

**NORTHERN IRELAND AMBULANCE SERVICE
HEALTH AND SOCIAL CARE TRUST**

ANNUAL ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2009

*Laid before the Northern Ireland Assembly
under Article 90(5) of the Health and Personal Social Services (NI) Order 1972
(as amended by the Audit and Accountability Order 2003)
by the Department of Health, Social Services and Public Safety*

3rd July 2009

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

FOREWORD

These accounts for the year ended 31 March 2009 have been prepared in accordance with Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972, as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, in a form directed by the Department of Health, Social Services and Public Safety.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

STATEMENT OF NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST'S RESPONSIBILITIES AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the Northern Ireland Ambulance Service HSC Trust is required to prepare financial statements for each financial year in the form and on the basis determined by the Department of Health, Social Services and Public Safety. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Northern Ireland Ambulance Service HSC Trust, of its income and expenditure and cash flows for the financial year.

In preparing the financial statements the Trust is required to:

- observe the accounts direction issued by the Department of Health, Social Services and Public Safety including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- make judgements and estimates on a reasonable basis.
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements.
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Trust will continue in operation.
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust.
- pursue and demonstrate value for money in the services the Trust provides and in its use of public assets and the resources it controls.

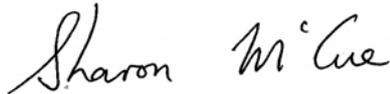
The Permanent Secretary of the Department of Health, Social Services and Public Safety as Accounting Officer for health and personal social services resources in Northern Ireland has designated Mr L McIvor of the Northern Ireland Ambulance Service HSC Trust as the Accounting Officer for the Trust. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety. The Accounting Officer is also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

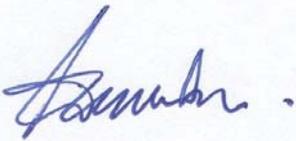
CERTIFICATES OF DIRECTOR OF FINANCE, CHAIRMAN AND CHIEF EXECUTIVE

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 17 to 66) which I am required to prepare on behalf of the Northern Ireland Ambulance Service Health and Social Care Trust have been compiled from and are in accordance with the accounts and financial records maintained by the Trust and with the accounting standards and policies for HSC Trusts approved by the DHSSPS.



Mrs Sharon McCue
Director of Finance
28 May 2009

I certify that the annual accounts set out in the financial statements and notes to the accounts (page 17 to 66) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



Mr Paul Archer
Chairman
28 May 2009



Mr Liam McIvor
Chief Executive
28 May 2009

STATEMENT ON INTERNAL CONTROL FOR THE FINANCIAL YEAR 2008/09

Scope of Responsibility

The Board of the Northern Ireland Ambulance Service (NIAS) is accountable for internal control. As Accounting Officer and Chief Executive of the Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, while safeguarding the public funds and assets for which I am responsible in accordance with the responsibilities assigned to me by the Department of Health, Social Services and Public Safety (DHSSPS).

In essence, the role of Accounting Officer is to see that the Trust carries out the following functions in a way that ensures the proper stewardship of public money and assets:

- To enter into and fulfil service level agreements with commissioners;
- To meet statutory financial duties; and
- To maintain and develop relationships with patients, the local community, commissioners and suppliers.

The Trust is directly accountable to the Department of Health, Social Services and Public Safety (DHSSPS) for the performance of these functions.

The Trust works in partnership with the DHSSPS and the four Health and Social Care Boards through the Commissioning Group for Ambulance Services (CGAS). This group has been established to secure the best possible service within the available resources. The role and remit of this group is contained within the Protocol for Partnership which is an integral part of the Service and Budget Agreement between the four Boards and the Trust. The Trust also works closely with other partner organisations through the establishment and representation on various working groups, for example local ambulance liaison groups. These arrangements continue to be reviewed and updated in response to changes in the structure of Health and Social Care.

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 organisational policies, aims and objectives; and
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in NIAS for the year ended 31 March 2009, and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

The Board exercises strategic control over the operation of the organisation through a system of corporate governance which includes:

- a schedule of matters reserved for Board decisions;
- a scheme of delegation, which delegates decision making authority within set parameters to the Chief Executive and other officers; and
- standing orders and standing financial instructions, including the establishment of an audit committee, remuneration committee, clinical governance committee and risk management committee.

The system of internal financial control is based on a framework of regular financial information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the board;
- regular reviews by the board of periodic annual financial reports which indicate financial performance against the forecast;
- setting targets to measure financial and other performances;
- clearly defined capital investment control guidelines; and
- as appropriate, formal budget management disciplines.

The Trust has an internal audit function which operates to defined standards and whose work is informed by an analysis of risk to which the body is exposed and annual audit plans are based on this analysis. In 2008/09 Internal Audit reviewed the following systems:

- Bank & Cash
- Payments to Creditors
- Payroll (Including Human Resources)
- Asset Management
- Income
- Fuel
- Overtime

In the annual report, the Internal Auditor reported that, overall based on the work performed, satisfactory assurance could be provided on the system of internal control within NIAS designed to meet the Trust's objectives. However, weaknesses in control were identified in a number of areas. In particular, limited assurance was provided in relation to the controls surrounding the tagging of assets and the numbers of staff trained in the use of the fleet management system.

Observations on the completeness and timeliness of the signing of Service and Budget Agreements and also the condition of the fleet and the absence of a fully funded fleet replacement programme have also been made. Internal audit have also recommended the roll out of the arrangements in respect of the allocation of overtime through the Resource Management Centre across the service and the harmonisation of practices between divisions.

Internal audit also carried out a number of corporate risk based audits and have made a number of observations in respect of Data Security, Agenda for Change and Performance Management. In particular, limited assurance was provided in relation to Data Security in the review, preservation and disposal of records, the approval and distribution of policies and procedures, the audit of information and data control and the security of patient report forms. These factors impacted on the Trust's performance against the Records Management Controls Assurance Standard. Limited assurance was also provided in respect of Agenda for Change in relation to the delay in the implementation of the Knowledge and Skills Framework (KSF) and associated processes and procedures.

Recommendations to address these control weaknesses have been or are being implemented.

With regard to the wider control environment the Trust has in place a range of organisational controls, commensurate with the current assessment of risk, designed to ensure the efficient and effective discharge of its business in accordance with the law and departmental direction. Every effort is made to ensure that the objectives of the Trust are pursued in accordance with the recognised and accepted standards of public administration. The Trust continues to review and develop governance structures to respond to best practice and developments.

For example, the Trust's recruitment and selection policies are based on the principle of equality of opportunity and controls are in place to ensure that all such decisions are taken in accordance with the relevant legislation.

With regard to estate management, decisions are taken within the context of an estate plan, which prioritises management action based on an assessment of risk. The Trust reports on Fire Code compliance on a regular basis to the Department and, in conjunction with Health Estates, is further developing its Estate Strategy with particular regard to Health and Safety, Fire Code and the Disability Discrimination Act.

The Trust Board Clinical Governance Sub Committee continues to meet regularly and these meetings are recorded and minutes reported to the Trust Board.

The Clinical Audit function continues to analyse all clinical information contained in Patient Report Forms, which are held electronically within the Formic Intelligent Data Capture System. Regular reports are produced and presented at the Clinical Governance Committee on a range of clinical issues.

The Trust continues to develop, within available resources, a new management structure within the operations department. This structure is designed to enable the Trust to meet its PFA targets while at the same time delivering a robust system of clinical supervision.

The Trust, in common with other UK Ambulance Services, was engaged in a full assessment of the delivery of Paramedic training by the Health Professions Council. A number of recommendations have been made which the Trust continues to progress.

Also during the year the Trust was subject to a review by the Department of Health's Healthcare Associated Infections (HCAI) and Cleanliness Division. The purpose of the review was to support the Trust with its approach in reducing the risk of HCAs. The report made a number of observations and recommendations covering hand hygiene, personal protective equipment, vehicle cleaning, clinical practices, staff environment, staff equipment, sterile supplies and linen, clinical waste, information education and training and executive focus and assurance. Recommendations to address these control weaknesses have been or are being implemented.

The Regulation and Quality Improvement Authority (RQIA) also carried out an assessment of the Trust's performance against three themes of the HPSS Quality Assurance Standards (2006) as follows:

- Accessible. Flexible and Responsive Services;
- Promoting, Protecting and Improving Health and Social Well Being;
- Effective Communication and Information.

The assessment made a number of observations and recommendations and actions to address these have been or are being implemented.

Capacity to handle risk

The Board of the Northern Ireland Ambulance Trust has established a Risk Management Committee (RMC), which as a sub-committee of the Board is responsible for overseeing all aspects of risk management within the organisation. The RMC meets on a quarterly basis and receives regular reports on untoward incident reporting, the risk register, health and safety issues, controls assurance and other risk management issues. The Trust's Medical Director has been given delegated responsibility for risk management and a full time Risk Manager has been in post since July 2005.

The NIAS Risk Management Strategy which complies with the AS/NZS 4360 Risk Management Standard was approved by the Trust Board in December 2006 and throughout 2009 staff will continue to receive risk management training complementary to the implementation of the strategy. This will include the further development of the Trust's Corporate and local risk registers.

The Trust's Untoward Incident Reporting Procedure has undergone a further review since its inception in April 2006. The revised procedure complies with the DHSSPS Safety Framework and was approved by the Board in December 2006.

The risk and control framework

The Trust's Risk Management Strategy specifies a number of reactive and proactive ways in which risk will be identified. The means of identification include, although not exclusively, untoward incident reporting, complaints management, risk assessment, claims management, controls assurance, benchmarking and consultation with staff and service users. The strategy also places upon all Trust employees the responsibility to be aware of and to report any and all risks to which they or the Trust are exposed.

