 WTE 52.87
Prefer Not to Answer	HC 15 WTE 13.04
Unspecified	HC 31 WTE 20.77

Workforce by gender	
Female	HC 1632 WTE 1,454.32
Male	HC 750 WTE 688.25

Workforce by age	
-20	HC 7 WTE 6.00
21-25	HC 119 WTE 115.49
26-30	HC 270 WTE 250.55
31-35	HC 333 WTE 302.34
36-40	HC 327 WTE 284.41
41-45	HC 304 WTE 265.87
46-50	HC 334 WTE 311.16
51-55	HC 293 WTE 270.93
56-60	HC 198 WTE 178.42
61-65	HC 133 WTE 113.19
66-70	HC 47

	WTE 34.02
71+	HC 17 WTE 10.19

Note: All figures above are based on a snapshot as at 31 March 2022.

Information on the gender pay gap can be found on our website (https://www.moorfields.nhs.uk/content/inclusion-equality-and-diversity-reporting). Further information can be found on the Cabinet Office website (https://gender-pay-gap.service.gov.uk/).

[Analysis of staff numbers and staff costs is subject to audit]

Staff friends and family test (FFT)
Due to the COVID-19 Pandemic, The FFT was suspended. Since then, we have started using the National Quarterly Pulse Survey via NHS England and Improvement. This does not consistently ask the same set of questions, and the FFT questions are not routinely asked. We have therefore reported the results from our last Staff Survey, in 2021.

Friends and Family Test results 2021	
% staff recommending Moorfields as a place for treatment	87% (Q21d)
% staff recommending Moorfields as a place to work	63% (Q21c)

NB: The phrasing of the questions is as follows:

- Q21d - If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation
- Q21c - I would recommend my organisation as a place to work

Data for the period April 2021 – March 2022

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
	9.95

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	11

Percentage of pay bill spent on facility time

	£
Provide the total cost of facility time	64,626
Provide the total pay bill	508,634
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	12.71%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100%

Staff exit packages 2021/22 [this information is subject to audit]

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	-	-
£10,001 – £25,000	-	-	-
£25,001 – £50,000	-	-	-
£50,001 - £100,000	1	-	1
Total number of exit packages by type	-	-	-
Total resource cost £000s	60	-	60

Exit packages - non-compulsory departure payments	Agreements Number	Total Value of Agreements £000s
Voluntary redundancies including early retirement contractual costs	-	-
Mutually agreed resignations (MARS) contractual costs	-	-
Early retirements in the efficiency of the service contractual costs	-	-
Contractual payments in lieu of notice	-	-
Exit payments following employment tribunals or court orders	-	-
Non-contractual payments requiring HMT approval (special severance payments)	-	-
Total	-	-
Of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	-	-

Staff exit packages 2020/21

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	5	5
£10,001 – £25,000	-	2	2
£25,001 – £50,000	-	1	1
£50,001 - £100,000	-	2	2
Total number of exit packages by type	-	10	10
Total resource cost £000s	-	230	230

Exit packages - non-compulsory departure payments	Agreements Number	Total Value of Agreements £000s
Voluntary redundancies including early retirement contractual costs	8	212
Mutually agreed resignations (MARS) contractual costs	-	-
Early retirements in the efficiency of the service contractual costs	-	-
Contractual payments in lieu of notice	2	18
Exit payments following employment tribunals or court orders	-	-
Non-contractual payments requiring HMT approval (special severence payments)	-	-
Total	10	230

Of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-

Off payroll engagements

For all off-payroll engagements as of 31 Mar 2022, for more than £245 per day and that last for longer than six months	**2021/22 Number**
No. of existing engagements as of 31 Mar 2022	-
Of which, the number that have existed:	**-**
for less than one year at the time of reporting	8
for between one and two years at the time of reporting	1
for between 2 and 3 years at the time of reporting	2
for between 3 and 4 years at the time of reporting	-
for 4 or more years at the time of reporting	-

For all new off-payroll engagements, or those that reached six months in duration, between 01 Apr 2021 and 31 Mar 2022, for more than £245 per day and that last for longer than six months	**2021/22 Number**
Of which:	-
Number assessed as caught by IR35	-
Number assessed as not caught by IR35	11
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	-
Number of engagements reassessed for consistency/assurance purposes during the year	-
Number of engagements that saw a change to IR35 status following the consistency review	-

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 Apr 2021 and 31 Mar 2022	**2021/22 Number**
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year.	0
Total number of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure must include both on payroll and off-payroll engagements.	18

3.5 Statement of the chief executive's responsibilities as the accounting officer of Moorfields Eye Hospital NHS Foundation Trust

The National Health Service Act 2006 states that the chief executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Moorfields Eye Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Moorfields Eye Hospital NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the accounting officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

- observe the accounts direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state if applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned acta. The accounting officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the foundation 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 the NHS Foundation Trust Accounting Officer Memorandum.

Dr Martin Kuper
Chief executive
21 June 2022

3.6 Annual governance statement

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation 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 Foundation 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 Foundation Trust Accounting 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 Moorfields Eye Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, to manage them efficiently, effectively and economically. The system of internal control has been in place in Moorfields Eye Hospital NHS Foundation Trust for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of directors is responsible for ensuring that a system of internal control is in place. As accounting officer, I have overall accountability for risk management in the trust and chair the management executive, through which executive responsibility for risk management is exercised. The control of risk is embedded in the roles of executive directors through to the managerial staff within the organisation.

The risk management strategy of the organisation is to maintain systematic and effective arrangements for identifying and managing risk to an acceptable level which fits within the trust's risk appetite. The strategy provides a framework for managing risk across the organisation which is consistent with best practice and Department of Health guidance. The director of quality and safety has responsibility for the design, development and maintenance of operational risk systems, policies and processes. Divisional and directorate governance arrangements implement and maintain risk management processes, including the maintenance of risk registers. The day-to-day working of risk systems is therefore managed through the trust's operational and departmental teams. The risk strategy provides a clear, systematic approach to the identification and assessment of risks to ensure that risk management is an integral part of clinical, managerial and financial processes across the organisation. The audit and risk committee, comprising non-executive directors, oversees the system of internal control and overall assurance processes associated with managing risk.

The risk and safety committee provides additional support to ensure that risk management processes are working effectively. The committee reviews themes and trends in risk and incident management and shares and encourages best practice across the trust's network. As well as having individual and team responsibilities for policies, the risk and safety committee also supports divisions and directorates in ensuring policies are kept up to date and compliance is maintained.

The board of directors routinely receives updates from board committees. The board receives assurance from the medical director and director of nursing and allied health professionals, through comprehensive quality and safety reports, about the management of "never events", serious incidents, complaints, claims, revalidation and incidents. The Trust undertook an externally assessed, well-led review in January and February 2022.

Risk management training is provided through the induction programme for new staff and this is supplemented by local inductions organised by managers. These include the induction of junior doctors

in relation to key policies, standards and practices in clinical areas. Staff are required to undertake and maintain mandatory training in a number of areas relating to risk management. Examples of this are safeguarding of children and adults, fire, general health and safety, infection control and risk and safety management. Different roles and responsibilities have associated training requirements; for example, those staff who work most closely with children are required to have a higher level of safeguarding, whilst all staff are required to have a minimum of level one training.

The risk and control framework

The trust has a risk management strategy and policy that has been updated to ensure that it remains relevant and fit for purpose. Levels of accountability and responsibility for risk are set out within this document. The trust has risk management systems in place for identifying, evaluating, monitoring, controlling and recording risk. The management of risk is embedded in management roles at all staff levels, and primary control for risk management takes place through divisions, departments and frontline teams. All risk registers have been migrated onto our risk management module of our Safeguard system which enables a more robust and consistent system of reviewing risks.

The principles of risk management are core to the organisation's business. The first stage of the risk process is the systematic identification of risks via structured risk assessments. Risks that are identified are documented on risk registers. These risks are analysed in order to determine their relative importance using a risk scoring matrix. Where relevant, risks are managed and mitigated locally. However, where they cannot be resolved, systems exist, and are described in the policy, to progressively escalate risks to higher level risk registers. Achieving control of the higher scoring risks is given priority over lower scoring risks. Key Performance Indicators (KPIs) related to risks are identified to improve board assurance and compliment risk management process.

Incident reporting is openly encouraged through the trust's policies on incident reporting, being open and duty of candour, and staff training. The trust has an open culture which is demonstrated through staff survey results and reporting rates which increase year-on-year.

Divisional operational and quality dashboards are available for monitoring many types of performance activity, both clinical and non-clinical. The board assurance framework (BAF) has been developed using the trust's corporate risk register and is linked to monitoring the trust's annual corporate priorities. The BAF details the principal strategic risks to the organisation and how those risks are being mitigated. The BAF and corporate risk register were reviewed during the year by the management executive, audit and risk committee and the board of directors.

The organisation continues to have a low appetite for risk in relation to patient safety and aims to minimise avoidable risk – this approach is built into all our risks systems although it recognises that healthcare is not without risk. The trust has a higher risk appetite in respect of developing its commercial divisions of which it has two, Moorfields Private and Moorfields United Arab Emirates and in the area of research, enterprise and innovation.

The trust has a range of quality governance systems including a quality governance framework in place which have been proactively developed over the previous three years and include systems for collecting, assessing and presenting quality and safety information from operational to trust board level. Oversight and scrutiny of these governance arrangements is provided by the quality and safety committee which is a subcommittee of the board.

