

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

ANNUAL ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2006

**Presented to the Houses of Parliament
By the Secretary of State for Northern Ireland
By Command of Her Majesty**

AUGUST 2006

FOREWORD

These accounts for the year ended 31 March 2006 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.

STATEMENT OF THE NORTHERN IRELAND AMBULANCE SERVICE HSS 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 (NIAS) HSS 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 NIAS HSS 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 W McIvor of the NIAS HSS Trust as the Accountable Officer for the Trust. His relevant responsibilities as Accountable 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 Accountable 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.

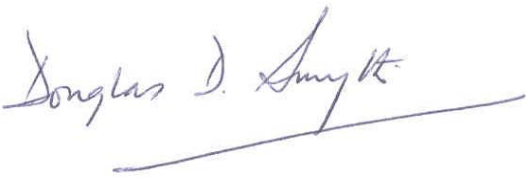
CERTIFICATES OF DIRECTOR OF FINANCE, CHAIRMAN AND CHIEF EXECUTIVE

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 12 to 53) which I am required to prepare on behalf of the Northern Ireland Ambulance Service Health and Social Services 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 HSS Trusts approved by the DHSSPS.

Director of Finance 

Date 29 June 2006

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 12 to 53) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

Chairman 

Date 29 June 2006

Chief Executive 

Date 29 June 2006

STATEMENT ON INTERNAL CONTROL FOR THE FINANCIAL YEAR 2005/06

Scope of Responsibility

The Board of the Northern Ireland Ambulance Service HSS Trust (NIAS) is accountable for internal control. As Accountable 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, and for reviewing the effectiveness of the system.

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;
- 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 Services 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.

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;
- 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 2006, 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;
- standing orders and standing financial instructions, the establishment of an audit 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;
- 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 2005/06 Internal Audit reviewed the following systems:

- Bank & Cash;
- Payments to Creditors;
- Payroll;
- Financial Ledgers;
- Budgetary Control;
- Ordering & Receipt of Goods.

A review of overtime was also completed during the financial year. In his annual report, the Internal Auditor reported that the NIAS system of internal control was adequate and effective. However, weaknesses in control were identified in a number of areas. For example, the requirement to update various procedures was outlined along with the need to ensure that these procedures are followed. Some areas where the segregation of duties could be improved were also highlighted. 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.

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 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 evaluate the most appropriate model of Clinical Supervision. It continues to benchmark with other Ambulance Services and will develop a pilot for the introduction of an enhanced system of Clinical Supervision.

Capacity to handle risk

The Northern Ireland Ambulance Trust has established a Risk Management Steering Group (RMSG), which is responsible for overseeing all aspects of risk management within the organisation. This group now has a non-executive membership and it has been recommended to the Trust Board that this body be convened as a full sub-committee of the Board. The RMSG 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 Trusts Medical Director has been given delegated responsibility for risk management and a full time Risk Manager has been in post since July 2005.

Staff are currently trained in the practical aspects of the management of the risks associated with clinical practice, health and safety etc through the various training programmes delivered within and for the Trust. Specific risk related courses are included to cover risks such as Driving, Patient Handling, Care and Responsibility and Untoward Incident Reporting. A number of specific stand-alone risk management training courses have been developed to complement the Trusts revised risk strategy and these will be introduced during the incoming year through the Trusts ongoing training programmes.

A revised risk management strategy which complies with the AS/NZS 4360 Risk Management Standard has been developed and benchmarked against the risk management strategies of a number of other ambulance trusts. It stresses the responsibility of each person within the organisation with regards to the management of risk. The identification, reporting and the treatment of risk will all be communicated within the risk management training courses provided.

The Trusts Untoward Incident Reporting Procedure has also been revised to ensure compliance with the Australian Standard and all incidents are now reported using a standard form then recorded and analysed on the Trusts risk management software system.

The risk and control framework

The Trusts 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 Trusts 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 RMSG.

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.

During the year, the Trust assessed its compliance with the 19 Controls Assurance Standards which were defined by the Department and against which a degree of progress is expected in 2005/6. Performance against these standards was evaluated through a process of self assessment and also independent verification by Internal Audit. The Trust achieved the following levels of compliance for 2005/06.