Once identified risks are recorded on the risk register and evaluated in line with the risk matrix identified within the strategy taking into account the potential impact on the Trust's patients, employees, environment, reputation and resources. This evaluation then prompts the development of individual risk treatment plans against which progress is monitored through the Trust's Risk Register, which is reviewed at each meeting of the RMC.

Corporate Risks are those that impact the organisation as a whole or which cannot be resolved immediately or adequately reduced by treatment at a local level. They are recorded on the Corporate Risk Register, which is reviewed at each meeting of the Risk Management Committee and by the responsible manager on a continual basis.

Local Risks are those which have a localised impact and which can be reduced to an acceptable level by treatment at a local level. These are recorded on the Local Risk Register and are the responsibility of NIAS line management. Local Risk Register updates are forwarded to the relevant Directors for distribution and review at local level on a bi-monthly basis.

In respect of risks to information, the Trust has updated the Information and Communications Technology Strategy and has participated in a data protection review carried out on behalf of the Office of the First Minister and Deputy First Minister. In response to recommendations from this review, resources have been realigned to focus on this area to strengthen the Trust's information governance arrangements.

The Trust is committed to continuing to promote a patient-centred service by improving the quality and effectiveness of user and public involvement as an integral part of its governance arrangements. The Trust is working to implement DHSSPS guidance on Personal and Public Involvement with the Medical Director as the nominated lead.

The Trust assessed its compliance with the applicable Controls Assurance Standards which were defined by the Department and against which a degree of progress is expected in 2008/09.

Following the audit, the Trust achieved the following levels of compliance for 2008/09:

Standard	DHSSPS Expected Level of Compliance	Trust Level of Compliance	Reviewed By
Buildings, land, plant and non-medical equipment	70% - 99% (Substantive)	Substantive	Self Assessment
Decontamination of medical devices	70% - 99% (Substantive)	Not Assessed *	
Emergency Planning	70% - 99% (Substantive)	Substantive	Internal Audit
Environmental Cleanliness	70% - 99% (Substantive)	Not Assessed *	
Environment Management	70% - 99% (Substantive)	Substantive	Self Assessment
Financial Management (Core Standard)	70% - 99% (Substantive)	Substantive	Internal Audit
Fire safety	70% - 99% (Substantive)	Substantive	Self Assessment
Fleet and Transport Management	70% - 99% (Substantive)	Substantive	Self Assessment
Food Hygiene	70% - 99% (Substantive)	Not Assessed *	
Governance (Core Standard)	70% - 99% (Substantive)	Substantive	Internal Audit
Health & Safety	70% - 99% (Substantive)	Substantive	Self Assessment
Human Resources	70% - 99% (Substantive)	Substantive	Self Assessment
Infection Control	70% - 99% (Substantive)	Substantive	Internal Audit
Information Communication Technology	70% - 99% (Substantive)	Substantive	Self assessment
Management of Purchasing and Supply	70% - 99% (Substantive)	Substantive	Self Assessment
Medical Devices and Equipment Management	70% - 99% (Substantive)	Substantive	Self assessment
Medicines Management	70% - 99% (Substantive)	Substantive	Self Assessment
Records Management	70% - 99% (Substantive)	Moderate	Internal Audit
Research Governance	70% - 99% (Substantive)	Not Assessed *	
Risk Management (Core Standard)	70% - 99% (Substantive)	Substantive	Internal Audit
Security Management	70% - 99% (Substantive)	Substantive	Self Assessment
Waste Management	70% - 99% (Substantive)	Substantive	Self Assessment

* Refer to Departmental Guidance HSS (PPM) 1/2005 – not applicable to the Trust

The Trust has met the required levels of compliance as determined by the Department with the exception of the Records Management Standard which was reviewed by Internal Audit and self assessed as moderate. This was mainly due to the requirement to update policies and procedures, for example Records Management and Data Protection, and also complete an information audit and review of records held.

The Trust continues to develop systems and processes to ensure compliance with Controls Assurance Standards. An action plan will be developed for areas of non compliance with controls assurance standards and progress against the plan will be monitored throughout the year.

The age of the ambulance vehicles in service remained an issue and a risk for the Trust in 2008/09. At the end of the year, 74.2% of the Accident and Emergency (A&E) fleet and 40.9% of the Patient Care Service (PCS) fleet were overdue for replacement. However, during the year, the Trust commissioned a total of 94 vehicles (52 A&E, 13 RRV and 29 PCS). At 31 March 2009, 48 of these vehicles (52 A&E and 4 PCS) were still under construction. As these vehicles are completed and brought into service, the number of vehicles overdue for replacement will reduce. The Trust has £5m earmarked for capital investment in 2009/10 and has secured the necessary business case approval to complete the vehicles still under construction at 31 March 2009. The Trust will continue to work with the DHSSPS to develop the appropriate business cases to enable the release of funding to ensure that the benefits of the significant investment in 2008/09 are not lost and that fleet can be replaced in an appropriate, planned and timely manner.

Review of Effectiveness

As Accounting Officer, I have responsibility for the review of 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 and the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework, and 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, Audit Committee, Risk Management Committee and Clinical Governance Committee. A plan to address weaknesses and ensure continuous improvement to the system is in place.

The process of maintaining and reviewing the effectiveness of internal control is embedded throughout the organisation. In particular:

The Board exercises financial supervision and control by:

- Approving the financial strategy;
- Requiring the submission and approval of budgets within approved allocations/overall income;
- Defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money); and
- Defining specific responsibilities placed on directors and employees as indicated in the Scheme of Delegation Document.

All members of the Board and employees, severally and collectively, are responsible for:

- The security of the property of the Trust;
- Avoiding loss;

- Exercising economy and efficiency in the use of resources; and
- Conforming to the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures, the Scheme of Delegation and other financial procedures which the Director of Finance may issue.

The Audit Committee's primary role is to independently contribute to the Trust Board's overall process for ensuring that an effective internal financial control system is maintained. The Committee's core activities relate to internal financial control issues. This will include the following:

- Safeguarding of assets;
- Maintenance of proper accounting records;
- The reliability of financial information;
- Independence and effectiveness of internal and external audit;
- Effectiveness of internal financial control systems; and
- The control environment (including measures to prevent and detect fraud).

The duties of the Audit Committee can be categorised as follows:

The Committee shall contribute to the review of the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives.

The Committee shall ensure that there is an effective Internal Audit Function established by management that meets the Government Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board.

The Committee shall review the work and findings of the External Auditor and consider the implications of, and management's responses to, their work.

The Audit Committee shall review the findings of other significant assurance functions, both internal and external to the organisation and consider the implications for the governance of the organisation.

These may include, but will not be limited to, any reports issued by the Comptroller and Auditor General or Public Accounts Committee, reviews by DHSSPS commissioned bodies, the Regulation and Quality Improvement Authority (RQIA) or professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc.).

The Audit Committee shall review the financial extract of the Trust's Annual Report and the Financial Statements before submission to the Board.

The Committee should also ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board.

The Audit Committee shall oversee the adequacy of the Trust's arrangements for ensuring that Value for Money (VFM) is obtained in the expenditure of all public funds entrusted to its care. This will include a review of the findings from, and management's response to, all value for money audit reports issued to the Trust as part of the regional VFM programme sponsored by DHSSPS.

The Clinical Governance Committee is responsible for assuring the NIAS Board that effective and regularly reviewed structures are in place to support the implementation and development of Clinical Governance. The responsibilities of the Clinical Governance Committee include:

- To monitor and oversee all clinical activities occurring within the Trust and provide clinical advice to the Trust Board;
- To ensure that processes for assuring the quality of clinical care are in place and regulated by the Trust;
- To monitor and oversee the establishment of a framework for professional self regulation within the Trust;
- To monitor the development and implementation of national standards of care and practice within the Trust;
- That there is a system and support for clinical audit and that there is regular audit of patient report forms;
- To ensure that professional performance procedures are in place and understood by all staff;
- To ensure that regular reports are provided to the Trust Board regarding the quality of clinical care delivered by the Trust;
- To monitor and oversee all clinical research and development activities taking place within the Trust;
- To ensure that evidence based health care is fostered;

- To oversee clinical risk assessment procedures and outcomes;

- To oversee the continuing professional development of all staff within the Trust;

- To oversee the clinical complaints procedure and ensure that all lessons are learned from such complaints and action taken to avoid the recurrence of similar problems in the future;
- To monitor critical incident reporting to ensure that all adverse events are identified, openly investigated, lessons are learnt and promptly applied;
- To promote and facilitate a supportive "no-blame" culture committed to the concept of lifelong learning;

- To ensure that results from clinical review and risk management programmes inform the training agenda;
- To promote, monitor and oversee the Trust’s infection control programme; and
- To oversee the preparation of an Annual report on Clinical Governance.

The Risk Management Committee is responsible for supporting the risk management accountability arrangements within the organisation and ensuring that all risks are properly considered and communicated to the board as appropriate. Its responsibilities are to:

- To develop and deliver a Trust wide strategy for risk management, establishing key performance indicators and monitoring actual performance against them;
- To review the Trust’s Risk Register on an ongoing basis, and to make recommendations to Trust Board for action as required;
- To review the outcome of serious untoward incidents and to ensure that appropriate remedial action has been taken including measures to prevent reoccurrence;
- To monitor progress and ensure compliance with the DHSSPS Controls Assurance Standards;
- To establish and receive reports from risk related working groups;
- To receive internal and external reviews and assessments relating to the management of risk within the Trust; and
- To make recommendations on the allocation of resources for risk management.