A programme of annual health and safety assessments is in place led by the risk and safety department. In areas where this process has matured sufficiently, self-assessments take place. These reviews are complemented by a programme of patient safety data reviews which consider data and information about patient safety including trends and the need for any remedial action.

The trust is registered and is fully compliant with the Care Quality Commission's (CQC) registration requirements. Systems exist to ensure compliance with the CQC's fundamental standards.

Quality and safety performance is monitored through a range of quality reports that are provided to the trust management committee, the quality and safety committee and trust board. These reports are structured around the three Darzi themes of patient experience, patient safety and clinical effectiveness and the CQC domains. The organisation also uses various dashboards to review both operational

performance as well as quality indicators. These dashboards enable divisions and services to scrutinise data in a timely manner to drive improvements and share learning across the network.

The board assurance framework includes the high level risks to the organisation. These are rated dependent on the level and potential impact of risk with red being the highest. A summary is included below.

Six risks were rated as red:

- If the key assumptions behind **Oriel** are not achieved, then there may be insufficient capital and resources available leading to a failure to be able to deliver a new facility that is fit for purpose and improves the patient and staff experience
- **Future funding models** are now being provided under a block funding approach rather than payment by results, creating significant uncertainty in funding.
- If the trust cannot attract sufficient **research funding** to maintain its position, then its capacity to conduct appropriate research will diminish, leading to an inability to compete effectively for funding and a significant risk to the trust brand and reputation in the field.
- If the trust fails to put in place sufficient support for staff and processes/procedures to manage **staff health and wellbeing**, both during and after the pandemic, then this will lead to increased stress and sickness absence, poor staff engagement with the organisation, poor recruitment and retention and a significant impact on staff morale.
- If there is a successful **cyber-attack** then the trust may suffer from a loss of service and/or corruption of data leading to poor patient care or experience, loss of income and damage to reputation.
- If the trust's **digital infrastructure** fails to provide robust resilience and adequate performance, then treatment of patients may be compromised through either a lack of access to digital patient and administrative data, or a slowness of information delivery that reduces patient throughput enough that some patients may need to re-book and return for their treatment.

A further four risks on the board assurance framework are rated as amber:

- If the trust is unable to appropriately manage the ongoing impact of the **Covid-19** virus there will be an impact in a number of areas, including significant harm to staff and patients, significant financial risk both in the short and long term, reputational risk, workforce impact and system working risk.
- If the **recovery of clinical services** post Covid-19 does not ensure timely access to ophthalmic care for both new and existing patients then this may lead to patient harm reputational risk and potential financial risk through litigation.
- If the **growth in commercial activity** is not to plan then there will not be sufficient revenue generated leading to pressure on trust finances elsewhere and a lack of ability to effectively compete in the market and to continue to provide high quality NHS services to patients, as well having an impact on the assumptions for Oriel.
- If the trust does not have a **robust workforce plan** in place then there will be staff shortages and skill gaps leading to insufficient numbers of staff available in key areas and a subsequent impact on the quality of patient care, pressure on staff and a decrease in morale which will affect both the staff and patient experience.

The board has oversight of the board assurance framework and receives an update twice a year. This is supported by reviews by the relevant board committee, for example workforce risks are reviewed by the people committee. The level of board assurance in relation to individual risks forms part of the corporate risk register. Day-to-day management of corporate risks is the responsibility of directors with review by the management executive. Each risk has a linked mitigation plan led by the respective director, and the corporate risk register contains an assessment of how mitigations aim to reduce overall risk scores.

Moorfields has excellent engagement with its host commissioner, NHS Islington Clinical Commissioning Group. The commissioner-led joint clinical quality review meeting provides a regular forum to raise risks and issues and the corporate risk register is also reviewed at these meetings with a focus on quality.

The Moorfields board has seen some change within the year, with a new chief executive starting in September 2021 and an interim chief nurse and director of allied health professions in place as at 31

March 2022. The chairman and all non-executive directors have been in place for the full year. The trust published on its website an up-to-date register of interests for decision-making staff (as designed 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.

As an employer with staff entitled to membership of the NHS pension scheme, control measures are in place to ensure compliance with all employer obligations contained within the scheme. 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 compliance with all the organisation's obligations under equality, diversity and human rights legislation.

The trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. The board has a nominated executive level Senior Responsible Officer, and an identified operation lead.

The trust is fully compliant with the registration requirements of the Care Quality Commission. The trust received an overall rating of 'Good' in its last CQC inspection in 2018/19.

Review of economy, efficiency and effectiveness of the use of resources

The trust's annual plan, which contains the financial plan, is approved by the board and submitted to NHS Improvement although planning has been delayed in 2021/22. The board receives monthly financial reports. The trust's resources are managed via financial controls set out in the standing financial instructions, and on a day-to-day basis local financial and performance controls are in place in divisions and departments. Financial governance arrangements are supported by internal and external audit to ensure economic, efficient and effective use of resources.

Information governance (IG)

Information governance at Moorfields is overseen by the information governance committee which reports to the quality and safety committee. The information governance committee is chaired by the senior information risk owner (SIRO) who is the director of quality and safety; membership includes the Caldicott Guardian, deputy Caldicott Guardian, chief information officer and head of information governance who is also the trust's data protection officer.

The information governance agenda is driven by key standards set down in the NHS Operating Framework and measured by compliance with the Data Security and Protection Toolkit (DSPT - which replaced the former Information Governance Toolkit from April 2018).

The Trust is required to process information (personal and corporate) in line with the standards set out in statute, regulation and guidance. Information governance at Moorfields includes strategy, policy and procedures that enable staff to handle information in line with these requirements. Annual data security awareness training is mandatory for all staff. During 2021/22 (as in previous years) Moorfields achieved close to the target 95% of staff completing their training, a leading national performance.

The DSPT annual submission is used to demonstrate compliance with IG standards and the national Data Security Standards. For 2020/21 the date of the annual submission changed nationally from 30 April to 30 June 2021. The trust submitted a standards met return for all mandatory items. The DSPT internal audit for 2021/22 commenced 9 May 2022 and the annual submission will take place by 30 June 2022.

The trust reported one data related incident to the Information Commissioner's Office (ICO) within the year. This related to investigation of a patient referral system where referrals were not monitored closely or processed efficiently. This incident remains under investigation by the ICO.

Workforce

The board receives regular reports on staffing issues, such as the guardian of safe working report and the staff survey. Safer staffing levels are also reported through the monthly integrated performance report. The board has a workforce strategy that includes short, medium and long term objectives.

Data quality and governance

The trust has a comprehensive data quality assurance framework which reviews organisational data capture processes and identifies any issues. The data covered includes the trust's key indicators and those that are included in the quality report. The framework works as an integral part of the trust's data quality policy and strategy and is underpinned by an audit function for ensuring compliance with national data completeness targets, an area in which the trust performs extremely well. Process audits, which utilise ISO9000 methodology, are also undertaken to ensure the compliance with standard operating procedures for the collection, collation and submission of data and these audits are currently being expanded across the trust. Similar audits are also undertaken by a dedicated RTT team to specifically ensure the accuracy of patient waiting times and reduce risks to patients. All of this activity is overseen by the information management and data quality group which reports to the information governance committee.

Review of effectiveness

As accounting 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 Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on 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 board, the audit and risk committee and the quality and safety committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review of the effectiveness of the systems of internal controls has been informed by the outputs and the outcomes of the systems themselves and by the executive directors and managers within the organisation. Internal audit provides me with an opinion about the effectiveness of the assurance framework and the internal audit plan. Work undertaken by internal audit is reviewed by the audit and risk committee.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal controls has involved:

- the trust board's work programme which includes ensuring that the key compliance and regulatory requirements are reported and reviewed, and that the key risks are considered which are collated through the board assurance framework
- the audit and risk committee providing the board with independent review of financial and system controls. There has been a programme of internal audit to review the systems, controls and processes and the outcomes of these reports have been reviewed by the audit and risk committee.
- review of progress in meeting the Care Quality Commission's standards by divisional teams and the trust management committee
- review of serious untoward and other incidents by the board and the quality and safety committee

The overall opinion from the head of internal audit for the period 1 April 2021 to 31 March 2022 is that 'the organisation has an adequate and effective framework for risk management, governance and

internal control', however further enhancements were identified to ensure that it remains adequate and effective.

This opinion covers the period 1 April 2021 to 31 March 2022 inclusive, and is based on the eight audits that were completed in this period.

The design and operation of the assurance framework and associated processes
The trust's assurance framework does reflect the trust's key objectives and risks and is regularly reviewed by the board. The audit and risk committee and executive reviews the assurance framework on a quarterly basis and the provide reviews as to whether the trust's risk management procedures are operating effectively.

The range of individual opinions arising from risk-based audit assignments are contained within our risk-based plans that have been reported throughout the year

Conclusion

The board has a wide range of governance assurance systems in place. These include an effective incident reporting system and systems for the identification and control of risk through the board assurance framework. Internal and external audit reviews, audits and inspections and walkabouts provide sufficient evidence that no significant internal control issues have been identified during 2021/22 and that control systems are fit for purpose with potential areas for improvement

Dr Martin Kuper
Chief executive
21 June 2022

Moorfields Eye Hospital NHS Foundation Trust

Independent auditor's report to the Council of Governors of Moorfields Eye Hospital NHS Foundation Trust

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of Moorfields Eye Hospital NHS Foundation Trust (the 'Trust') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Comprehensive Income, the Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Statement of Changes in Equity, the Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group accounting manual 2021 to 2022.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2022 and of the group's expenditure and income and the Trust's 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 2021 to 2022; 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 (2020) ("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 group and 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 Accounting Officer's 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 group's and 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 group or the Trust to cease to continue as a going concern.