Standard	Required Level of Compliance	Audit Assessment	Self Assessment
Buildings, land, plant and non-medical equipment	Moderate		Moderate
Decontamination of medical devices	Substantive		Substantive
Emergency Planning	Moderate		Substantive
Environmental Cleanliness	Substantive	Moderate	Moderate
Environment Management	Moderate	Moderate	Moderate
Financial Management	Substantive	Substantive	Substantive
Fire safety	Substantive		Substantive
Fleet and Transport Management	Moderate	Moderate	Moderate
Governance	Substantive	Substantive	Substantive
Health & Safety	Moderate		Substantive
Human Resources	Moderate	Substantive	Substantive
Infection Control	Substantive		Substantive
Information Communication Technology	Moderate		Moderate
Management of Purchasing and Supply	Moderate		Substantive
Medical Devices and Equipment Management	Moderate		Substantive
Medicines Management	Moderate	Substantive	Substantive
Records Management	Moderate		Moderate
Risk Management	Substantive	Substantive	Substantive
Waste Management	Substantive		Substantive

Level & Scoring: Minimal (1-29%), Moderate (30-69%), Substantive (70-99%)

The Trust has met or exceeded the required levels of compliance as determined by the Department with the exception of the Environmental Cleanliness Standard. Performance against this standard was moderate, mainly due to the need to establish appropriate accountability arrangements, establish appropriate processes, targets and performance indicators and obtain independent assurance that an effective system of managing environmental cleanliness risk is in place.

The Trust continues to develop systems and processes to ensure compliance with Controls Assurance Standards. This will include a review of the additional Internal Audit resources required as part of the audit assessment, the approach to self assessment and also the evidence required to demonstrate compliance.

Review of Effectiveness

As Accountable 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, 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.

The Audit Committee, with agreed terms of reference, provides an independent and objective view of internal financial control by:

- Overseeing internal and external audit services;
- Reviewing financial systems;
- Ensuring compliance with Standing Orders and Standing Financial Instructions;
- Reviewing schedules of losses and compensation payments and making recommendations to the Board;
- Review and discuss the annual financial statements before submission to the Board.

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 Trusts infection control programme;
- To oversee the preparation of an Annual Report on Clinical Governance.

Internal Audit 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;
- 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.

The Chief Executive is ultimately accountable to the Board and, as Accountable 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.

Chief Executive



Date

29 June 2006

NORTHERN IRELAND AMBULANCE SERVICE HEALTH AND SOCIAL SERVICES TRUST

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

I certify that I have audited the financial statements of the Northern Ireland Ambulance Service Health and Social Services Trust for the year ended 31 March 2006 under the Health and Personal Social Services (Northern Ireland) Order 1972 as amended. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash flow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Trust, Accountable Officer and Auditor

The Trust and Accountable Officer are responsible for preparing the Annual 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 Trust's and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements 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 also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the Northern Ireland Ambulance Service Health and Social Services 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 relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 4 to 9 reflects the Northern Ireland Ambulance Service Health and Social Services Trust's compliance with the Department of Health, Social Services and Public Safety's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accountable Officer's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the Northern Ireland Ambulance Service 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 only the Chairman's Statement, the unaudited part of the Remuneration Report and the Management Commentary. I consider the implications for my report 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 opinion

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 judgements made by the Trust and Accountable Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Northern Ireland Ambulance Service Health and Social Services 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 Parliament 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.

Opinion

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 the Department of Health, Social Services and Public Safety, of the state of the Northern Ireland Ambulance Service Health and Social Services Trust's affairs as at 31 March 2006 and of its deficit, total 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 directions made thereunder by the Department of Health, Social Services and Public Safety; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.



JM Dowdall CB
Comptroller and Auditor General
18 August 2006

Northern Ireland Audit Office
106 University Street
BELFAST BT7 1EU

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

		2006	2005
	NOTE	£000	£000
Income from Activities	2	44,296	39,348
Other Operating Income	3	345	593
		<u>44,641</u>	<u>39,941</u>
Operating Expenses	4,5	<u>(44,293)</u>	<u>(38,839)</u>
SURPLUS (DEFICIT) BEFORE INTEREST		348	1,102
Interest Receivable		242	102
Interest Payable	8	<u>(223)</u>	<u>(239)</u>
SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		367	965
Public Dividend Capital Dividends Payable	15	<u>(388)</u>	<u>(955)</u>
OPERATIONAL SURPLUS (DEFICIT) BEFORE PROVISIONS			
	21	(21)	10
Provisions for Future Obligations	9.1	<u>(187)</u>	<u>127</u>
RETAINED SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		<u>(208)</u>	<u>137</u>
BREAK EVEN POSITION	21	<u>(21)</u>	<u>10</u>

The notes on pages 16 to 53 form part of these accounts.