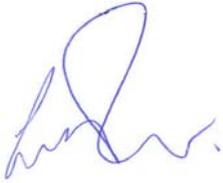
Internal Audit will review, appraise and report upon:

- The extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
- The adequacy and application of financial and other related management controls;
- The suitability of financial and other related management data; and
- The extent to which the Trust’s assets and interests are accounted for and safeguarded from loss of any kind, arising from:
 - fraud and other offences;
 - waste, extravagance, inefficient administration;
 - poor value for money or other causes.

Also during the year, the Northern Ireland Audit Office (NIAO) commissioned a review of current corporate governance arrangements within the Trust, to include recommendations, where appropriate, as to how this might be improved. The report concluded that the ambulance service “has strong corporate governance arrangements in place, which are appropriate to the size and nature of the organisation.” The report also made a number of observations and recommendations as to how to improve governance and accountability. While not all of the specific recommendations made as part of this review have been fully addressed, plans are in place to progress these to a satisfactory conclusion at the earliest opportunity.

The Trust continues to develop systems and processes to ensure that governance structures and assurance frameworks comply with best practice.

The Chief Executive is ultimately accountable to the Board and, as Accounting Officer, to the Accounting Officer of the DHSSPS for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Trust's activities, is responsible to the Board for ensuring that its financial obligation and targets are met and has overall responsibility for the Trust's system of internal control.



Mr Liam McIvor
Chief Executive
28 May 2009

Northern Ireland Ambulance Service Health and Social Care Trust

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements of the Northern Ireland Ambulance Service Health and Social Care Trust for the year ended 31 March 2009 under the Health and Personal Social Services (Northern Ireland) Order 1972 as amended. These comprise the Net Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Trust, Chief Executive and auditor

The Trust and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Trust's Responsibilities and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder. I report to you whether, in my opinion, the information, which comprises the Finance and Information Directorate section, included in the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Trust has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by the Department of Health, Social Services and Public Safety regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Trust's compliance with the Department of Health, Social Services and Public Safety's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the unaudited part of the Remuneration Report, the Chairman's Preface, Chief Executive's Introduction, the NIAS Organisational Overview, Operations Directorate, Medical Directorate, Human Resources and Information, Communication and Technology sections. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the

amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Trust and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

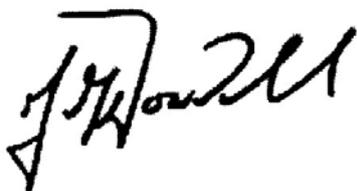
- the financial statements give a true and fair view, in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and directions made thereunder by Department of Health, Social Services and Public Safety, of the state of the Northern Ireland Ambulance Service Health and Social Care Trust's affairs as at 31 March 2009 and of its surplus, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder; and
- information, which comprises the Finance and Information Directorate section, included within the Annual Report, is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Report

My detailed observations on these financial statements are included in my report at pages 67 to 68.



JM Dowdall CB
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 IEU
19th June 2009

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NET EXPENDITURE ACCOUNT FOR YEAR ENDED 31ST MARCH 2009

	NOTE	2009 £'000	Restated 2008 £'000
Expenditure			
Staff costs	2.1	(43,526)	(38,111)
Depreciation	3.0	(2,800)	(2,654)
Other Expenditure	3.0	<u>(11,014)</u>	<u>(10,060)</u>
		<u>(57,340)</u>	<u>(50,825)</u>
Income			
Income from activities	4.1	1,349	1,360
Other Income	4.2	302	293
Reimbursements receivable	4.3	<u>4</u>	<u>(159)</u>
		<u>1,655</u>	<u>1,494</u>
Net Expenditure		<u>(55,685)</u>	<u>(49,331)</u>
Credit Reversal of Notional Costs			
Cost of capital	3.0	398	530
Notional costs (audit fees)	3.0	<u>22</u>	<u>24</u>
Net expenditure for the financial year		<u>(55,265)</u>	<u>(48,777)</u>
Summary of Revenue Resource Outturn			
Net expenditure		(55,685)	(49,331)
Adjustments	18.1	<u>4,091</u>	<u>4,322</u>
Net resource outturn		<u>(51,594)</u>	<u>(45,009)</u>
Revenue Resource Limit (RRL)	18.1	<u>51,632</u>	<u>45,175</u>
Surplus against RRL		<u>38</u>	<u>166</u>

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

BALANCE SHEET AS AT 31 MARCH 2009

		2009		Restated 2008	
	NOTE	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	7.0		23,967		19,962
Intangible assets	7.0		57		47
Financial assets	8.0		0		0
Total non current assets			24,024		20,009
 CURRENT ASSETS					
Stocks and work in progress	9.0	70		62	
Debtors: Amounts falling due within one year	10.1	983		5,619	
Debtors: Amounts falling due after more than one year	10.2	37		33	
Short term investments	11.1	101		2,104	
Cash at bank and in hand	11.2	0		0	
TOTAL CURRENT ASSETS			1,191		7,818
 CREDITORS: Amounts falling due within one year					
	12.1		(13,878)		(11,609)
NET CURRENT LIABILITIES			(12,687)		(3,791)
 TOTAL ASSETS LESS CURRENT LIABILITIES					
			11,337		16,218
 CREDITORS: Amounts falling due after more than one year					
	12.2		(2,261)		(2,261)
PROVISIONS FOR LIABILITIES AND CHARGES	14.1		(2,775)		(1,954)
TOTAL ASSETS EMPLOYED			6,301		12,003
 FINANCED BY:					
CAPITAL AND RESERVES					
Revaluation reserve	16.2		5,205		4,844
Donation reserve	16.2		0		0
General fund	16.2		1,096		7,159
			6,301		12,003

The notes on pages 21 to 66 form part of these accounts.



Mr Paul Archer
Chairman
28 May 2009



Mr Liam McIvor
Chief Executive
28 May 2009

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2009

	2009	Restated
	£'000	2008
		£'000
Fixed asset impairment losses	0	0
Non Donated Fixed Assets		
Indexation of fixed assets	324	418
Revaluation of fixed assets	0	0
	<hr/> 324	<hr/> 418
Donated Assets		
Additions to donated assets	0	0
Indexation	0	0
Revaluation	0	0
Disposals (except transfers to realised donation reserve)	0	0
	<hr/> 0	<hr/> 0
Total recognised gains and losses relating to the year	324	418
Additions to Capital Assets Reserve	0	0
	<hr/> 0	<hr/> 0
GAINS RECOGNISED IN THE FINANCIAL YEAR	<hr/> 324	<hr/> 418

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	2009		Restated 2008	
	£'000	£'000	£'000	£'000
Net Cash Outflow from Operating Activities (Note 28.1)		(48,422)		(41,602)
Returns on Investments and Servicing of Finance				
Interest received	0		231	
Interest paid	0		0	
Interest element of finance lease rental payments	0		0	
Net Cash Inflow from Returns on Investments and Servicing of Finance		0		231
Capital Expenditure				
Payments to acquire intangible fixed assets	(11)		(43)	
Receipts from sales of intangible fixed assets	0		0	
Payments to acquire tangible fixed assets	(2,796)		(2,606)	
Receipts from sale of tangible fixed assets	76		43	
Net Cash Outflow from Capital Expenditure		(2,731)		(2,606)
Dividends paid		0		(404)
Management of Liquid Resources				
Purchase of current asset investments	0		0	
Sale of current asset investments	0		0	
Net Cash Inflow/(Outflow) from Management of Liquid Resources		0		0
Net Cash Outflow before Financing		(51,153)		(44,381)
Financing				
Funding	50,693		48,962	
Movement in general fund working capital	(1,543)		(2,512)	
Cash drawn down	49,150		46,450	
Additional public dividend capital advances in year	0		0	
Repayment of loans - Interest Bearing Debt	0		(9)	
Repayment of prior year impairment	0		(61)	
Net Cash Inflow from Financing		49,150		46,380
Increase / (Decrease) in Cash (Notes 28.2 and 28.3)		(2,003)		1,999

The notes on pages 21 to 66 form part of these accounts.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

1.1 Authority

These accounts have been prepared in a form determined by the Department of Health, Social Services and Public Safety in accordance with the requirements of Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

1.2 Accounting Convention

These accounts have been prepared under the historical cost convention as modified by the indexation and revaluation of tangible fixed assets.

1.3 Basis of Preparation of Accounts

The accounts have been prepared in accordance with guidance issued by the Department of Health, Social Services and Public Safety.