In our evaluation of the Accounting Officer's conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group accounting manual 2021 to 2022 that the group's and 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 group and 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 2020) 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 group and Trust and the group and Trust's disclosures over the going concern period.

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 group's and 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.

In auditing the financial statements, we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Accounting Officer with respect to going concern are described in the 'Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements' section of this report.

Other information

The Accounting Officer is responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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 April 2020 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 disclosure requirements set out in the NHS foundation trust annual reporting manual 2021/22 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, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, 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 Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 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 incurring of 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.

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

Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements

As explained more fully in the Statement of the Chief Executive's responsibilities as the accounting officer, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2021/22, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines 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 Accounting Officer is responsible for assessing the group's and 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 the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust and the group without the transfer of the services to another public sector entity.

The Audit and Risk Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the group's and Trust's financial reporting process.

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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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 group and 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 2021 to 2022).
- We enquired of management and the Audit and Risk Committee, concerning the group and 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 and Risk 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 group and 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 risk of management override of controls and fraudulent income and expenditure recognition. We determined that the principal risks were in relation to:
  - journal entries that altered the group and Trust's financial performance for the year;
  - potential management bias in determining accounting estimates, especially in relation to:
    - the calculation of the valuation of the group's and Trust' s land and buildings; and
    - accruals of income and expenditure at the end of the financial year.
- Our audit procedures involved:
  - Testing of income and year end receivables to invoices and cash payment or other supporting evidence
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on journals meeting a range of criteria defined as part of our risk assessment;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations**;**
  - testing of liabilities recorded in the ledger, to gain assurance that these existed and were accurate at the reporting date;
  - 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.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and/or expenditure recognition, and the significant accounting estimates related to the Trust's land and building valuations.
- Our assessment of the appropriateness of the collective competence and capabilities

of the group and Trust's 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 group and Trust operates
- understanding of the legal and regulatory requirements specific to the group and 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 group's and 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, financial statement consolidation processes, expected financial statement disclosures and business risks that may result in risks of material
  - The group's and Trust's control environment, including the policies and procedures implemented by the group and Trust to ensure compliance with the requirements of the financial reporting framework.

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 2022.

Our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, they will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2022.

Responsibilities of the Accounting Officer

The Chief Executive, as Accounting 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 paragraph 1 of Schedule 10 of the National Health Service Act 2006 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 undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021. 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 document 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 consider whether there is evidence to suggest that there are significant weaknesses in arrangementseport 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 Moorfields Eye Hospital NHS Foundation Trust for the year ended 31 March 2022 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2022.

Use of our report

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors 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 Council of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Iain Murray

Iain Murray, Key Audit Partner

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

22 June 2022

Independent auditor's report to the Council of Governors of Moorfields Eye Hospital NHS Foundation Trust

In our auditor's report issued on 22 June 2022, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2022, in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice, until we had:

- Completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work, and the results of our work are set out below.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2022 issued on 22 June 2022 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2022 and of the group's expenditure and income and the Trust's 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 2021 to 2022; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave this opinion.

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 2022.

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

Responsibilities of the Accounting Officer

The Chief Executive, as Accounting 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 paragraph 1 of Schedule 10 of the National Health Service Act 2006 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 December 2021. 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 – Audit certificate

We certify that we have completed the audit of Moorfields Eye Hospital NHS Foundation Trust for the year ended 31 March 2022 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors 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 Council of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Iain Murray

Iain Murray, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

London

8 July 2022

Moorfields Eye Hospital NHS Foundation Trust

Annual Accounts for the year ended 31 March 2022

Moorfields Eye Hospital NHS Foundation Trust - Financial Statements 2021/22

Foreword to the accounts

Moorfields Eye Hospital NHS Foundation Trust

These accounts, for the year ended 31 March 2022, have been prepared by Moorfields Eye Hospital NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Dr Martin Kuper
Chief Executive
21 June 2022

Consolidated Statement of Comprehensive Income

		Group	
		2021/22	2020/21
	Note	£000	£000
Operating income from patient care activities	3	252,979	217,903
Other operating income	4	30,800	26,065
Operating expenses	6, 8	(263,147)	(237,679)
Operating surplus from continuing operations		**20,632**	**6,289**
Finance income	11	35	-
Finance expenses	12	(970)	(1,023)
PDC dividends payable		(614)	-
Net finance costs		**(1,549)**	**(1,023)**
Other gains	13	74	-
Share of profit of associates / joint arrangements	20.1	203	108
Surplus for the year		**19,360**	**5,374**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(29)	(2,232)
Revaluations	19	3,236	1,712
May be reclassified to income and expenditure when certain conditions are met:			
Foreign exchange gains / (losses) recognised directly in OCI		176	(477)
Total comprehensive income for the period		**22,743**	**4,377**

Total non-current assets		**111,574**	**102,532**	**112,358**	**104,900**
Current assets					
Inventories	21	3,557	3,440	3,543	3,413
Receivables	22	24,642	20,486	24,040	19,907
Cash and cash equivalents	23	69,261	68,385	68,947	67,074
Total current assets		**97,460**	**92,311**	**96,530**	**90,394**
Current liabilities					
Trade and other payables	24	(46,121)	(50,431)	(44,426)	(49,411)
Borrowings	26	(1,893)	(1,893)	(1,893)	(1,893)
Provisions	27	(3,009)	(2,762)	(3,009)	(2,762)
Other liabilities	25	(4,225)	(7,181)	(4,225)	(7,181)
Total current liabilities		**(55,248)**	**(62,267)**	**(53,553)**	**(61,247)**
Total assets less current liabilities		**153,786**	**132,576**	**155,335**	**134,047**
Non-current liabilities					
Trade and other payables	24	(975)	(1,048)	(975)	(1,048)
Borrowings	26	(30,084)	(31,908)	(30,084)	(31,908)
Provisions	27	(2,746)	(3,006)	(2,604)	(2,934)
Total non-current liabilities		**(33,805)**	**(35,962)**	**(33,663)**	**(35,890)**
Total assets employed		**119,982**	**96,614**	**121,673**	**98,157**
Financed by					
Public dividend capital		30,318	29,693	30,318	29,693
Revaluation reserve		11,020	7,813	11,020	7,813
Other reserves		877	701	877	701
Income and expenditure reserve		77,768	58,407	79,458	59,950
Total taxpayers' equity		**119,982**	**96,614**	**121,673**	**98,157**

The notes on pages 68 to 112 form part of these accounts.

Dr Martin Kuper
Chief Executive
21 June 2022

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

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**29,693**	**7,813**	**701**	**58,407**	**96,614**
Surplus for the year	-	-	-	19,360	**19,360**
Impairments	-	(29)	-	-	**(29)**
Revaluations	-	3,236	-	-	**3,236**
Foreign exchange gains recognised directly through OCI	-	-	176	-	**176**
Public dividend capital received	625	-	-	-	**625**
Taxpayers' and others' equity at 31 March 2022	**30,318**	**11,020**	**877**	**77,768**	**119,982**

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

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**27,531**	**8,333**	**1,178**	**53,033**	**90,075**
Surplus for the year	-	-	-	5,374	**5,374**
Impairments	-	(2,232)	-	-	**(2,232)**
Revaluations	-	1,712	-	-	**1,712**
Foreign exchange losses recognised directly through OCI	-	-	(477)	-	**(477)**
Public dividend capital received	2,162	-	-	-	**2,162**
Taxpayers' and others' equity at 31 March 2021	**29,693**	**7,813**	**701**	**58,407**	**96,614**

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

Trust	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**29,693**	**7,813**	**701**	**59,950**	**98,157**
Surplus for the year	-	-	-	19,508	**19,508**
Impairments	-	(29)	-	-	**(29)**
Revaluations	-	3,236	-	-	**3,236**
Foreign exchange gains recognised directly through OCI	-	-	176	-	**176**
Public dividend capital received	625	-	-	-	**625**

Taxpayers' and others' equity at 31 March 2022	**30,318**	**11,020**	**877**	**79,458**	**121,673**

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

Trust	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**27,531**	**8,333**	**1,178**	**54,553**	**91,595**
Surplus for the year	-	-	-	5,397	**5,397**
Impairments	-	(2,232)	-	-	**(2,232)**
Revaluations	-	1,712	-	-	**1,712**
Foreign exchange losses recognised directly through OCI	-	-	(477)	-	**(477)**
Public dividend capital received	2,162	-	-	-	**2,162**
Taxpayers' and others' equity at 31 March 2021	**29,693**	**7,813**	**701**	**59,950**	**98,157**

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.

Other reserves
Exchange gains or losses on non-monetary assets and liabilities, including on revaluation, are recognised in other reserve under equity.