All Income and Expenditure is derived from continuing activities.

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

BALANCE SHEET AS AT 31 MARCH 2006

		2006		2005	
	NOTE	£000	£000	£000	£000
FIXED ASSETS					
Intangible assets	10		0		0
Tangible assets	11		<u>17,828</u>		<u>19,000</u>
			17,828		19,000
CURRENT ASSETS					
Stocks and work in progress	12	90		97	
Debtors: Amounts falling due					
Within one year	13	5,839		4,502	
After one year	13	191		23	
Short term investments	14	105		105	
Cash at bank and in hand		<u>0</u>		<u>0</u>	
TOTAL CURRENT ASSETS			6,225		4,727
CREDITORS: Amounts falling due within one year	15		<u>(7,173)</u>		<u>(6,324)</u>
NET CURRENT ASSETS (LIABILITIES)			<u>(948)</u>		<u>(1,597)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			16,880		17,403
CREDITORS: Amounts falling due after more than one year	15		(2,261)		(2,428)
PROVISIONS FOR LIABILITIES AND CHARGES	17		<u>(1,859)</u>		<u>(1,504)</u>
TOTAL ASSETS EMPLOYED			<u>12,760</u>		<u>13,471</u>
FINANCED BY:					
CAPITAL AND RESERVES					
Public dividend capital	18		9,380		10,286
Revaluation reserve	19		4,694		4,291
Donation reserve	19		0		0
Realised donation reserve	19		0		0
Other reserves	19		0		0
Income and expenditure reserve	19		<u>(1,314)</u>		<u>(1,106)</u>
			<u>12,760</u>		<u>13,471</u>

The notes on pages 16 to 53 form part of these accounts.

Chief Executive
Date


29 June 2006

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2006

	2006		2005	
	£000	£000	£000	£000
Surplus/(Deficit) for the financial year		367		965
Provisions for future obligations		<u>(187)</u>		<u>127</u>
		180		1,092
Fixed asset impairment losses		0		0
Non donated Fixed Assets				
Indexation of fixed assets	196		786	
Unrealised Surplus/(deficit) on revaluation of fixed assets	<u>158</u>		<u>234</u>	
		354		1,020
Donated Assets				
Additions to donated assets	0		0	
Changes to donation reserve (except transfers to realised donation reserve)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total recognised gains and losses relating to the year		534		2,112
Additions to Capital Assets Reserve		<u>0</u>		<u>0</u>
TOTAL GAINS/(LOSSES) RECOGNISED IN THE FINANCIAL YEAR		<u>534</u>		<u>2,112</u>

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2006

	2006		2005	
	£000	£000	£000	£000
Net Cash Inflow from Operating Activities (Note 28.1)		3,973		2,834
Returns on Investments and Servicing of Finance				
Interest received	235		101	
Interest paid	(223)		(239)	
Interest element of finance lease rental payments	<u>0</u>		<u>0</u>	
Net Cash (Outflow)/Inflow from Returns on Investments and Servicing of Finance		12		(138)
Capital Expenditure				
Payments to acquire intangible fixed assets	0		0	
Receipts from sales of intangible fixed assets	0		0	
Payments to acquire tangible fixed assets	(2,079)		(2,068)	
Receipts from sale of tangible fixed assets	<u>17</u>		<u>2</u>	
Net Cash Inflow/(Outflow) from Capital Expenditure		(2,062)		(2,066)
Dividends Paid		(955)		(462)
Management of Liquid Resources				
Purchase of current asset investments	0		0	
Sale of current asset investments	<u>0</u>		<u>0</u>	
Net Cash Inflow/(Outflow) from Management of Liquid Resources		<u>0</u>		<u>0</u>
Net Cash Inflow/(Outflow) before Financing		968		168
Financing				
New money capital reserve	0		0	
New public dividend capital	0		0	
New long-term loans – Government	0		0	
New long-term loans – Others	0		0	
New short-term loans – Government	0		0	
New short term loans – Others	0		0	
Repayment of loans – Government	(168)		(167)	
Repayment of loans – Others	(800)		0	
Capital element of finance lease rental payments	<u>0</u>		<u>0</u>	
Net Cash Inflow/ (Outflow) from Financing		<u>(968)</u>		<u>(167)</u>
Increase/(Decrease) in Cash (Notes 28.2 and 28.3)		<u><u>0</u></u>		<u><u>1</u></u>