The accounting policies contained in that Manual follow UK generally accepted accounting practice (UK GAAP) to the extent that it is meaningful and appropriate to HSC Trusts. The accounting policies are selected in accordance with the principles set out in FRS 18 "Accounting Policies" as the most appropriate for giving a true and fair view. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The principal variations between UK GAAP and the accounting policies directed by the Department of Health, Social Services and Public Safety are:

Financial Reporting Standard 15 "Tangible Fixed Assets" requires impairment losses on revalued fixed assets to be recognised in the Statement of Recognised Gains and Losses until the carrying value of the asset falls below depreciated historic cost, at which stage any further impairments are recognised in the Net Expenditure Account. There are occasions, particularly in relation to new build where losses or downward revaluations arising from a general fall in prices are charged to the revaluation reserve and may lead to a temporary negative revaluation reserve in respect of certain assets.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 1 STATEMENT OF ACCOUNTING POLICIES (Contd)

1.4 Changes to Presentation

Due to changes in HM Treasury budgeting guidance, the Department of Health, Social Services and Public Safety has directed that HSC Trusts are accounted and budgeted for as Non Departmental Public Bodies (NDPB's). As a direct result, HSC Trusts are now required to adopt a new format of accounts in line with the NDPB format. The main changes are detailed below:

- a) Net Expenditure Account - The Income & Expenditure account has been replaced by the Net Expenditure Account, which shows the net operating cost rather than surplus/deficit.
- b) Revenue Resource Limit (RRL) - The RRL is a new mechanism for measuring performance against breakeven. The RRL is a resource budget for ongoing operations and is a combination of agreed funding from Commissioners, DHSSPS and other Departments. These income streams would previously have been reflected within the income and expenditure account as income, but are now classified as Grant in Aid income and therefore do not appear within the Net Expenditure account.
- c) Provisions - In previous years HSC Trusts diverged from UK GAAP under the direction of the Department in relation to FRS3 Reporting Financial performance. HSC Trusts did not show the impact of provisions in the calculation of operating surplus/(deficit). These were previously disclosed after operating surplus/deficit as provisions for future obligations. However in line with Departmental accounting guidance in accordance with the Financial Reporting Manual (FReM) the Net Expenditure Account shows the full impact of provisions.
- d) Salaries & Wages – In line with Departmental guidance in accordance with FReM, the cost of staff related provisions are no longer reflected within the salaries and wages note, but continue to be disclosed within the operating costs note.
- e) General Fund – The General Fund is new and replaces the Donated Asset Reserve, Public Dividend Capital and the Income & Expenditure Reserve.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 1 STATEMENT OF ACCOUNTING POLICIES (Contd)

1.5 Changes to Accounting Policies

Income

As a direct result of changing the accounting and budgeting treatment for HSC Trusts as Non Departmental Public Bodies (NDPB's), HSC Trusts are now required to treat funding that is received from a controlling party such as the Department and Boards as Grant in Aid income. Under government accounting such income is treated as financing and credited to reserves. This is a change in accounting policy from previous years, when such income was recorded as income in the Net Expenditure Account. Prior year figures have been restated in the accounts to reflect this change in treatment. The effect of this change both in the current year and prior year are shown in the table below. There is no impact on the net liability position as a result of this change in policy.

	At 31 Mar 2008 (as stated previously) £'000	Impact of adopting new policy £'000	At 31 March 2008 (restated) £'000
Income	46,606	(45,112)	1,494

	At 31 Mar 2009 (without applying the new policy) £'000	Impact of adopting new policy £'000	At 31 March 2009 (applying the new policy) £'000
Income	53,283	(51,628)	1,655

Provisions

In line with adopting the NDPB format of accounts, HSC Trusts are required to change how provisions are reflected within the Net Expenditure Account.

Clinical Negligence and Review of Public administration (RPA) – Provisions in respect of Clinical Negligence and RPA remain fully funded and as such have no impact on the Net Expenditure Account. Previously reimbursements received in respect of clinical negligence and RPA utilisation, were reflected within income, whilst payments made were reflected within operating expenses. In the new format it is reimbursements receivable for the movement in the provision excluding utilisation which is recognised within income, with a similar recognition in operating expenses.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 1 STATEMENT OF ACCOUNTING POLICIES (Contd)

Other provisions – Similarly it is the movement in the provision excluding utilisation which is recognised within operating expenses. Previously this was not reflected within operating expenses, but rather as provisions for future obligations on the face of the I & E.

Prior year figures have been restated in the accounts to reflect this change in treatment. The effect of this change both in the current year and prior year are shown in the table below. There is no impact on the net liability position as a result of this change in policy.

	At 31 Mar 2008 (as stated previously) £'000	Impact of adopting new policy £'000	At 31 March 2008 (restated) £'000
Income	0	(159)	(159)
Expenditure	(934)	14	(920)

	At 31 Mar 2009 (without applying the new policy) £'000	Impact of adopting new policy £'000	At 31 March 2009 (applying the new policy) £'000
Income	0	4	4
Expenditure	(817)	(135)	(952)

1.6 Intangible Fixed Assets

Intangible fixed assets are capitalised when they are capable of being used in a Trust's activities for more than one year; and they have a cost of at least £5,000 (either individually or as a grouped asset).

Intangible fixed assets held for operational use are valued at historical cost and are depreciated over the estimated life of the asset on a straight line basis, except capitalised Research and Development which is revalued using an appropriate index figure. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred (either individually or as a grouped asset). These are amortised over the shorter of the term of the licence and their useful economic lives.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 1 STATEMENT OF ACCOUNTING POLICIES (Contd)

1.7 Tangible Fixed Assets

Capitalisation

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- ❑ individually have a cost of at least £5,000; OR
- ❑ they satisfy the criteria of a grouped assets i.e. collectively have a cost of at least £5,000, are functionally interdependent, broadly simultaneous purchase dates, and anticipated to have simultaneous disposal dates, under single managerial control and have an individual cost of £1,000 ; OR
- ❑ form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

Valuation

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. They are restated to current value each year. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

All land and buildings are restated to current value using professional valuations in accordance with FRS 15 every five years and in the intervening years by the use of indices. The buildings index is based on the All in Tender Price Index published by the Building Cost Information Service (BCIS). The land index is based on the residential building land values reported in the Property Market Report published by the Valuation Office.

Professional valuations are carried out by the District Valuers of the Land and Property Services.

The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health, Social Services and Public Safety. In accordance with the requirements of the Department, asset valuations were undertaken in 2004/05 as at the valuation date of 31 March 2005.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 1 STATEMENT OF ACCOUNTING POLICIES (Contd)

The valuations are carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Existing Use Value for non-specialised operational property. The value of land for existing use purposes is assessed at Existing Use Value. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

Additional alternative Open Market Value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

All increases in value arising from indexation and five-yearly revaluations are taken to the Revaluation Reserve. All decreases in value resulting from price changes are charged to the Statement of Recognised Gains and Losses to the extent that a revaluation reserve covers these price impairments and if there is insufficient cover in the revaluation reserve the remainder is charged to the Net Expenditure Account.

Assets in the course of construction are valued at cost and are not indexed. These assets include any existing land or buildings under the control of a contractor.

Residual interests in off-balance sheet Private Finance Initiative properties are included in tangible fixed assets as 'assets under construction and payments on account' where the PFI contract specifies the amount, or a nil value, at which the assets will be transferred to the Trust at the end of the contract. The residual interest is built up, on an actuarial basis, during the life of the contract by capitalising part of the unitary charge so that at the end of the contract the balance sheet value of the residual value plus the specified amount equal the expected fair value of the residual asset at the end of the contract. The estimated fair value of the asset on reversion is determined by the District Valuer based on Department of Health, Social Services and Public Safety guidance. The District Valuer should provide an estimate of the anticipated fair value of the assets on the same basis as the District Valuer values the HSC Trusts estate.

Operational equipment other than IT equipment, which is considered to have nil inflation, is valued at net current replacement cost through annual uplift by the change in the value of the GDP deflator. Equipment surplus to requirements is valued at net recoverable amount.

Depreciation, Amortisation and Impairments

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land, and assets surplus to requirements.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 1 STATEMENT OF ACCOUNTING POLICIES (Contd)

Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the District Valuer. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life of the asset.

Impairment losses resulting from short-term changes in price that are considered to be recoverable in the longer term are taken in full to the Revaluation Reserve, where one exists with any remaining balance charged to the Net Expenditure Account. Impairment losses caused by economic events are taken in full to the Net Expenditure Account with a transfer being made from the Revaluation Reserve to the Net Expenditure Reserve up to the amount of the economic impairment.

1.8 Donated Fixed Assets

Donated fixed assets are capitalised at their current value on receipt and this value is credited to the Donated Asset Reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also taken to the Donated Asset Reserve and, each year, an amount equal to the depreciation charge on the asset is released from the Donated Asset Reserve to the Net Expenditure Account. Similarly, any impairment on donated assets charged to the Net Expenditure Account is matched by a transfer from the Donated Asset Reserve. On sale of donated assets, the value of the sale proceeds is transferred from the Donated Asset Reserve to the General Fund.

1.9 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except in so far as development expenditure relates to a clearly defined project and the benefits there from can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits and is amortised through the Net Expenditure Account on a systematic basis over the period expected to benefit from the project.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 1 STATEMENT OF ACCOUNTING POLICIES (Contd)

1.10 Private Finance Initiative (PFI) transactions

The HSS follows HM Treasury's Technical Note 1 (Revised) "How to Account for PFI transactions" which provides definitive guidance for the application of the FRS 5 Amendment.

PFI schemes are schemes under which the PFI operator receives an annual payment from the Trust for the services provided by the PFI operator.

Where the balance of the risks and rewards of ownership of the PFI property are borne by the PFI operator, the PFI obligations are recorded as an operating expense. Where the Trust has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the Net Expenditure Account. Where, at the end of the PFI contract, a property reverts to the Trust, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up over the life of the contract by capitalising part of the unitary charge each year, as a tangible fixed asset.

Where the balance of risks and rewards of ownership of the PFI property are borne by the Trust, it is recognised as a fixed asset along with the liability to pay for it which is accounted for as a finance lease. Contract payments are apportioned between an imputed finance lease charge and a service charge.

1.11 Stocks and Work-in-Progress

Stocks and work-in-progress are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to current cost due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.12 Provisions

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are adjusted using the Treasury's discount rate of 2.2% in real terms.

Provisions for clinical negligence are recognised only where it is more probable than not that a settlement will be required.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 1 STATEMENT OF ACCOUNTING POLICIES (Contd)

1.13 Clinical Negligence Central Fund

A Clinical Negligence Central Fund was established in 1998 to manage the payment of clinical negligence settlements. Clinical Negligence provisions are fully funded and as such the cost of clinical negligence provisions are reimbursable by the Central Fund. Reimbursements Receivable in respect of clinical negligence provisions are accounted for as income.