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

Statements of Cash Flows

		Group		Trust	
		2021/22	2020/21	2021/22	2020/21
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus		20,632	6,289	20,981	6,420
Non-cash income and expense:					
Depreciation and amortisation	6.1	8,512	8,630	8,368	8,582
Net impairments	7	187	1,017	187	1,017
Income recognised in respect of capital donations	4	(133)	(44)	(133)	(44)
(Increase) / decrease in receivables and other assets		(3,723)	1,948	(3,700)	2,527
Increase in inventories		(117)	(142)	(130)	(115)
(Decrease)/ increase in payables and other liabilities		(4,350)	14,154	(5,025)	12,734
(Decrease)/ increase in provisions		(10)	1,294	(80)	1,222
Net cash flows from operating activities		**20,998**	**33,145**	**20,468**	**32,342**
Cash flows from investing activities					
Interest received		35	-	35	-
Purchase of financial assets / investments		-	-	-	(1,428)
Purchase of intangible assets		(1,515)	(2,820)	(1,515)	(2,181)
Purchase of PPE		(16,403)	(13,350)	(14,876)	(13,069)
Sales of PPE		104	15	104	15
Receipt of cash donations to purchase assets		133	44	133	44
Net cash flows used in investing activities		**(17,646)**	**(16,111)**	**(16,119)**	**(16,619)**
Cash flows from financing activities					
Public dividend capital received		625	2,162	625	2,162
Movement on loans from DHSC		(1,823)	(1,823)	(1,823)	(1,823)
Interest on loans		(974)	(1,028)	(974)	(1,028)
PDC dividend paid		(300)	(158)	(300)	(158)
Net cash flows used in financing activities		**(2,472)**	**(847)**	**(2,472)**	**(847)**
Increase in cash and cash equivalents		**880**	**16,187**	**1,877**	**14,876**
Cash and cash equivalents at 1 April - brought forward		**68,385**	**52,444**	**67,074**	52,444
Unrealised losses on foreign exchange		(4)	(246)	(4)	(246)
Cash and cash equivalents at 31 March	23	**69,261**	**68,385**	**68,947**	**67,074**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2021/22 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the 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.

Note 1.3 Interests in other entities

Subsidiary entities are those over which the trust has the power to exercise control or a dominant influence so as to gain economic or other benefits. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The Trust established MEH Ventures LLP during 2013/14 as a wholly-owned subsidiary. The Trust is able to exert control over this entity and accordingly the transactions of MEH Ventures LLP have been consolidated into the Moorfields Eye Hospital NHS Foundation Trust accounts.

On 04 December 2020, the Trust acquired 100% of the issued share capital and voting interests in London Claremont Clinic Limited ("LCC"). LCC is a multispecialty clinic located near Harley Street, in the heart of central London's renowned private medical community, and this site replaces the previous trust location on Wimpole Street. The Trust is able to exert control over this entity and accordingly the transactions of LCC have been consolidated into the Moorfields Eye Hospital NHS Foundation Trust accounts.

The exemption to exclude the Trust's Statement of Comprehensive Income as allowed by DHSC GAM 2021/22 has been applied by the directors. All notes in the accounts refer to the Group. The Trust notes are included only where they are deemed to be materially differ.

In 2021/22 the Trust reported a surplus of £19,508k (2020/21 surplus of £5,397k).

Note 1.4 Revenue from contracts with customers

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

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

Revenue from NHS contracts

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

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

In 2021/22, the Elective Recovery Fund enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Income earned by the system is distributed between individual entities by local agreement. Income earned from the fund is accounted for as variable consideration.

As per paragraph 121 of the Standard the Trust does not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less. The GAM does not require the Trust to disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date. The GAM has mandated the exercise of the practical expedient offered in C7A of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

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 income is recognised in line with expenditure which meets the conditions set out in the grant documents.

Revenue from Private Patients

The Trust generates income from providing healthcare to private patients. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the private patient, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer.

Note 1.5 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 consolidated 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 Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS 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 1.7 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 1.8 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

Where a large asset, for example a building, includes a number of components with significantly different asset lives, 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 service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (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 service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

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

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

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.

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 service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

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

De-recognition

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

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

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

Donated and grant funded assets

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

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

Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	5	77
Plant & machinery	3	25
Transport equipment	7	7
Information technology	4	11
Furniture & fittings	5	10

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

Note 1.9 Intangible assets

Recognition

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

Internally generated intangible assets

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

Expenditure on research is not capitalised. Expenditure on development is capitalised 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.

Measurement

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

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

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

Amortisation

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

Useful lives of intangible assets

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

	Min life Years	Max life Years
Information technology	5	8
Websites	5	8
Software licences	5	8
Licences & trademarks	5	8

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Note 1.10 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.

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

Note 1.11 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 1.12 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 finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

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.

Financial assets and financial liabilities at fair value through income and expenditure

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

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).

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 1.13 Leases

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

The trust as a lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

Operating leases

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

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

Leases of land and buildings

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

The trust as a lessor

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
Rental income from operating leases is recognised on a straight-line 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 1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2022:

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

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2022:

	Inflation rate	Prior year rate

Year 1	4.00%	1.20%
Year 2	2.60%	1.60%
Into perpetuity	2.00%	2.00%

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

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 27.3 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 1.15 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 would be disclosed in a note to the accounts where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but would be disclosed as a note to the accounts, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

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

Note 1.16 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 1.17 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 1.18 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 1.19 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 1.20 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 1.21 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 1.22 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 1.23 Early adoption of standards, amendments and interpretations

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

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

IFRS 16 Leases

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

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

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively without restatement and with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. For 2022, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

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

The trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

	£000
Estimated impact on 1 April 2022 statement of financial position	
Additional right of use assets recognised for existing operating leases	33,922
Additional lease obligations recognised for existing operating leases	(33,922)
Net impact on net assets on 1 April 2022	**-**
Estimated in-year impact in 2022/23	
Additional depreciation on right of use assets	(5,157)
Additional finance costs on lease liabilities	(322)
Lease rentals no longer charged to operating expenditure	5,042
Estimated impact on surplus / deficit in 2022/23	**(437)**

Estimated increase in capital additions for new leases commencing in 2022/23	**-**

There will also be an impact on statement of cash flows where non cash depreciation will increase by £5,157k and will be offset by capital and interest element of finance lease rentals of the same amount. The net impact is nil.

There is no impact on the Statement of Changes in Equity.

Other standards, amendments and interpretations

Standards issued or amended but not yet adopted:

IFRS 14 Regulatory Deferral Accounts Not EU-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.

IFRS 17 Insurance Contracts Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM which is expected to be from April 2023: early adoption is not therefore permitted.

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:

Consolidation of charitable funds

Under IFRS10 (Consolidated Financial Statements) and IAS 27 (Separate Financial Statements) , the trust has assessed its relationship to the charitable fund and determined that it is not a subsidiary. This is because the trust has no power to govern the financial and operating policies of the charitable fund so as to obtain the benefits from its activities for itself, its patients or its staff.

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 Land and Buildings
In line with this policy specialised assets are valued using the Modern Equivalent Asset (MEA) approach. Both physical and functional obsolescence is applied to buildings, to reflect their actual characteristics and value. Gerald Eve provided the trust with a valuation of land and building assets (estimated fair value and remaining useful life). The valuation, based on estimates provided by a suitably qualified professional in accordance with HM Treasury Guidance, leads to revaluation adjustments as described in note 19 to the accounts. Future revaluations of property may result in further changes to the carrying values of non-current assets. It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial years that are different from the assumptions could require a material adjust to the carrying value of non current assets. The carrying values of land and buildings are disclosed in notes 16 and 17.

Note 2 Operating Segments

The trust reports results by two segments - NHS and Commercial.

	NHS	Group Commercial	Total
2021/22	£000	£000	**£000**
Income by segment			
Income from activities	215,947	37,032	252,979
Other operating income	28,937	1,863	30,800
	244,884	**38,895**	**283,779**
Operating and other expenditure	(231,466)	(32,766)	(264,232)
Impairment of non-current assets	(187)	-	(187)
Surplus for the year	**13,231**	**6,129**	**19,360**

	NHS	Group Commercial	Total
2020/21	£000	£000	**£000**
Income by segment			
Income from activities	193,560	24,343	217,903
Other operating income	24,518	1,547	26,065
	218,078	**25,890**	**243,968**
Operating and other expenditure	(210,432)	(27,145)	(237,577)
Impairment of non-current assets	(1,017)	-	(1,017)
Surplus / (Deficit) for the year	**6,629**	**(1,255)**	**5,374**

Commercial includes results for Moorfields Private, Moorfields UAE, and London Claremont Clinic.

Moorfields UAE includes the impact of foreign exchange fluctuations in its overall results, arising from the conversion of transactions in its functional currency (United Arab Emirates dirhams) to sterling. The net assets of Moorfields UAE are restated on a monthly basis for exchange rate fluctuations, with movements expressed as unrealised gains or losses in other reserve. Moorfields UAE includes the operations of Moorfields Dubai and the share of surplus/deficit of Moorfields Eye Centre Abu Dhabi.