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

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 the 2005/06 HPSS Trust Manual of Accounts 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 HPSS 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:

Paragraph 20 of Financial Reporting Standard 3 "Reporting Financial Performance" requires certain items of expenditure to be separately disclosed in the income and expenditure account after operating surplus/(deficit). These expenditure items do not include the costs associated with provision for liabilities and charges which are normally included within the calculation of the operating surplus/(deficit). However, as the Department measures the operating performance of Trusts by reference to the operating surplus/(deficit) excluding the impact of certain provisions, the income and expenditure account is presented to disclose the operating surplus/(deficit) before provisions for future obligations.

Financial Reporting Standard 15 "Tangible Fixed Assets" requires impairment losses on revalued fixed assets to be recognised in the Statement of Total 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 Income and 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.

1.4 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; they can be valued; 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). They are amortised over the shorter of the term of the licence and their useful economic lives.

1.5 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 in excess of £5,000; OR
- they satisfy the criteria of a grouped asset 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 Valuations and Land Agency. 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.

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 adjustments arising from indexation and five-yearly revaluations are taken to the Revaluation Reserve. All impairments resulting from price changes are charged to the Statement of Total Recognised Gains and Losses. Falls in value when newly constructed assets are brought into use are also charged there. These falls in value result from the adoption of ideal conditions as the basis for depreciated replacement cost valuations.

Assets in the course of construction are valued at current cost using the indexes as for land and buildings, as above. 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 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 NHS 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.

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. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

1.6 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 Income and Expenditure account. Similarly, any impairment on donated assets charged to the Income and 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 Income and Expenditure Reserve.

1.7 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 therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits and is amortised through the income and expenditure account on a systematic basis over the period expected to benefit from the project.

1.8 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 Income and 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.

1.9 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.

1.10 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. This is a change from the rate of 3.5% applied in 2004-05 and earlier. The effect of the change is to increase the carrying value of the provision and this is shown in the Income and Expenditure Account at Note 17.

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

1.11 Clinical Negligence Central Fund

A Clinical Negligence Central Fund was established in 1998 to manage the payment of clinical negligence settlements. HSS Trusts are reimbursed by the Central Fund for payments made. Reimbursements are accounted for as income.

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

1.12 Pensions

The Trust participates in the HSS 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 HPSS Superannuation Scheme can be found in the HPSS 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 Income and 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 2003 valuation, and updates it to reflect current conditions.

1.13 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 30 to the accounts.

1.14 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 Income and Expenditure Account in the year in which they arise.

1.15 Losses

This note (Note 27) 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.

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

2. Income from Activities	2006	2005
	£000	£000
NI Health and Social Services Boards	42,990	38,133
GB/Republic of Ireland Health Authorities	0	0
HSS Trusts	1,306	1,214
Non-HPSS:		
- private patients	0	1
- other	0	0
Clients contributions	0	0
Total	44,296	39,348
3. Other Operating Income	2006	2005
	£000	£000
Patient transport services	0	0
Other income from non-patient services	246	586
NIMDTA / NICPMDE	0	0
SUMDE	0	0
Charitable and other contributions to expenditure	0	0
Transfers from the donation reserve in respect of	0	0
Depreciation on donated assets		
Income in respect of fixed asset impairments	99	7
Profit on sale of land	0	0
Clinical Negligence Central Fund	0	0
Reversal of fixed asset impairments	0	0
Other income	0	0
Total	345	593

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

4. Other Operating Expenses

4.1 Other Operating Expenses are as follows:-

	2006 £000	2005 £000
Salaries and Wages (excluding Board members remuneration)	33,117	27,775
Executive Board members remuneration	361	307
Non-executive Board members remuneration	46	46
Supplies and services - clinical	402	639
Supplies and services - general	203	242
Establishment	913	1,075
Transport	3,492	3,160
Premises	1,475	1,209
Bad debts	0	4
Depreciation and amortisation	3,055	3,113
(Profit) on disposal of fixed assets	(17)	(1)
Loss on sale of land or fixed assets	0	7
Fixed asset impairments	99	7
Purchase of care from non-HSS bodies and grants to voluntary organisations	0	0
Personal social services	0	0
Recharges from other HSS organisations	324	347
Clinical Negligence Payments:		
- Provisions Utilised	0	0
- Other	0	0
Audit fees	20	31
Other auditors remuneration	0	0
Miscellaneous	803	878
Total	<u>44,293</u>	<u>38,839</u>