The reimbursements receivable from the Central Fund in respect of clinical negligence liabilities and provisions are included within debtors.

1.14 Pensions

The Trust participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DHSSPS. The Trust is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. Further information regarding the HSC Superannuation Scheme can be found in the HSC Superannuation Scheme Statement in the Departmental Resource Account for the Department of Health, Social Services and Public Safety.

The costs of early retirements are met by the Trust and charged to the Net Expenditure Account at the time the Trust commits itself to the retirement.

As per the requirements of FRS 17, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the balance sheet date, in this case the 2004 valuation, and updates it to reflect current conditions. An interim valuation is taking place with affect from 31 March 2006 and this is the valuation being used for 2008-09 accounting purposes.

1.15 Third Party Assets

Assets belonging to third parties (such as money held on behalf of Patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 26 to the accounts.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 1 STATEMENT OF ACCOUNTING POLICIES (Contd)

1.16 Leases

Assets held under finance leases are capitalised at the fair value of the asset with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is subject to indexation and revaluation and is depreciated on its current fair value over the shorter of the lease term and its useful economic life. Finance charges are allocated to accounting periods over the period of the lease to produce a constant rate of interest on the outstanding balance. Rentals under operating leases are charged to the Net Expenditure Account in the year in which they arise.

1.17 Losses

This note (Note 24) is a memorandum statement unlike most notes to the accounts which provide further detail of figures in the primary accounting statements. Most of the contents will be included in operating expenses.

1.18 Financial Instruments

In 2008-09 HSC Trusts are required to implement financial Instruments standards FRS25, FRS 26 and FRS 29.

- **Financial Assets**

Financial assets are recognised on the balance sheet when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

- **Financial Liabilities**

Financial liabilities are recognised on the balance sheet when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 1 STATEMENT OF ACCOUNTING POLICIES (Contd)

- Financial Risk Management

Financial reporting standard 29 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within Trusts in creating risk than would apply to a non public sector body of a similar size, therefore Trusts are not exposed to the degree of financial risk faced by business entities. Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Trusts in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

- Currency risk

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

- Interest rate risk

The Trust has limited powers to borrow or invest and therefore has low exposure to interest rate fluctuations.

- Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk.

- Liquidity risk

Since the Trust receives the majority of its funding through its principal Commissioner which is voted through the Assembly, it is therefore not exposed to significant liquidity risks.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 2 STAFF NUMBERS AND RELATED COSTS

2.1 Staff Costs

Staff costs comprise:

	2009	Directly	Other	2008
	£'000	employed	£'000	£'000
		£'000	£'000	
Wages & Salaries	36,019	35,503	516	33,701
Social security costs	2,910	2,910	0	2,549
Other pension costs	4,597	4,597	0	1,861
Sub-Total	43,526	43,010	516	38,111
Less recoveries in respect of outward secondments	<u>0</u>			<u>0</u>
Total net costs	<u>43,526</u>			<u>38,111</u>

Of the total an amount of £NIL has been charged to capital in the year.

2.2 Average Number of Persons Employed

The average number of whole time equivalent persons employed during the year was as follows:

	2009	Directly	Other	2008
	No.	employed	No.	No.
		No.		
Medical and dental	2	2	0	1
Nursing and midwifery	0	0	0	0
Professions allied to medicine	0	0	0	0
Ancillaries	0	0	0	0
Administrative and clerical	79	60	19	64
Ambulance staff	1,044	1,038	6	1,008
Works	2	2	0	3
Other Professional and technical	0	0	0	0
Social services	0	0	0	0
Other	0	0	0	0
Total	<u>1,127</u>	<u>1,102</u>	<u>25</u>	<u>1,076</u>

Figures refer to wholetime equivalents (WTEs) rather than individuals.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTE 2 STAFF NUMBERS AND RELATED COSTS

2.3 Senior Employees' Remuneration

The salary, pension entitlements and the value of any taxable benefits in kind of the most senior members of the Trust were as follows:

Name	2008-09		2007-08		Real increase in pension and related lump sum at age 60 £'000	2008-09		CETV at 31/03/08 £'000	CETV at 31/03/09 £'000	Real increase in CETV £'000
	Salary, including Performance Pay £'000	Benefits in Kind (Rounded to nearest £100)	Salary, including Performance Pay £'000	Benefits in Kind (Rounded to nearest £100)		Total accrued pension at age 60 and related lump sum £'000				
Non-Executive Members										
D Smyth (until 30 September 2008)	10 - 15 (20 - 25*)	-	15 - 20	-	-	-	-	-	-	-
P Archer (appointed 16 October 2008)	10 - 15 (20 - 25*)	-	-	-	-	-	-	-	-	-
L Gillespie (until 17 May 2007)	-	-	0 - 5 (5 - 10*)	-	-	-	-	-	-	-
M Greer	5 - 10	-	5 - 10	-	-	-	-	-	-	-
M Hanratty (appointed 01 August 07)	5 - 10	-	0 - 5 (5 - 10*)	-	-	-	-	-	-	-
F Hughes	5 - 10	-	5 - 10	-	-	-	-	-	-	-
S Mullan	5 - 10	-	5 - 10	-	-	-	-	-	-	-
R Perrott (until 17 May 2008)	0 - 5 (5 - 10*)	-	5 - 10	-	-	-	-	-	-	-
Executive Members										
L McIvor	70 - 75	-	65 - 70	-	0 - 2.5 + lump sum of 2.5 - 5	15 - 20 + lump sum of 50 - 55	222	310	88	
S McCue	60 - 65	-	55 - 60	-	0 - 2.5 + lump sum of 0 - 2.5	5 - 10 + lump sum of 15 - 20	71	105	34	
R O'Hara	55 - 60	-	55 - 60	-	0 - 2.5 + lump sum of 2.5 - 5	15 - 20 + lump sum of 45 - 50	167	233	66	
D McManus	90 - 95	-	90 - 95	-	0 - 2.5 + lump sum of 2.5 - 5	30 - 35 + lump sum of 95 - 100	453	612	159	
B McNeill	55 - 60	-	50 - 55	-	0 - 2.5 + lump sum of 2.5 - 5	15 - 20 + lump sum of 50 - 55	208	307	99	

* denotes full-year salary

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the HSC pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated within the guidelines prescribed by the institute and Faculty of Actuaries.

Real Increase in CETV - This 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 period.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 2 STAFF NUMBERS AND RELATED COSTS

2.4 Trust Management Costs	2009 £'000	Restated 2008 £'000
Trust Management Costs	3,659	2,898
Income:		
Revenue Resource Limit (per Note 18.1)	51,632	45,175
Income (per Note 4)	1,655	1,494
Less interest receivable (per Note 4.2)	0	(229)
Less non cash income for provisions (per Note 4.3)	(4)	159
Add cash income for provisions	0	0
	<hr/>	<hr/>
	53,283	46,599
Less adjustments as detailed in HSS (THR) 2/99	<hr/>	<hr/>
	(386)	(356)
Total Income	<hr/>	<hr/>
	52,897	46,243
% of Total Income	<hr/> <hr/>	<hr/> <hr/>
	6.92%	6.27%

The above information is based on the Audit Commission's definition "M2" Trust management costs, as detailed in HSS (THR) 2/99.

Changes to the employers contributions to the Superannuation Scheme were introduced in 2008/09. This had the effect of increasing the costs of employing all staff, including those that fall within the definition of management costs. The Trust has received additional income in respect of these increased costs. The effect of these changes is to increase the headline management cost percentage to 6.92%. The comparable figure for 2007/08 is 6.61%.

2.5 Retirements Due to Ill-health

During 2008/09 there were 7 early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £45,774.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 3 OPERATING EXPENSES

3. Operating Expenses are as follows:

	2009	Restated
	£'000	2008
		£'000
Purchase of care from non-HSC bodies	0	0
Revenue grants to voluntary organisations	0	0
Capital grants to voluntary organisations	0	0
Personal social services	0	0
Recharges from other HSC organisations	533	396
Supplies and services - clinical	925	603
Supplies and services - general	283	193
Establishment	1,269	1,137
Transport	4,590	3,985
Premises	1,303	1,382
Bad debts	0	0
Rentals under operating leases	182	156
Interest charges	0	0
PFI service charges	0	0
CN other	0	0
Misc	506	724
Non cash items		
Depreciation	2,800	2,654
Amortisation	10	2
Impairments	44	45
(Profit) on disposal of fixed assets (excluding profit on land)	(3)	(37)
Loss on disposal of fixed assets (including land)	0	0
Cost of capital	398	530
Provisions provided for in year	897	882
Unwinding of discount on provisions	55	38
Auditors remuneration	22	24
Total	13,814	12,714

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 4 INCOME

4.1 Income from Activities

	2009	Restated
	£'000	2008
		£'000
GB/Republic of Ireland Health Authorities	0	0
HSC Trusts	1,349	1,360
Non-HSC:- Private patients	0	0
Non-HSC:- Other	0	0
Clients contributions	0	0
	<hr/>	<hr/>
Sub-Total	1,349	1,360

4.2 Other Operating Income

	2009	Restated
	£'000	2008
		£'000
Other income from non-patient services	300	60
Charitable and other contributions to expenditure	0	0
Donated asset reserve transfer for Impairment	0	0
Donated asset reserve transfer for Depreciation	0	0
Profit on disposal of land	0	0
Interest receivable	0	229
Other income	2	4
	<hr/>	<hr/>
Sub-Total	302	293