Note 3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

Note 3.1 Income from patient care activities (by nature)	**2021/22 £000**	**2020/21 £000**
Block contract / system envelope income	194,216	181,081

High cost drugs income from commissioners (excluding pass-through costs)	2,689	580
Private patient income	37,194	24,341
Elective recovery fund	4,573	-
Additional pension contribution central funding*	5,065	4,867
Other clinical income	9,242	7,034
Total income from activities	**252,979**	**217,903**

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

Note 3.2 Income from patient care activities (by source)

	2021/22	2020/21
Income from patient care activities received from:	**£000**	**£000**
NHS England	31,002	24,826
Clinical commissioning groups	175,541	162,464
Other NHS providers	8,965	5,930
Non-NHS: private patients	37,194	24,341
Non-NHS: overseas patients (chargeable to patient)	97	67
Injury cost recovery scheme	12	40
Non NHS: other	168	235
Total income from activities	**252,979**	**217,903**

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

	2021/22	2020/21
	£000	**£000**
Income recognised this year	97	67
Cash payments received in-year	99	64
Amounts added to provision for impairment of receivables	-	7
Amounts written off in-year	78	19

Note 4 Other operating income (Group)

	2021/22		
	Contract income	**Non-contract income**	**Total**
	£000	**£000**	**£000**
Research and development	9,659	7,012	**16,671**
Education and training	3,737	-	**3,737**
Reimbursement and top up funding	1,306	-	**1,306**
Receipt of capital grants and donations	-	133	**133**
Charitable and other contributions to expenditure	-	336	**336**
Rental revenue from operating leases	-	426	**426**
Other income *	8,191	-	**8,191**
Total other operating income	**22,893**	**7,907**	**30,800**

2020/21

	Contract income	Non-contract income	Total
	£000	£000	£000
Research and development	6,259	6,466	**12,725**
Education and training	3,771	-	**3,771**
Reimbursement and top up funding	1,834	-	**1,834**
Receipt of capital grants and donations	-	44	**44**
Charitable and other contributions to expenditure	-	1,679	**1,679**
Rental revenue from operating leases	-	371	**371**
Other income	5,641	-	**5,641**
Total other operating income	**17,505**	**8,560**	**26,065**

* other income in 2021/22 included income generation schemes such as pharmacy and wholesale drugs, education and services to other nhs bodies.

Note 5.1 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2021/22	2020/21
	£000	£000
Income from services designated as commissioner requested services	215,947	193,560
Income from services not designated as commissioner requested services	67,832	50,408
Total	**283,779**	**243,968**

Note 6.1 Operating expenses (Group)

	2021/22	2020/21
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	2,261	2,108
Staff and executive directors costs	135,047	124,242
Remuneration of non-executive directors	176	183
Supplies and services - clinical (excluding drugs costs)	21,249	15,994
Supplies and services - general	14,786	11,413
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	39,386	30,321
Inventories written down	-	11
Consultancy costs	3,897	2,204
Establishment	6,413	6,163
Premises	6,077	6,133
Transport (including patient travel)	3,147	2,374
Depreciation on property, plant and equipment	7,414	6,799
Amortisation on intangible assets	1,098	1,831
Net impairments	187	1,017

Movement in credit loss allowance: contract receivables / contract assets	(1,400)	(986)
Change in provisions discount rate(s)	6	15
Fees payable to the external auditor		
audit services- statutory audit	102	96
Internal audit costs	108	111
Clinical negligence	427	309
Legal fees	601	962
Insurance	652	574
Research and development	12,211	16,363
Education and training	2,407	2,166
Rentals under operating leases	5,468	5,555
Redundancy	207	325
Car parking & security	573	487
Losses, ex gratia & special payments	28	168
Other services, eg external payroll	103	93
Other	516	648
Total	**263,147**	**237,679**

Note 6.2 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £140 thousand (2020/21: £140 thousand).

Note 7 Impairment of assets (Group)

	2021/22 £000	2020/21 £000
Net impairments charged to operating surplus / deficit resulting from:		
Over specification of assets *	-	636
Abandonment of assets in course of construction **	187	-
Changes in market price ***	-	381
Total net impairments charged to operating surplus / deficit	**187**	**1,017**
Impairments charged to the revaluation reserve	29	2,232
Total net impairments	**216**	**3,249**

* This relates to a fair value assessment of the purchase of the London Claremont Clinic

* *The Trust has ceased the continuation of development for its Digital Platform Solution resulting in an impairment of £0.187m

*** The impairment recognised above in relation to changes in market price arose as a result of the revaluation exercise undertaken in the prior year

Note 8 Employee benefits (Group)

	2021/22	2020/21

	Total £000	Total £000
Salaries and wages	104,109	99,202
Social security costs	10,644	10,026
Apprenticeship levy	511	448
Employer's contributions to NHS pensions	16,624	15,991
Pension cost - other	12	10
Temporary staff (including agency)	14,303	7,650
Total staff costs	**146,203**	**133,327**
Of which		
Costs capitalised as part of assets	357	91

Note 8.1 Retirements due to ill-health (Group)

During 2021/22 there were 2 early retirements from the trust agreed on the grounds of ill-health (none in the year ended 31 March 2021). The estimated additional pension liabilities of these ill-health retirements is £37k (0k in 2020/21).

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

Note 9 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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

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

Note 10 Operating leases (Group)

Note 10.1 Moorfields Eye Hospital NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Moorfields Eye Hospital NHS Foundation Trust is the lessor.

The trust receives income from rental of building space to external parties.

	2021/22	2020/21
	£000	£000
Operating lease revenue		
Minimum lease receipts	426	371
Total	**426**	**371**

	31 March 2022	31 March 2021
	£000	£000
Future minimum lease receipts due:		
- not later than one year;	436	371
- later than one year and not later than five years;	1,589	1,680
Total	**2,025**	**2,051**

Note 10.2 Moorfields Eye Hospital NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Moorfields Eye Hospital NHS Foundation Trust is the lessee.

At the date the Statement of Financial Position has been presented, the Trust had costs and outstanding commitments for future minimum lease payments for buildings under non-cancellable operating leases, which fall due as follows:

	2021/22	2020/21
	£000	£000
Operating lease expense		
Minimum lease payments	5,468	5,555
Total	**5,468**	**5,555**

	31 March 2022	31 March 2021
	£000	£000
Future minimum lease payments due:		
- not later than one year;	5,978	5,555
- later than one year and not later than five years;	22,654	20,845
- later than five years.	8,352	11,389
Total	**36,984**	**37,789**
Future minimum sublease payments to be received	-	-

Note 11 Finance income (Group)

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

	2021/22	2020/21
	£000	£000
Interest on bank accounts	35	-
Total finance income	**35**	**-**

Note 12 Finance expenditure (Group)

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

	2021/22	2020/21
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	973	1,023
Total interest expense	**973**	**1,023**
Unwinding of discount on provisions	(3)	-
Total finance costs	**970**	**1,023**

Note 13 Other gains (Group)

	2021/22	2020/21
	£000	£000
Gains on disposal of assets	74	-
Total gains on disposal of assets	**74**	**-**

Note 14.1
Intangible assets - 2021/22

Group	Software licences	Internally generated information technology	Goodwill	Websites	Intangible assets under construction	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - brought forward	**6,025**	**4,976**	**-**	**66**	**750**	**11,817**
Additions	319	-	-	-	1,196	**1,515**
Impairments	(207)	-	-	-	-	**(207)**
Remeasurements - retranslation gains on foreign operations	30	-	-	-	-	**30**
Disposals	(387)	-	-	-	-	**(387)**
Valuation / gross cost at 31 March 2022	**5,780**	**4,976**	**-**	**66**	**1,946**	**12,768**
Amortisation at 1 April 2021 - brought forward	**2,855**	**4,976**	**-**	**22**	**-**	**7,853**
Provided during the year	1,085	-	-	13	-	**1,098**
Impairments	(20)	-	-	-	-	**(20)**
Remeasurements - retranslation losses on foreign operations	(25)	-	-	-	-	**(25)**
Disposals	(387)	-	-	-	-	**(387)**
Amortisation at 31 March 2022	**3,508**	**4,976**	**-**	**35**	**-**	**8,519**
Net book value at 31 March 2022	**2,271**	**-**	**-**	**31**	**1,946**	**4,249**
Net book value at 1 April 2021	**3,169**	**-**	**-**	**44**	**750**	**3,964**

Note 14.2
Intangible assets - 2020/21

Group	Software licences	Internally generated information technology	Goodwill	Websites	Intangible assets under construction	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - as previously stated	**7,358**	**4,976**	**-**	**66**	**209**	**12,609**
Additions	1,577	-	636	66	541	**2,820**
Impairments	-	-	(636)	-	-	**(636)**
Reclassifications	66	-	-	(66)	-	**-**
Remeasurements - retranslation	(64)	-	-	-	-	**(64)**

losses on foreign operations						
Disposals	(2,912)	-	-	-	-	**(2,912)**
Valuation / gross cost at 31 March 2021	**6,025**	**4,976**	**-**	**66**	**750**	**11,817**
Amortisation at 1 April 2020 - as previously stated	**4,022**	**4,976**	**-**	**9**	**-**	**9,007**
Provided during the year	1,809	-	-	22	-	**1,831**
Reclassifications	9	-	-	(9)	-	**-**
Remeasurements - retranslation losses on foreign operations	(73)	-	-	-	-	**(73)**
Disposals	(2,912)	-	-	-	-	**(2,912)**
Amortisation at 31 March 2021	**2,855**	**4,976**	**-**	**22**	**-**	**7,853**
Net book value at 31 March 2021	**3,169**	**-**	**-**	**44**	**750**	**3,964**
Net book value at 1 April 2020	**3,335**	**-**	**-**	**57**	**209**	**3,602**

Note 15.1 Intangible assets - 2021/22

Trust	Software licences	Internally generated information technology	Websites	Intangible assets under construction	Total
	£000	**£000**	**£000**	**£000**	**£000**
Valuation / gross cost at 1 April 2021 - brought forward	**6,025**	**4,976**	**66**	**750**	**11,817**
Additions	**319**	**-**	**-**	**1,196**	**1,515**
Impairments	**(207)**	**-**	**-**	**-**	**(207)**
Remeasurements - retranslation gains on foreign operations	**30**	**-**	**-**	**-**	**30**
Disposals	**(387)**	**-**	**-**	**-**	**(387)**
Valuation / gross cost at 31 March 2022	**5,780**	**4,976**	**66**	**1,946**	**12,768**
Amortisation at 1 April 2021 - brought forward	**2,855**	**4,976**	**22**	**-**	**7,853**
Provided during the year	**1,085**	**-**	**13**	**-**	**1,098**
Impairments	**(20)**	**-**	**-**	**-**	**(20)**
Remeasurements - retranslation losses on foreign operations	**(25)**	**-**	**-**	**-**	**(25)**
Disposals	**(387)**	**-**	**-**	**-**	**(387)**
Amortisation at 31 March 2022	**3,508**	**4,976**	**35**	**-**	**8,519**
Net book value at 31 March 2022	**2,271**	**-**	**31**	**1,946**	**4,249**
Net book value at 1 April 2021	**3,169**	**-**	**44**	**750**	**3,964**