4.2 Operating Leases

Operating expenses include the following amounts in respect of hire and operating lease rentals:

	2006 £000	2005 £000
Hire of plant and machinery	0	0
Other operating leases	140	143
	<u>140</u>	<u>143</u>

Commitments under non-cancellable operating leases are:

	Land and buildings		Other Leases	
	2006 £000	2005 £000	2006 £000	2005 £000
Operating leases which expire:				
Within 1 year	7	34	0	0
Between 1 and 5 years	122	207	29	39
After 5 years	368	0	0	0
	<u>497</u>	<u>241</u>	<u>29</u>	<u>39</u>

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

5.1 Staff Costs

	Directly employed £000	Other £000	2006 £000	2005 £000
Salaries and Wages	29,409	338	29,747	24,743
Social security costs	2,004	0	2,004	1,755
Pension Costs for early retirements reflecting the single lump sum to buy over the full liability	0	0	0	0
Other Pension Costs	1,366	0	1,366	1,277
Early departure costs	0	0	0	0
Total	<u>32,779</u>	<u>338</u>	<u>33,117</u>	<u>27,775</u>

Of the total, £NIL has been charged to capital.

5.2 Average Number of Persons Employed

	Directly employed No.	Other No.	2006 No	2005 No
Medical and dental	1	0	1	1
Nursing and Midwifery	0	0	0	0
Professions Allied to medicine	0	0	0	0
Ancillaries	0	0	0	0
Administrative and clerical	59	16	75	74
Ambulance staff	895	4	899	849
Works	3	0	3	3
Other Professional and technical	0	0	0	0
Social Services	0	0	0	0
Other	0	0	0	0
Total	<u>958</u>	<u>20</u>	<u>978</u>	<u>927</u>

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

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

NOTE 5 (Contd)

5.3 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	Salary, including Performance Pay £000	Benefits in Kind (rounded to nearest £100)	Real increase in pension and related lump sum at age 60 £000	Total accrued pension at age 60 and related lump sum £000	CETV at 31/3/05 £000	CETV at 31/3/06 £000	Real increase in CETV £000
Non-Executive Members							
D Smyth	16-20	0	-	-	-	-	-
L Gillespie	5-10	0	-	-	-	-	-
M Greer	5-10	0	-	-	-	-	-
F Hughes	5-10	0	-	-	-	-	-
S Mullan	5-10	0	-	-	-	-	-
R Perrott	5-10	0	-	-	-	-	-
Executive Members							
L McIvor	60-65	0	5	53	151	170	8
.S McCue	*	*	*	*	*	*	*
R O'Hara	*	*	*	*	*	*	*
D McManus	*	*	*	*	*	*	*
B McNeill	*	*	*	*	*	*	*
B Snoddy	*	*	*	*	*	*	*

* Consent to disclose personal data in the Trust Annual Accounts and Annual Report has been withheld under the provisions of the Data Protection Act 1998.

During the financial year there was one change to the membership of the Board. Mr B McNeill was appointed Director of Operations from 01 June and replaced Mr B Snoddy (Assistant Director of Operations) who was acting to that post until 31 July.

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 from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the HSS 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 and framework prescribed by the Institute and Faculty of Actuaries.

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

NOTE 5 (Contd)

5.3 Senior Employees' Remuneration (Contd)

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.

The above figures include an estimate of the remuneration due to certain executives in respect of the annual pay uplift for cost of living and performance for the financial year 2005/06. Negotiations are currently ongoing between DHSSPS and the Department of Finance and Personnel (DFP) in agreeing the final pay award. Based on advice from DHSSPS the pension figures include an estimate of 3.225% and the salary figures include a revised estimate of 5.225%. An estimate of the total expected liability has also been accrued in the annual accounts consistent with DHSSPS guidance. The above figures do not include an estimate of the remuneration due to certain executives in respect of an Industrial Tribunal decision relating to entitlement to annual cost of living increases. This has not been included as the implications for each individual has not yet been fully determined.