4.3 Reimbursements Receivable in Respect of Provisions

	2009	2008
	£'000	£'000
Movements in reimbursable income from Clin Neg Central Fund	4	(159)
Movements in reimbursable income for RPA	0	0
	<hr/>	<hr/>
Sub-Total	4	(159)
	<hr/>	<hr/>
Total Income	1,655	1,494

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 5 TANGIBLE ASSETS

5.1 Tangible fixed assets comprise the following elements:

Purchased Assets	Land £'000	Buildings (excluding dwellings) £'000	Dwellings £'000	Assets under Construction £'000	Plant and Machinery (Equipment) £'000	Transport Equipment £'000	Information Technology (IT) £'000	Furniture and Fittings £'000	Total £'000
Cost or Valuation									
At 1 April 2008	1,632	11,840	0	0	4,132	17,676	921	205	36,406
Indexation	0	347	0	0	108	176	(115)	1	517
Additions	0	227	0	2,388	1,862	1,991	87	0	6,555
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	(348)	(283)	0	(631)
At 31 March 2009	1,632	12,414	0	2,388	6,102	19,495	610	206	42,847
Depreciation									
At 1 April 2008	0	3,976	0	0	1,923	9,936	566	43	16,444
Indexation	0	116	0	0	50	98	(71)	0	193
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	(274)	(283)	0	(557)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Provided during the year	0	315	0	0	289	2,068	113	15	2,800
At 31 March 2009	0	4,407	0	0	2,262	11,828	325	58	18,880
Net Book Value									
At 31 March 2009	1,632	8,007	0	2,388	3,840	7,667	285	148	23,967
At 31 March 2008	1,632	7,864	0	0	2,209	7,740	355	162	19,962
Asset Financing									
Owned	1,632	8,007	0	2,388	3,840	7,667	285	148	23,967
Finance Leased	0	0	0	0	0	0	0	0	0
On b/s PFI contracts	0	0	0	0	0	0	0	0	0
Net Book Value									
At 31 March 2009	1,632	8,007	0	2,388	3,840	7,667	285	148	23,967

The total amount of depreciation charged in the Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £NIL (2008 £NIL).

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 5 TANGIBLE ASSETS

5.2 Donated fixed assets comprise the following elements:

Donated Assets	Land £'000	Buildings (excluding dwellings) £'000	Dwellings £'000	Assets under Construction £'000	Plant and Machinery (Equipment) £'000	Transport Equipment £'000	Information Technology (IT) £'000	Furniture and Fittings £'000	Total £'000
Cost or Valuation									
At 1 April 2008	0	0	0	0	0	0	0	0	0
Indexation	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
At 31 March 2009	0	0	0	0	0	0	0	0	0
Depreciation									
At 1 April 2008	0	0	0	0	0	0	0	0	0
Indexation	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0	0	0	0
At 31 March 2009	0	0	0	0	0	0	0	0	0
Net Book Value									
At 31 March 2009	0	0	0	0	0	0	0	0	0
At 31 March 2008	0	0	0	0	0	0	0	0	0
Asset Financing									
Owned	0	0	0	0	0	0	0	0	0
Finance Leased	0	0	0	0	0	0	0	0	0
On b/s PFI contracts	0	0	0	0	0	0	0	0	0
Net Book Value									
At 31 March 2009	0	0	0	0	0	0	0	0	0

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 6 INTANGIBLE ASSETS

6. Intangible Fixed Assets

Cost or Valuation	Software Licences		
	Purchased £'000	Donated £'000	Total £'000
At 1 April 2008	49	0	49
Indexation	0	0	0
Additions	20	0	20
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	0	0	0
Impairments	0	0	0
Disposals	0	0	0
At 31 March 2009	69	0	69
Amortisation			
At 1 April 2008	2	0	2
Indexation	0	0	0
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	0	0	0
Impairments	0	0	0
Disposals	0	0	0
Provided during the year	10	0	10
At 31 March 2009	12	0	12
Net Book Value			
At 31 March 2009	57	0	57
At 31 March 2008	47	0	47

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 7 SUMMARY FIXED ASSETS

7. Summary Fixed Assets

	Purchased £'000	Donated £'000	2009 Total £'000	2008 Total £'000
Net book value:				
Land	1,632	0	1,632	1,632
Buildings (excluding dwellings)	8,007	0	8,007	7,864
Dwellings	0	0	0	0
Assets under construction	2,388	0	2,388	0
Plant and machinery (Equipment)	3,840	0	3,840	2,209
Transport equipment	7,667	0	7,667	7,740
Information technology (IT)	285	0	285	355
Furniture & fittings	148	0	148	162
Total Tangible Fixed Assets	23,967	0	23,967	19,962
Total Intangible Fixed Assets	57	0	57	47
Total Assets	24,024	0	24,024	20,009

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 8 INVESTMENTS

8.1 Fixed Asset Investments

The Trust has no fixed asset investments as at 31 March 2009.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 9 STOCKS

9. Stocks and Work in Progress	2009 £'000	2008 £'000
Raw Materials and consumables	70	62
Work in progress	0	0
Finished goods	0	0
	<hr/>	<hr/>
Total	70	62

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 10 DEBTORS

10.1 Debtors: Amounts falling due within one year:

	2009	Restated
	£'000	2008
		£'000
Trade debtors	94	4,749
Deposits and advances	0	0
Clinical Negligence debtors	9	11
RPA debtor	0	0
Current part of PFI debtor	0	0
Other debtors	622	700
Other prepayments and accrued income	258	159
	<hr/>	<hr/>
Sub-Total	983	5,619

The balances are net of a provision for bad debts of: **0** **0**

10.2 Debtors: Amounts falling due after more than one year:

Trade debtors	0	0
Deposits and advances	0	0
Clinical Negligence debtors	37	33
RPA debtor	0	0
Other debtors	0	0
Other prepayments and accrued income	0	0
	<hr/>	<hr/>
Sub-Total	37	33
	<hr/>	<hr/>
Total	1,020	5,652

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 10 DEBTORS

10.3 Intra-Government Balances (Debtors)

Name	Amounts	Restated		Restated
	falling due within 1 year 2008/09 £'000	Amounts falling due within 1 year 2007/08 £'000	Amounts falling due after more than 1 year 2008/09 £'000	Amounts falling due after more than 1 year 2007/08 £'000
Balances with other central gov bodies	617	5,277	37	33
Balances with local Authorities	3	3	0	0
Balances with NHS/HSC Trusts	73	163	0	0
Balances with public corporations and trading funds	0	3	0	0
Intra-Government Balances	693	5,446	37	33
Balances with bodies external to government	290	173	0	0
Total Debtors at 31 March	983	5,619	37	33

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 11 SHORT TERM INVESTMENTS

11.1 Short-term Investments	2009 £'000	2008 £'000
Government securities	0	0
Other approved public sector organisations	0	0
Banking deposits	101	2,104
Others	0	0
Total	101	2,104

11.2 Cash at Bank and in Hand	2009 £'000	2008 £'000
Balance at 1st April	0	0
Net change in cash balances	0	0
Balance at 31st March	0	0

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 12 CREDITORS

	2009	Restated 2008
	£'000	£'000
12.1 Creditors: Amounts falling due within one year:		
Bank overdrafts	0	0
Trade capital creditors	16	476
Trade revenue creditors	397	287
Other taxation and social security	0	0
Payroll creditors	5,661	7,028
Clinical Negligence creditor	0	5
RPA creditor	0	0
Accruals and deferred income	0	0
Current part of finance leases	0	0
Current part of imputed finance lease of on balance sheet PFI	0	0
Other capital creditors	5,668	1,485
Other creditors	2,136	2,328
Sub-Total	13,878	11,609
12.2 Creditors: Amounts falling due after more than one year:		
Other creditors, accruals and deferred income	0	0
Finance leases	0	0
Imputed finance lease of on balance sheet PFI	0	0
Long term loans	2,261	2,261
Sub-Total	2,261	2,261
Total Creditors	16,139	13,870

Pension creditors include £NIL relating to payments due in future years under arrangements to buy out the liability for NIL early retirements over 5 years.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 12 CREDITORS

12.3 Intra-Government Balances (Creditors)

Name	Amounts falling due within 1 year 2008/09 £'000	Restated Amounts falling due within 1 year 2007/08 £'000	Amounts falling due after more than 1 year 2008/09 £'000	Restated Amounts falling due after more than 1 year 2007/08 £'000
Balances with other central gov bodies	143	22	2,261	2,261
Balances with local Authorities	3	1	0	0
Balances with NHS/HSC Trusts	272	753	0	0
Balances with public corporations and trading funds	0	0	0	0
Intra-Government Balances	418	776	2,261	2,261
Balances with bodies external to government	13,460	10,833	0	0
Total Creditors at 31 March	13,878	11,609	2,261	2,261

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 13 PROMPT PAYMENT POLICY

13.1 Public Sector Payment Policy - Measure of Compliance

The Department requires that Trusts pay their non HSC trade creditors in accordance with the CBI Prompt Payment Code and Government Accounting Rules. The Trust's payment policy is consistent with the CBI Prompt Payment Code and Government Accounting rules and its measure of compliance is:

	2009 Number	2008 Number
Total bills paid	<u>13,792</u>	<u>12,369</u>
Total bills paid within 30 day target	<u>12,251</u>	<u>11,411</u>
% of bills paid within 30 day target	<u>88.8%</u>	<u>92.3%</u>

13.2 The Late Payment of Commercial Debts Regulations 2002

The amount included within Interest Payable (Note 3) arising from claims made by small businesses under this legislation are as follows :