Note 15.2 Intangible assets - 2020/21

Trust	Software licences	Internally generated information technology	Websites	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - as previously stated	**7,358**	**4,976**	**66**	**209**	**12,609**
Additions	**1,577**	**-**	**66**	**541**	**2,184**
Reclassifications	**66**	**-**	**(66)**	**-**	**-**
Remeasurements - retranslation losses on foreign operations	**(64)**	**-**	**-**	**-**	**(64)**
Disposals	**(2,912)**	**-**	**-**	**-**	**(2,912)**
Valuation / gross cost at 31 March 2021	**6,025**	**4,976**	**66**	**750**	**11,817**
Amortisation at 1 April 2020 - as previously stated	**4,022**	**4,976**	**9**	**-**	**9,007**
Provided during the year	**1,809**	**-**	**22**	**-**	**1,831**
Reclassifications	**9**	**-**	**(9)**	**-**	**-**
Remeasurements - retranslation losses on foreign operations	**(73)**	**-**	**-**	**-**	**(73)**
Disposals	**(2,912)**	**-**	**-**	**-**	**(2,912)**
Amortisation at 31 March 2021	**2,855**	**4,976**	**22**	**-**	**7,853**
Net book value at 31 March 2021	**3,169**	**-**	**44**	**750**	**3,964**
Net book value at 1 April 2020	**3,335**	**-**	**57**	**209**	**3,602**

Note 16.1 Property, plant and equipment - 2021/22

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2021 - brought forward	**23,671**	**47,218**	**8,913**	**41,519**	**5**	**13,936**	**2,226**	**137,488**
Additions	-	3,196	3,896	5,511	-	625	71	**13,299**
Impairments	-	(29)	-	-	-	-	-	**(29)**
Revaluations	2,366	(1,572)	-	-	-	-	-	**794**
Remeasurements - retranslation gains on foreign operations	-	29	-	193	-	8	11	**241**
Disposals	-	(1,195)	-	(8,738)	-	(6,136)	(888)	**(16,957)**
Valuation/gross cost at 31 March 2022	**26,037**	**47,647**	**12,809**	**38,485**	**5**	**8,433**	**1,420**	**134,836**

Accumulated depreciation at 1 April 2021 - brought forward	**-**	**2,715**	**-**	**24,909**	**5**	**11,184**	**1,781**	**40,594**
Provided during the year	-	2,819	-	3,256	-	1,206	133	**7,414**
Revaluations	-	(2,442)	-	-	-	-	-	**(2,442)**
Remeasurements - retranslation gains on foreign operations	-	-	-	163	-	-	-	**163**
Disposals	-	(1,194)	-	(8,709)	-	(6,136)	(888)	**(16,927)**
Accumulated depreciation at 31 March 2022	**-**	**1,898**	**-**	**19,619**	**5**	**6,254**	**1,026**	**28,802**
Net book value at 31 March 2022	**26,037**	**45,749**	**12,809**	**18,866**	**-**	**2,178**	**395**	**106,034**
Net book value at 1 April 2021	**23,671**	**44,503**	**8,913**	**16,610**	**-**	**2,751**	**446**	**96,894**

Note 16.2 Property, plant and equipment - 2020/21

Group	**Land**	**Buildings excluding dwellings**	**Assets under construction**	**Plant & machinery**	**Transport equipment**	**Information technology**	**Furniture & fittings**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Valuation / gross cost at 1 April 2020 - as previously stated	**21,288**	**51,539**	**5,212**	**35,863**	**5**	**12,832**	**2,027**	**128,766**
Additions	-	1,863	3,741	7,667	-	1,235	236	**14,742**
Impairments	-	(5,887)	-	-	-	-	-	**(5,887)**
Reversals of impairments	671	-	-	-	-	-	-	**671**
Revaluations	1,712	-	-	-	-	-	-	**1,712**
Remeasurements - retranslation losses on foreign operations	-	(236)	(40)	(358)	-	(117)	(29)	**(780)**
Disposals	-	(61)	-	(1,653)	-	(14)	(8)	**(1,736)**
Valuation/gross cost at 31 March 2021	**23,671**	**47,218**	**8,913**	**41,519**	**5**	**13,936**	**2,226**	**137,488**
Accumulated depreciation at 1 April 2020 - as previously stated	**-**	**2,660**	**-**	**24,163**	**5**	**10,218**	**1,693**	**38,739**
Provided during the year	-	2,913	-	2,713	-	1,077	96	**6,799**
Impairments	-	(2,603)	-	-	-	-	-	**(2,603)**
Remeasurements - retranslation gains on foreign operations	-	(194)	-	(322)	-	(103)	(1)	**(620)**
Disposals	-	(61)	-	(1,645)	-	(8)	(7)	**(1,721)**
Accumulated depreciation at 31 March 2021	**-**	**2,715**	**-**	**24,909**	**5**	**11,184**	**1,781**	**40,594**
Net book value at 31 March 2021	**23,671**	**44,503**	**8,913**	**16,610**	**-**	**2,751**	**446**	**96,894**

Net book value at 1 April 2020	**21,288**	**48,879**	**5,212**	**11,700**	**-**	**2,613**	**335**	**90,027**

Note 16.3 Property, plant and equipment financing - 2021/22

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2022							
Owned - purchased	26,037	36,514	12,809	18,013	2,176	379	**95,928**
Owned - donated/granted	-	9,235	-	853	2	16	**10,106**
NBV total at 31 March 2022	**26,037**	**45,749**	**12,809**	**18,866**	**2,178**	**395**	**106,034**

Note 16.4 Property, plant and equipment financing - 2020/21

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021							
Owned - purchased	23,671	35,386	8,913	15,672	2,739	425	**86,806**
Owned - donated/granted	-	9,117	-	938	12	21	**10,088**
NBV total at 31 March 2021	**23,671**	**44,503**	**8,913**	**16,610**	**2,751**	**446**	**96,894**

Note 17.1 Property, plant and equipment - 2021/22

Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2021	**23,671**	**47,060**	**8,913**	**41,431**	**5**	**13,914**	**2,219**	**137,213**

- brought forward								
Additions	**-**	**3,192**	**2,503**	**5,466**	**-**	**603**	**69**	**11,833**
Impairments	**-**	**(29)**	**-**	**-**	**-**	**-**	**-**	**(29)**
Revaluations	**2,366**	**(1,572)**	**-**	**-**	**-**	**-**	**-**	**794**
Remeasurements - retranslation gains on foreign operations	**-**	**29**	**-**	**193**	**-**	**8**	**11**	**241**
Disposals	**-**	**(1,195)**	**-**	**(8,738)**	**-**	**(6,136)**	**(888)**	**(16,957)**
Valuation/gross cost at 31 March 2022	**26,037**	**47,485**	**11,416**	**38,352**	**5**	**8,389**	**1,411**	**133,095**
Accumulated depreciation at 1 April 2021 - brought forward	**-**	**2,703**	**-**	**24,887**	**5**	**11,181**	**1,779**	**40,555**
Provided during the year	**-**	**2,769**	**-**	**3,244**	**-**	**1,186**	**132**	**7,331**
Revaluations	**-**	**(2,442)**	**-**	**-**	**-**	**-**	**-**	**(2,442)**
Remeasurements - retranslation gains on foreign operations	**-**	**-**	**-**	**163**	**-**	**-**	**-**	**163**
Disposals	**-**	**(1,194)**	**-**	**(8,709)**	**-**	**(6,136)**	**(888)**	**(16,927)**
Accumulated depreciation at 31 March 2022	**-**	**1,836**	**-**	**19,585**	**5**	**6,231**	**1,023**	**28,680**
Net book value at 31 March 2022	**26,037**	**45,649**	**11,416**	**18,767**	**-**	**2,157**	**389**	**104,415**
Net book value at 1 April 2021	**23,671**	**44,357**	**8,913**	**16,544**	**-**	**2,732**	**441**	**96,658**

Note 17.2 Property, plant and equipment - 2020/21

Trust	**Land**	**Buildings excluding dwellings**	**Assets under construction**	**Plant & machinery**	**Transport equipment**	**Information technology**	**Furniture & fittings**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Valuation / gross cost at 1 April	**21,288**	**51,539**	**5,212**	**35,863**	**5**	**12,832**	**2,027**	**128,766**