5.4 Staff Benefits

	2006 £000	2005 £000
	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

5.5 Trust Management Costs

	2006 £000	2005 £000
Trust Management Costs	2,587	2,262
Total Income	<u>44,258</u>	<u>39,604</u>
% of Total Income	<u>5.85%</u>	<u>5.71%</u>

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

5.6 Retirements Due to Ill-Health

During 2005/06 there were 6 early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £27,989.

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

6.1 Public Sector Payment Policy - Measure of Compliance

The Department requires that Trusts pay their non HSS 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 codes and Government Accounting rules and its measure of compliance is:

	2006		2005	
	Number	£000	Number	£000
Total bills paid	12,776	11,579	11,223	9,076
Total bills paid within 30 day target	11,902	11,154	10,159	8,583
% of bills paid within 30 day target	<u>93.2%</u>	<u>96.3%</u>	<u>90.5%</u>	<u>94.6%</u>

6.2 The Late Payment of Commercial Debts Regulations 2002

The amount included within Interest Payable (Note 8) arising from claims made by small businesses under this legislation are as follows:

	£000
TOTAL	<u><u>0</u></u>

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

7. Profit (Loss) on Disposal of Fixed Assets

	2006 £000	2005 £000
Profit on disposal of intangible assets	0	0
Loss on disposal of intangible assets	0	0
Profit on disposal of land	0	0
(Loss) on disposal of land	0	0
Profit on disposal of buildings	0	0
(Loss) on disposal of buildings	0	0
Profit on disposal of plant and equipment	17	1
(Loss) on disposal of plant and equipment	0	(7)
Total	<u>17</u>	<u>(6)</u>

8. Interest payable

	2006 £000	2005 £000
Originating interest bearing debt	223	238
Further borrowing (government)	0	0
Further borrowing (other)	0	0
Finance leases	0	0
Other interest	0	1
Total	<u>223</u>	<u>239</u>

An amount of £41,873 is included within Note 9.4 for the unwinding of discount on provisions.

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

9.1 Provisions for Future Obligations

	2006 £000	2005 £000
Provisions in year:		
Clinical Negligence	156	(132)
Pensions	0	0
Employers liability	(86)	(59)
Public (Occupiers) liability	129	1
Injury benefit	152	91
Accrued leave	0	0
Restructuring	0	0
Industrial Relations Cases	40	(19)
Arising during the year (net) (note 9.2)	391	(118)
Change in Discount Rate (9.3)	61	0
Unwinding of Discount on Provisions (9.4)	42	45
Utilised in year (9.5)	(139)	(184)
Other (Specify)	0	0
Movement in Year (subtotal) (note 17.1)	355	(257)
Reimbursements Receivable (note 9.6)	(168)	130
Total increase/decrease (to Income and Expenditure Account)	187	(127)

9.2 Arising During the Year

	2006 £000	2005 £000
Provided in year (note 17)	671	402
Provisions not required (reversed/unused) (note 17)	(280)	(520)
Total Provided in year (9.1)	391	(118)

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006****NOTES TO THE ACCOUNTS****NOTE 9 (Contd)****9.3 Change in Discount Rate**

	2006 £000	2005 £000
Clinical Negligence (note 17)	0	0
Pensions relating to former directors (note 17)	0	0
Pensions relating to other staff (note 17)	0	0
Restructuring (note 17)	0	0
Other (note 17)	61	0
Total Change in Discount Rate (Note 9.1)	61	0

9.4 Unwinding of Discount on Provisions

	2006 £000	2005 £000
Unwinding of discount on Provisions is analysed as follows:		
Clinical Negligence (note 17)	12	2
Pensions relating to former directors (note 17)	0	0
Pensions relating to other staff (note 17)	0	0
Restructuring (note 17)	0	0
Other (note 17)	30	43
Total Unwinding of Discounts on Provisions (Note 9.1)	42	45

9.5 Utilised in Year

	2006 £000	2005 £000
Clinical Negligence (note 17)	0	0
Pensions relating to former directors (note 17)	0	0
Pensions relating to other staff (note 17)	0	0
Restructuring (note 17)	0	0
Other (note 17)	(139)	(184)
Total Utilised (note 9.1)	(139)	(184)

9.6 Reimbursements Receivable

	2006 £000	2005 £000
Clinical Negligence Central Fund	(168)	130
Other	0	0
Total Reimbursements Receivable (note 9.1)	(168)	130