	£
Total	<u><u>0</u></u>

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 14 PROVISIONS

14.1 Provisions for Liabilities and Charges

	Pensions relating to former directors £'000	Pensions relating to other staff £'000	Clinical Negligence £'000	RPA Restructuring £'000	Other £'000	2009 £'000	2008 £'000
Balance at 31 March 2008	0	0	33	0	1,921	1,954	1,186
Arising during the year	0	0	4	0	1,231	1,235	1,166
Reversed unused	0	0	(1)	0	(337)	(338)	(284)
Utilised during the year	0	0	0	0	(131)	(131)	(152)
Unwinding of discount	0	0	1	0	54	55	38
At 31 March	0	0	37	0	2,738	2,775	1,954

RPA Utilised costs include the following;

Pension Costs for early retirement reflecting the single lump sum to buy over the full liability

Redundancy costs

**RPA
£'000**

0

0

0

14.2 Net Expenditure Account charges

**2009
£'000**

Arising during the year

1,235

Reversed unused

(338)

Unwinding of discount

55

Total Charge within Operating Costs

952

Reimbursements Receivable

Clinical Negligence Central Fund

4

RPA

0

Other

0

Total Reimbursements Receivable

4

Net Increase to Net Expenditure

948

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 14 PROVISIONS (Contd)

14.3 Expected Timing of Cash Flows

	Pensions relating to former directors £'000	Pensions relating to other staff £'000	Clinical Negligence £'000	Restructuring £'000	Other £'000	2009 £'000	Restated 2008 £'000
Within 1 year	0	0	26	0	386	412	232
1 - 5 years	0	0	11	0	537	548	366
6 -10 years	0	0	0	0	711	711	445
Over 10 years	0	0	0	0	1,104	1,104	911
At 31 March	0	0	37	0	2,738	2,775	1,954

The provision in respect of other liabilities and charges comprises £234,380 for Accrued Leave, £251,200 for Employers Liability and £2,252,336 for Premature Pensions following Injury. The provision for Accrued Leave will crystallise as individuals retire or leave the service at future dates. The provision for Employers Liability has been calculated based in accordance with DHSSPS guidance and data was obtained from the CSA's Directorate of Legal Services.

Expected reimbursements from the Clinical Negligence Central Fund included in debtors are :

£'000

Clinical Negligence Central Fund

37

The clinical negligence provision includes £NIL for incidents against which claims have not, as yet been received. The related reimbursements, included in debtors, amount to £NIL.

In addition to the clinical negligence provision, contingent liabilities for clinical negligence are given in Note 23.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 15 LOANS

15. Loans

	Government Loans £'000	Other Loans £'000	2009 £'000	2008 £'000
Amounts falling due:				
In one year or less	0	0	0	0
Between one and two years	0	0	0	0
Between two and five years	2,261	0	2,261	2,261
In five years or more	0	0	0	0
Total	2,261	0	2,261	2,261

	Government Loans £'000	Other Loans £'000	2009 £'000	2008 £'000
Wholly repayable within five years	2,261	0	2,261	2,261
Wholly repayable after five years, not by instalments	0	0	0	0
Wholly or partially repayable after five years by instalments	0	0	0	0

Total	2,261	0	2,261	2,261
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Total Repayable after five years by instalments	0	0	0	0
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Loans wholly or partially repayable after five years:	0	0	0	0
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Terms of payment

	Interest Rate %	2009 £'000	2008 £'000
Originating Capital Debt	8.750%	2,261	2,261

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 16 RESERVES

16.1 Opening Balance General Fund	Restated 2008 £'000
At 31 March 2008:	
Realised donated asset reserve	0
Other reserves	0
Income & expenditure reserve	(3,435)
Public dividend capital	10,594
At 1 April 2008	7,159

16.2 Movements on Reserves

	General Fund £'000	Revaluation Reserve £'000	Donation Reserve £'000	2009 Total £'000	2008 Total £'000
At 31 March 2008	7,159	4,844	0	12,003	13,734
Changes in accounting policy	0	0	0	0	0
Restated balance as at 1 April 2008	7,159	4,844	0	12,003	13,734
Revaluation of fixed assets	0	368	0	368	463
Impairment of fixed assets	0	0	0	0	0
Donated assets receipts	0	0	0	0	0
Transfer from DHSSPS	0	46	0	46	0
Release of reserves to Net Expenditure Account	0	0	0	0	0
Non cash charges - cost of capital	398	0	0	398	530
Non cash charges - auditors remuneration	22	0	0	22	24
Non cash charges - other	0	0	0	0	133
Transfer between reserves	53	(53)	0	0	0
Net expenditure for year	(55,685)	0	0	(55,685)	(49,331)
PDC	0	0	0	0	0
Cash drawdown	49,149	0	0	49,149	46,450
At 31 March	1,096	5,205	0	6,301	12,003

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 17 GOVERNMENT FUNDS

17. Reconciliation of Movement in Government Funds

	2009	Restated
	£'000	2008
		£'000
Net expenditure	(55,685)	(49,331)
Gains/(losses) from revaluation/indexation of purchased fixed assets	324	418
PDC issued	0	0
Cash draw down	49,149	46,450
Additions (reductions) in other reserves	510	599
Net Movement in Government funds	(5,702)	(1,864)
Government funds at 31 March 2008	14,254	16,118
Government funds at 31 March 2009	8,552	14,254
Originating Capital Debt	(2,261)	(2,261)
Other	10	10
Total Assets Employed	6,301	12,003

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 18 FINANCIAL PERFORMANCE TARGETS

18.1 Revenue Resource Limit

The Trust is given a Revenue Resource Limit which it is not permitted to overspend.

The Revenue Resource Limit for the Northern Ireland Ambulance Service HSC Trust is calculated as follows:

	2009 £'000	2008 £'000
HSC Board allocation	51,466	44,995
SUMDE & NIMDTA	0	0
DHSSPS resource budget	166	180
Other Gov Department	0	0
Revenue Resource Limit	51,632	45,175

The following non cash costs are excluded from net expenditure to calculate net resource outturn:

Non Cash Costs		2009 £'000	2008 £'000
Depreciation	5.1	2,800	2,654
Cost of capital	3.0	398	530
Amortisation	6.1	10	2
Impairments	5.1 & 6.1	44	45
Loss on disposal of land & buildings		0	0
Notional audit fees	3.0	22	24
Other Provisions	14.2	817	934
Other		0	133
Total adjustments		4,091	4,322

18.2 Capital Resource Limit

The Trust is given a Capital Resource Limit which it is not permitted to overspend.

	2009 £'000	2008 £'000
Gross capital expenditure	6,530	3,020
Receipts from sales of fixed assets authorised to be used for capital expenditure	(5)	(43)
Net capital expenditure	6,525	2,977
Capital Resource Limit	6,527	2,979
Underspend against CRL	2	2

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 18 FINANCIAL PERFORMANCE TARGETS

18.3 Break Even Performance

The Trust is required to ensure that its income is sufficient to meet its expenditure taking one year with another. Over the last five years the Trust has achieved the following results:

	2004/05 £'000	2005/06 £'000	2006/07 £'000	Restated 2007/08 £'000	2008/09 £'000
Total Revenue *	39,941	44,641	49,436	46,599	53,283
Break Even in year position	10	(21)	24	166	38
Break Even cumulative position (opening)	366	376	355	379	545
Other Adjustments	0	0	0	0	0
Break Even Cumulative position (closing)	376	355	379	545	583
Materiality Test:					
	2004/05 %	2005/06 %	2006/07 %	2007/08 %	2008/09 %
Break Even in year position as % of total revenue	0.0%	0.0%	0.0%	0.4%	0.1%
Break Even cumulative position as % of total revenue	0.9%	0.8%	0.8%	1.2%	1.1%

* Total Revenue is the total of income from the Net Expenditure Account plus income treated as Grant in Aid financing (ie the Revenue Resource Limit) less interest receivable and non cash income for provisions plus cash income for provisions. See Note 2.4 Trust Management Costs for calculation.

The Department recognises a material surplus or deficit as 0.5% of total revenue. The in year break even position is therefore not considered material for any of the last 5 years. The cumulative position at 31 March 2009 is £583k (1.1 % of total revenue), which is considered material. This amount is the cumulative effect of non material surpluses building each year since the inception of the Trust.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 19 COMMITMENTS UNDER LEASES

19.1 Operating Leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.

Obligations under operating leases comprise:

	2009	2008
	£'000	£'000
Land & Buildings		
Expiry within 1 year	0	2
Expiry after 1 year but not more than 5 years	165	106
Expiry thereafter	1,249	922
	<hr/> 1,414	<hr/> 1,030
Other		
Expiry within 1 year	0	0
Expiry after 1 year but not more than 5 years	6	8
Expiry thereafter	0	0
	<hr/> 6	<hr/> 8

19.2 Finance Leases

Obligations under finance leases comprise:

	2009	2008
	£'000	£'000
Rentals due within 1 year	0	0
Rentals due after 1 year but not within 5 years	0	0
Rentals due thereafter	0	0
	<hr/> 0	<hr/> 0
Less interest element	0	0
	<hr/> 0	<hr/> 0

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 20 CAPITAL COMMITMENTS

Note 20. Capital Commitments

The Trust has no contracted capital commitments for which no provision has been made as at 31 March 2009.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 21 OTHER FINANCIAL COMMITMENTS

21. Other Financial Commitments

The Trust has not entered into any non-cancellable contracts (which are not leases or PFI contracts) as at 31 March 2009.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 22 FINANCIAL INSTRUMENTS

22. Financial Guarantees, Indemnities and Letters of Comfort

Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within Trusts in creating risk than would apply to a non public sector body of a similar size, therefore Trusts are not exposed to the degree of financial risk faced by business entities. Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Trusts in undertaking activities. Therefore the HSC Trust is exposed to little credit, liquidity or market risk.