2020 - as previously stated								
Additions	-	1,705	3,741	7,579	-	1,213	229	14,467
Impairments	-	(5,887)	-	-	-	-	-	(5,887)
Reversals of impairments	671	-	-	-	-	-	-	671
Revaluations	1,712	-	-	-	-	-	-	1,712
Remeasurements - retranslation losses on foreign operations	-	(236)	(40)	(358)	-	(117)	(29)	(780)
Disposals	-	(61)	-	(1,653)	-	(14)	(8)	(1,736)
Valuation/gross cost at 31 March 2021	23,671	47,060	8,913	41,431	5	13,914	2,219	137,213
Accumulated depreciation at 1 April 2020 - as previously stated	-	2,660	-	24,163	5	10,218	1,693	38,739
Provided during the year	-	2,901	-	2,691	-	1,074	94	6,760
Impairments	-	(2,603)	-	-	-	-	-	(2,603)
Remeasurements - retranslation losses on foreign operations	-	(194)	-	(322)	-	(103)	(1)	(620)
Disposals	-	(61)	-	(1,645)	-	(8)	(7)	(1,721)
Accumulated depreciation at 31 March 2021	-	2,703	-	24,887	5	11,181	1,779	40,555
Net book value at 31 March 2021	23,671	44,357	8,913	16,544	-	2,732	441	96,658
Net book value at 1 April 2020	21,288	48,879	5,212	11,700	-	2,613	335	90,027

Note 17.3 Property, plant and equipment financing - 2021/22

Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total

	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2022							
Owned - purchased	26,037	36,414	11,416	17,914	2,155	373	**94,309**
Owned - donated / granted	-	9,235	-	853	2	16	**10,106**
NBV total at 31 March 2022	**26,037**	**45,649**	**11,416**	**18,767**	**2,157**	**389**	**104,415**

Note 17.4 Property, plant and equipment financing - 2020/21

Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021							
Owned - purchased	23,671	35,240	8,913	15,606	2,720	420	**86,570**
Owned - donated / granted	-	9,117	-	938	12	21	**10,088**
NBV total at 31 March 2021	**23,671**	**44,357**	**8,913**	**16,544**	**2,732**	**441**	**96,658**

Note 18 Donations of property, plant and equipment

During the year £133k was donated by Moorfields Eye Charity to purchase medical equipment.

Note 19 Revaluations of property, plant and equipment

Valuations were carried out on properties at 162 City Road, the Richard Desmond Children's Eye Centre, Cayton Street, Northwick Park and Kemp House in 2021/22. The valuation was carried out by Gerald Eve, an external firm of chartered surveyors, with the basis of valuation being Modern Equivalent Asset.

The valuation exercise was carried in March 2022 with a valuation date of 31 March 2022. In applying the Royal Institute of Chartered Surveyors (RCIS) Valuation Global Standards 2020 ('Red Book').

The valuation resulted in upwards (gains) valuation movements. Land was revalued up by £2,366k and buildings net revalued increase of £841k (£870k gain offset by £29k impairment). Revaluation gains are taken to the revaluation reserve.

Note 20.1 Investments in associates and joint ventures

	Group	
	2021/22	2020/21
	£000	£000
Carrying value at 1 April - brought forward	**780**	**752**
Share of profit	203	108
Other equity movements	46	(80)
Carrying value at 31 March	**1,029**	**780**

MEH Ventures LLP, Trust's wholly owned subsidiary, incorporated in the UK holds a 49% stake in a joint venture - Moorfields Eye Centre Abu Dhabi, incorporated in UAE. The investment has been valued on an equity basis in accordance with the accounting policies for investments in joint ventures and associates.

Note 20.2 Investment in subsidiaries

	Trust	
	31 March 2022	31 March 2021
	£000	£000
Carrying value at 1 April - brought forward	3,384	2,272
Other equity movements	48	(80)
Purchase of new investment	-	1,192
Carrying value at 31 March	**3,432**	**3,384**

Note 21 Inventories

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Drugs	1,601	1,585	1,587	1,558
Consumables	1,163	1,146	1,163	1,146
Energy	20	18	20	18
Other	773	690	773	690
Total inventories	**3,557**	**3,440**	**3,543**	**3,413**
of which:				
Held at fair value less costs to sell	-	-		

Inventories recognised in expenses for the year were £52,762k (2020/21: £39,453k). Write-down of inventories recognised as expenses for the year were £0k (2020/21: £11k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2021/22 the Trust received £336k of items purchased by DHSC (2020/21: £1,679k).

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

Note 22.1 Receivables

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Current				
Contract receivables	22,391	19,745	22,302	19,686
Allowance for impaired contract receivables / assets	(2,298)	(3,869)	(2,296)	(3,867)
Prepayments	2,987	2,966	2,703	2,671
PDC dividend receivable	-	199	-	199
VAT receivable	1,012	622	1,012	622
Other receivables	550	823	319	596
Total current receivables	**24,642**	**20,486**	**24,040**	**19,907**
Non-current				
Prepayments	-	204	-	204
Other receivables	263	691	263	691
Total non-current receivables	**263**	**895**	**263**	**895**
Of which receivable from NHS and DHSC group bodies:				
Current	7,348	8,824	7,348	8,824
Non-current	263	691	263	691

Note 22.2 Allowances for credit losses - 2021/22

	Group	Trust
	Contract receivables and contract assets	Contract receivables and contract assets
	£000	£000
Allowances as at 1 Apr 2021 - brought forward	**3,869**	**3,867**
New allowances arising	326	326
Reversals of allowances	(1,701)	(1,701)
Utilisation of allowances (write offs)	(171)	(171)
Foreign exchange and other changes	(25)	(25)
Allowances as at 31 Mar 2022	**2,298**	**2,296**

Allowances for credit losses have been calculated against each class of receivable using specific knowledge, age of receivable and past experience.

Note 22.3 Allowances for credit losses - 2020/21

	Group	Trust
	Contract receivables and contract assets	Contract receivables and contract assets
	£000	£000
Allowances as at 1 Apr 2020 - as previously stated	**5,280**	**5,280**
New allowances arising	485	485
Reversals of allowances	(1,416)	(1,418)
Utilisation of allowances (write offs)	(425)	(425)
Foreign exchange and other changes	(55)	(55)
Allowances as at 31 Mar 2021	**3,869**	**3,867**

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Note 23.1 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.

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
At 1 April	**68,385**	**52,444**	**67,074**	**52,444**
Net change in year	876	15,941	1,873	14,630
At 31 March	**69,261**	**68,385**	**68,947**	**67,074**
Broken down into:				
Cash at commercial banks and in hand	3,474	5,129	3,160	3,818
Cash with the Government Banking Service	65,787	63,256	65,787	63,256
Total cash and cash equivalents as in SoFP	**69,261**	**68,385**	**68,947**	**67,074**
Total cash and cash equivalents as in SoCF	**69,261**	**68,385**	**68,947**	**67,074**

Note 23.2 Third party assets held by the trust

Moorfields Eye Hospital NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group and Trust	
	31 March 2022	31 March 2021
	£000	£000
Bank balances	56	48
Total third party assets	**56**	**48**

Note 24.1 Trade and other payables

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Current				
Trade payables	19,718	14,906	18,083	14,093
Capital payables	2,339	5,443	2,339	5,443
Accruals	17,602	24,251	17,591	24,237
Receipts in advance and payments on account	13	13	13	13
Social security costs	1,489	1,418	1,474	1,401
VAT payables	282	10	-	-
Other taxes payable	898	1,198	1,311	1,254
PDC dividend payable	115	-	115	-
Other payables	3,665	3,192	3,500	2,970
Total current trade and other payables	**46,121**	**50,431**	**44,426**	**49,411**
Non-current				
Other payables	975	1,048	975	1,048
Total non-current trade and other payables	**975**	**1,048**	**975**	**1,048**
Of which payables from NHS and DHSC group bodies:				
Current	6,642	8,551	6,642	8,551

Note 24.2 Early retirements in NHS payables above

There were no early retirement payables due in either year.

Note 25 Other liabilities

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
Current				
Deferred income: contract liabilities	4,225	7,181	4,225	7,181
Total other current liabilities	**4,225**	**7,181**	**4,225**	**7,181**

Note 26 Borrowings

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000

Current				
Loans from DHSC	1,893	1,893	1,893	1,893
Total current borrowings	**1,893**	**1,893**	**1,893**	**1,893**
Non-current				
Loans from DHSC	30,084	31,908	30,084	31,908
Total non-current borrowings	**30,084**	**31,908**	**30,084**	**31,908**

Note 26.1 Reconciliation of liabilities arising from financing activities (Group)

Group and Trust- 2021/22	**Loans from DHSC**
	£000
Carrying value at 1 April 2021	**33,801**
Cash movements:	
Financing cash flows - payments and receipts of principal	(1,823)
Financing cash flows - payments of interest	(974)
Non-cash movements:	
Application of effective interest rate	973
Carrying value at 31 March 2022	**31,977**

Group and Trust- 2020/21	**Loans from DHSC**
	£000
Carrying value at 1 April 2020	**35,629**
Cash movements:	
Financing cash flows - payments and receipts of principal	(1,823)
Financing cash flows - payments of interest	(1,028)
Non-cash movements:	
Application of effective interest rate	1,023
Carrying value at 31 March 2021	**33,801**

Note 27.1 Provisions for liabilities and charges analysis (Group)

Group	**Pensions: early departure costs**	**Legal claims**	**Redundancy**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
At 1 April 2021	**300**	**1,528**	**327**	**3,613**	**5,768**

Change in the discount rate	6	-	-	-	**6**
Arising during the year	7	426	207	604	**1,244**
Utilised during the year	(27)	(425)	(167)	(39)	**(658)**
Reversed unused	-	(50)	-	(552)	**(602)**
Unwinding of discount	(3)	-	-	-	**(3)**
At 31 March 2022	**283**	**1,479**	**367**	**3,626**	**5,755**
Expected timing of cash flows:					
- not later than one year;	23	1,479	367	1,140	**3,009**
- later than one year and not later than five years;	107	-	-	1,220	**1,327**
- later than five years.	153	-	-	1,266	**1,419**
Total	**283**	**1,479**	**367**	**3,626**	**5,755**

Staff pensions are calculated using a formula supplied by the NHS Pensions Agency. These pensions are the costs of early retirement of staff resulting from reorganisation.

Legal claims relate to an action against the trust which is not covered by the NHS Litigation Authority. IAS 37 allows for the non-disclosure of further information which may prejudice the outcome of litigation.

Redundancy claims relate to staff that are at risk on the redeployment register.

Other provisions includes sums held in respect of additional charges arising from Clinicians pension tax scheme , dilapidations associated with leases and other contractual challenges. No further information has been disclosed as IAS 37 allows the withholding of information which may seriously prejudice the trust.

Note 27.2 Provisions for liabilities and charges analysis (Trust)

Trust	Pensions: early departure costs	Legal claims	Redundancy	Other	Total
	£000	**£000**	**£000**	**£000**	**£000**
At 1 April 2021	**300**	**1,528**	**327**	**3,541**	**5,696**
Change in the discount rate	6	-	-	-	**6**
Arising during the year	7	426	207	534	**1,174**
Utilised during the year	(27)	(425)	(167)	(39)	**(658)**
Reversed unused	-	(50)	-	(552)	**(602)**
Unwinding of discount	(3)	-	-	-	**(3)**
At 31 March 2022	**283**	**1,479**	**367**	**3,484**	**5,613**
Expected timing of cash flows:					
- not later than one year;	23	1,479	367	1,140	**3,009**
- later than one year and not later than five years;	107	-	-	1,143	**1,250**
- later than five years.	153	-	-	1,201	**1,354**
Total	**283**	**1,479**	**367**	**3,484**	**5,613**

Note 27.3 Clinical negligence liabilities

At 31 March 2022, £5,630k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Moorfields Eye Hospital NHS Foundation Trust (31 March 2021: £4,479k).

Note 28 Contractual capital commitments

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Property, plant and equipment	4,284	2,982	2,772	2,982
Intangible assets	183	983	183	983
Total	**4,467**	**3,965**	**2,955**	**3,965**

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Note 29 Financial instruments

Note 29.1 Financial risk management

IFRS 7 Financial Instruments Disclosures, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

Because of the continuing service-provider relationship that the foundation trust has with clinical commissioning groups, and the way those bodies are financed, the foundation trust is not exposed to the degree of financial risk faced by other business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies.

The foundation trust has power to borrow in accordance with its provider licence issued by the independent regulator for foundation trusts. Financial assets and liabilities generated by day-to-day operational activities are not held to change the risks facing the foundation trust in undertaking its activities.

Liquidity risk

A large proportion of the foundation trust's net operating costs are incurred under annual service agreements with clinical commissioning Groups, which are financed from resources voted annually by Parliament. Capital expenditure has been financed from internal funds and donations. The trust has substantial cash balances and is not currently exposed to any liquidity risk associated with inability to pay creditors.

Currency risk and interest rate risk

The foundation trust has a branch in the United Arab Emirates (Dubai and Abu Dhabi), with transactions conducted in United Arab Emirates dirhams. The branch accounts are consolidated into the overall trust accounts, converted using spot and average exchange rates as appropriate, with exchange gains or losses reported in other equity reserve. Due to the size of the operation, and the fact that the majority of cost and income are denoted in local currency, the trust has limited exposure to currency exchange fluctuations.

The trust is not exposed to changes in interest rates as all borrowings have been taken out at fixed rates for a fixed period from Independent Trust Financing Facility.

Credit risk

As majority of the trust's income comes from legally binding contracts with other government departments and NHS bodies, the trust is not exposed to major concentrations of credit risk.

Note 29.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2022	Held at amortised cost
	£000
Trade and other receivables excluding non financial assets	20,643
Other investments / financial assets	1,029
Cash and cash equivalents	69,261
Total at 31 March 2022	**90,933**

Carrying values of financial assets as at 31 March 2021	Held at amortised cost
	£000
Trade and other receivables excluding non financial assets	16,699
Other investments / financial assets	780
Cash and cash equivalents	68,385
Total at 31 March 2021	**85,864**

Note 29.3 Carrying values of financial assets (Trust)

Carrying values of financial assets as at 31 March 2022	Held at amortised cost
	£000
Trade and other receivables excluding non financial assets	20,325
Other investments / financial assets	3,430
Cash and cash equivalents	68,947
Total at 31 March 2022	**92,702**

Carrying values of financial assets as at 31 March 2021	Held at amortised cost
	£000
Trade and other receivables excluding non financial assets	14,734
Other investments / financial assets	3,384
Cash and cash equivalents	67,074
Total at 31 March 2021	**85,192**

Note 29.4 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost
	£000
Loans from the Department of Health and Social Care	31,977
Trade and other payables excluding non financial liabilities	44,299
Provisions under contract	283
Total at 31 March 2022	**76,559**

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost
	£000
Loans from the Department of Health and Social Care	33,801
Trade and other payables excluding non financial liabilities	48,840
Provisions under contract	300
Total at 31 March 2021	**82,941**

Note 29.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost
	£000
Loans from the Department of Health and Social Care	31,977
Trade and other payables excluding non financial liabilities	42,722
Provisions under contract	283
Total at 31 March 2022	**74,982**

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost
	£000
Loans from the Department of Health and Social Care	33,801
Trade and other payables excluding non financial liabilities	46,156
Provisions under contract	300
Total at 31 March 2021	**80,257**

Note 29.7 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.

	Group		Trust	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	£000	£000	£000	£000
In one year or less	46,449	50,757	44,638	48,073
In more than one year but not more than five years	7,400	7,399	7,400	7,399
In more than five years	22,944	24,785	22,944	24,785
Total	**76,793**	**82,941**	**74,982**	**80,257**

Note 30 Losses and special payments

	2021/22		2020/21	
Group and trust	**Total number of cases**	**Total value of cases**	**Total number of cases**	**Total value of cases**
	Number	**£000**	**Number**	**£000**
Losses				
Cash losses	706	55	45	154
Fruitless payments and constructive losses	72	4	170	170
Bad debts and claims abandoned	1,874	168	807	98
Total losses	**2,652**	**227**	**1,022**	**422**
Special payments				
Ex-gratia payments *	112	88	-	-
Total special payments	**112**	**88**	**-**	**-**
Total losses and special payments	**2,764**	**315**	**1,022**	**422**
Compensation payments received		-		-

* The Ex-gratia payments in 2021/22 relate to nationally agreed overtime corrective payments. These payments are considered special payments for which approval was sought nationally by NHS England on local employers' behalf.

Note 31 Related parties

Moorfields Eye Hospital NHS Foundation Trust is a public benefit corporation established under the Health and Social Care (Community Health and Standards) Act 2003.

During the year none of the board members or members of the key management staff, or parties related to them, has undertaken any material transactions with Moorfields Eye Hospital NHS Foundation Trust other than their employment remuneration where applicable.

Certain clinical staff are employed by the trust and also engage in work for Moorfields Private, a commercial division of Moorfields Eye Hospital NHS Foundation Trust. These engagements are undertaken on an arms-length basis separately from their direct employment with the trust.

The Department of Health an Social Care is regarded as controlling party. During the year Moorfields Eye Hospital NHS Foundation 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 company.

Related party transactions were made on terms equivalent to those that prevail in an arm's length transaction.

The trust has also had a significant number of transactions with University College London, the Friends of Moorfields and the Moorfields Eye Charity.

The trust had revenue transactions of £2,939k (2020/21; £1,820k) with University College London (UCL) and expenditure transactions of £5,844k (£2020/21; £7,837k). Amounts receivable from UCL as 31st March 2022 were £2,996k (2020/21: £793k) and amounts payable to UCL were £3,114k (2020/21; £2k).

Friends of Moorfields directly paid £38k (2020/21: £312k) to Moorfields Eye Hospital in income/donations. Income/donations for the year from Moorfields Eye Charity was £676k (2020/21: £517k).

The table on the next page shows other significant related parties (individually > 1% of revenue), their relationship to the trust and the nature of the transactions entered into.

Note 31 Related parties (continued)

Name of related party	Nature of relationship to the trust
NHS England	Central funding for a variety of purposes
Department of Health and Social Care	Research & development and Afc pay award funding
Health Education England	Education, training and personal development of NHS staff
NHS East and North Hertfordshire CCG	Patients of NHS body treated by the trust
NHS Herts Valleys CCG	Patients of NHS body treated by the trust
NHS Kent and Medway CCG	Patients of NHS body treated by the trust
NHS North Central London CCG	Patients of NHS body treated by the trust
NHS North East London CCG	Patients of NHS body treated by the trust
NHS North West London CCG	Patients of NHS body treated by the trust
NHS South East London CCG	Patients of NHS body treated by the trust
NHS South West London CCG	Patients of NHS body treated by the trust
NHS Surrey Heartlands CCG	Patients of NHS body treated by the trust
Bedford Hospital NHS Trust	Patients of NHS body treated by the trust (Income) / Costs of operating satellite site at NHS body (Expenditure)
Croydon Health Services NHS Trust	Costs of operating satellite site at NHS body (Expenditure)
St George's University Hopsital NHS Foundation Trust	Costs of operating satellite site at NHS body (Expenditure)
NHS Pension Scheme	Employer pension contributions
HM Revenue & Customs	Employer NI contributions & Apprenticeship levy

Note 32 Events after the reporting date

There were no events that occurred between the end of the reporting period and the date that the financial statements were authorised for issue.