The Trust has not entered into any of the following: quantifiable guarantees, indemnities or provided Letters of Comfort. None of these is a contingent liability under the meaning of FRS12 since the likelihood of a transfer of economic benefit in settlement is too remote. They therefore fall to be measured following the requirements of FRS26. Managing Public Money requires that the full potential costs of such contracts be reported.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 23 CONTINGENT LIABILITIES

23. Contingent Liabilities

Clinical Negligence

The Trust has contingent liabilities of £5,937 for clinical negligence incidents. The Trust's financial liability, if any, cannot be determined until the related claims are resolved. An estimate of the amount involved, inclusive of legal costs, is:

	2009	2008
	£'000	£'000
Total estimate of contingent clinical negligence liabilities	6	0
Amount recoverable from the Clinical Negligence Central Fund	(6)	0
	<hr/>	<hr/>
Net Contingent Liability	0	0
	<hr/> <hr/>	<hr/> <hr/>

In addition to the above contingent liability, provisions for clinical negligence are given in Note 14.

Other clinical litigation claims could arise in the future due to incidents which have already occurred. The expenditure which may arise from such claims cannot be determined as yet.

Contingencies not relating to clinical negligence are as follows:

	2009	2008
	£'000	£'000
Public Liability	0	0
Employers' Liability	1	0
Accrued Leave	0	0
Injury Benefit	0	0
Premature Pensions following Injury	1,235	0
	<hr/>	<hr/>
Total	1,236	0
	<hr/> <hr/>	<hr/> <hr/>

The contingent liability for premature pensions following injury relates to a number of employee applications to the DHSSPS outstanding as at the 31 March 2009. The estimated financial impact if all were approved would be an annual charge to the Net Expenditure Account of £38k and an increase in provisions of £1,235k. Uncertainties relate to the DHSSPS application process, the pension figures approved and the remaining life of the applicants.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 24 LOSSES & SPECIAL PAYMENTS

24. Analysis of Losses & Special Payments

TYPE OF LOSS	NO. OF CASES	VALUE £
1 Cash Losses - Theft, fraud etc	0	0
2 Cash Losses - Overpayments of salaries, wages and allowances	0	0
3 Cash Losses - Other causes (including unvouched and incompletely vouched payments)	0	0
4 Nugatory and fruitless payments - Abandoned Capital Schemes	0	0
5 Other nugatory and fruitless payments	0	0
6 Bad debts and claims abandoned	0	0
7 Stores and Inventory Losses - Theft, fraud, arson (whether proved or suspected) etc		
i. Bedding and linen	0	0
ii. Other equipment and property	0	0
8 Stores and Inventory Losses - Incidents of the service (result of fire, flood, etc)	0	0
9 Stores and Inventory Losses - Deterioration in store	0	0
10 Stores and Inventory Losses - Stocktaking discrepancies	0	0
11 Stores and Inventory Losses - Other causes		
i. Bedding and linen	0	0
ii. Other equipment and property	2	2,033
12 Compensation payments (legal obligation)		
i. Clinical Negligence	0	0
ii. Public Liability	1	375
iii. Employers Liability	6	16,500
13 Ex-gratia payments - Compensation payments (including payments to patients and staff)	0	0
14 Ex-gratia payments - Other payments	4	691
15 Extra statutory payments	0	0
16 a. Losses sustained as a result of damage to buildings and fixtures arising from bomb explosions or civil commotion.	0	0
b. Damage to vehicles	0	0
Total	13	19,599

24.1 Special Payments

The Northern Ireland Ambulance Service HSC Trust did not make any special payments of gifts during the financial year.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 25 RELATED PARTY TRANSACTIONS

25. Related Party Transactions

None of the directors of the Trust hold company directorships with companies that are likely to do business with the HSC.

During the year, none of the board members, members of the key management staff or other related parties has undertaken any material transactions with the Northern Ireland Ambulance Service HSC Trust.

The Department of Health, Social Services and Public Safety is regarded as a related party and the ultimate controlling parent Department. During the year the Northern Ireland Ambulance Service HSC Trust has had a significant number of material transactions with other entities for which the Department is regarded as the ultimate controlling parent Department. These entities include the four Health and Social Care Boards, the five HSC Trusts and the Central Services Agency.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 26 THIRD PARTY ASSETS

26. Third Party Assets

The Trust held £NIL Cash at bank and in hand at 31/3/2009 which relates to monies held by the Trust on behalf of patients. The Trust does not hold any monies on behalf of patients due to the nature of the service provided.

NOTE 27 POST BALANCE SHEET EVENTS

27. Post Balance Sheet Events

There are no post balance sheet events which have a material effect on the accounts.

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 28 CASH FLOW

28.1 Reconciliation of Net Expenditure to Operating Cash Flows

		2009	Restated
		£'000	2008
			£'000
Net expenditure		(55,685)	(49,560)
Adjustments for non cash transactions	3.0	3,274	3,388
Profit on sale of fixed assets	3.0	(3)	(37)
Transfer from donation reserve		0	0
Increase/(decrease) in provisions		821	768
(Increase)/decrease in stocks		(8)	1
(Increase)/decrease in debtors		4,632	3,672
Increase/(decrease) in creditors		(1,453)	166
		<hr/>	<hr/>
Net cash outflow from operating activities		(48,422)	(41,602)

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 28 CASH FLOW

28.2 Reconciliation of Net Cash Flow to Movement in Net Debt

	2009	2008
	£'000	£'000
Increase/(decrease) in cash in the year	(2,003)	1,999
Cash inflow from new debt	0	0
Cash outflow from debt repaid and finance lease capital payments	0	9
Cash (inflow)/outflow from decrease/increase in liquid resources	0	0
	<hr/>	<hr/>
Change in net debt resulting from cash flows	(2,003)	2,008
Non-cash changes in debt	0	(9)
	<hr/>	<hr/>
Net Debt at 01 April	(157)	(2,156)
	<hr/>	<hr/>
Net Debt at 31 March	(2,160)	(157)
	<hr/> <hr/>	<hr/> <hr/>

NORTHERN IRELAND AMBULANCE SERVICE HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

NOTE 28 CASH FLOW

28.3 Analysis of Changes in Net Debt

	At 1 April 2008 £'000	Cash flows £'000	Non-cash changes £'000	At 31 March 2009 £'000
Cash at bank and in hand	0	0	0	0
Bank overdrafts	0	0	0	0
Debt due within 1 year	0	0	0	0
Debt due after 1 year	(2,261)	0	0	(2,261)
Finance leases	0	0	0	0
Current asset investments	2,104	(2,003)	0	101
	(157)	(2,003)	0	(2,160)

Northern Ireland Ambulance Service Health and Social Care Trust

THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Asset valuations at 31 March 2009

1. Fixed assets, including land and buildings, are stated at the lower of replacement costs and recoverable value in the balance sheet. Every five years land and buildings in the public sector must be professionally valued in line with financial reporting standards¹. Professional valuations are carried out by the District Valuers of the Land & Property Services Agency (LPS). The values of these assets are then restated in the balance sheet in line with their current value. Within the health and social care sector the next asset valuations are due in 2009-10 as at the valuation date of 31 March 2010.
2. Between five-year valuations land and buildings' values are updated annually to reflect current value through the use of indices. The indices to be applied are communicated to health and social care bodies by the Department of Health, Social Services & Public Safety (the Department), based on information provided by LPS. The buildings index is based on the All in Tender Price Index published by the Building Cost Information Service. The land indices are based on urban and rural land value indices provided to the Department by LPS and accord with the Royal Institution of Chartered Surveyors' red book.
3. I note, from my review of the 2008-09 accounts of the 6 Health & Social Care Trusts and one Agency that the accounts record land values at 31 March 2009 remaining the same as at 31 March 2008 and building values increasing by 2.93 per cent leading to significant changes in values recorded in the accounts over this period. I am content that Trusts and the Agency have correctly applied the indices advised by the Department. However this is against a background where in general, land and buildings values have reduced and, in many instances, declined considerably. My staff sought the Department's views on this anomaly.
4. The Department advised that LPS is requested to forecast the indices for 31 March at the start of each financial year. Consequently, there is a risk that these forecasts may not be in line with the actual values at the year end. LPS has confirmed that it is content with the levels of building and land values, derived from the indices supplied, at the time the forecast indices were provided. Furthermore, it considers that the indexed land and building values at 31 March 2009 to be fair and reasonable. The Department also advised that, in applying this methodology, it is likely that land and buildings' values were understated in prior years during Northern Ireland's recent property boom and that any previous over/under estimates have been corrected in the new forecasts going forward.
5. Based on these facts, the Department needs to revisit its methodology for valuing assets in the period between five year valuations, in consultation with LPS. It should also be prepared to challenge the outcome of the process.
6. I am also interested in why land and buildings' valuations appeared to vary so much throughout the public sector in 2008-09. To this end, I recommend that the Department of Finance & Personnel reviews the position as to the valuations being applied to accounts throughout the public sector and, in particular, the application of indices to ensure consistency.

¹ Financial Reporting Standard (FRS) 15 Tangible Fixed Assets

7. I will keep developments on this matter under review and I may wish to comment further in the next General Report on the Health & Social Care Sector and elsewhere. It will be important that any lessons to be learned are properly disseminated across Northern Ireland and I will look to the Department to take the lead in that regard, as appropriate.

A handwritten signature in black ink, appearing to read 'JM Dowdall', written in a cursive style.

JM Dowdall CB
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 IEU

19th June 2009