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

10. Intangible Fixed Assets

	Software Licences £000
Cost or Valuation	
At 1 April 2005	0
Indexation	0
Additions – purchased	0
Additions -donated	0
Reclassifications	0
Other Revaluation	
Impairments	0
Disposals	0
At 31 March 2006	<u>0</u>
Amortisation	
At 1 April 2005	0
Indexation	0
Transfers	0
Revaluation	0
Impairments	0
Disposals	0
Provided during the year	0
At 31 March 2006	<u>0</u>
Net Book Value	
At 31 March 2006	
- Purchased	0
- Donated	0
Total at 31 March 2006	<u><u>0</u></u>
At 31 March 2005	
- Purchased	0
- Donated	0
Total at 31 March 2005	<u><u>0</u></u>

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006****NOTES TO THE ACCOUNTS****11. Tangible Fixed Assets****11.1 Tangible Fixed Assets comprise the following elements:****Purchased Assets**

	Land £000	Buildings, Installations and fittings £000	Computer Equipment £000	Other Equipment £000	Assets under Construction £000	Total £000
Cost or Valuation						
At 1 April 2005	1,075	9,102	1,620	17,890	2,105	31,792
Indexation	29	158	(143)	212	0	256
Additions	0	377	245	373	585	1,580
Reclassifications	0	0	0	0	0	0
Transfers	0	1,057	0	735	(1,792)	0
Revaluation	158	0	0	0	0	158
Impairments	0	0	0	0	0	0
Disposals	0	0	(480)	(1,062)	0	(1,542)
National Revaluation Exercise	0	0	0	0	0	0
At 31 March 2006	1,262	10,694	1,242	18,148	898	32,244
Depreciation						
At 1 April 2005	0	2,200	1,047	9,545	0	12,792
Indexation	0	33	(94)	121	0	60
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Impairments	0	0	0	50	0	50
Disposals	0	0	(480)	(1,011)	0	(1,491)
Reversal of impairments	0	0	0	0	0	0
Provided during the year	0	734	179	2,142	0	3,055
National revaluation exercise	0	0	0	(50)	0	(50)
At 31 March 2006	0	2,967	652	10,797	0	14,416
Net Book Value						
At 31 March 2006	1,262	7,727	590	7,351	898	17,828
At 31 March 2005	1,075	6,902	573	8,345	2,105	19,000

Of the total net book value at 31 March 2006, £NIL related to buildings, installations and fittings valued at open market value for alternative use.

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006****NOTES TO THE ACCOUNTS****NOTE 11.1 (Contd)****Donated Assets**

	Land £000	Buildings, Installations and fittings £000	Computer Equipment £000	Other Equipment £000	Assets Under Construction £000	Total £000
Cost or Valuation						
At 1 April 2005	0	0	0	0	0	0
Indexation	0	0	0	0	0	0
Additions	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
National Revaluation Exercise	0	0	0	0	0	0
At 31 March 2006	0	0	0	0	0	0
Depreciation						
At 1 April 2005	0	0	0	0	0	0
Indexation	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0
National revaluation exercise	0	0	0	0	0	0
At 31 March 2006	0	0	0	0	0	0
Net Book Value						
At 31 March 2006	0	0	0	0	0	0
At 31 March 2005	0	0	0	0	0	0

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

11.2 Total Tangible Fixed Assets:

	Purchased £000	Donated £000	Total £000	2005 £000
Net book value:				
Land	1,262	0	1,262	1,075
Buildings, Installations and Fittings	7,727	0	7,727	6,902
Computer Equipment	590	0	590	573
Other Equipment	7,351	0	7,351	8,345
Assets under Construction	898	0	898	2,105
Total	17,828	0	17,828	19,000

11.3 The Net Book Value of Land and Buildings comprises:

	2006 £000	2005 £000
Freehold	0	0
Long leasehold	8,989	7,977
Short leasehold	0	0
	8,989	7,977

11.4 The Net Book Value of Assets held under Finance Leases and Hire Purchase Contracts are as follows:

	2006 £000	2005 £000
Land	0	0
Buildings, Installations and Fittings	0	0
Computer Equipment	0	0
Other Equipment	0	0
Assets under construction	0	0
	0	0

The total amount of depreciation charged in the Income and Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £NIL (2005 £NIL).

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

13.3 Intra-Government Balances (Debtors)

Name	Debtors		Debtors	
	Amounts falling due within 1 year	Amounts falling due within 1 year	Amounts falling due after more than 1 year	Amounts falling due after more than 1 year
	2006	2005	2006	2005
	£000	£000	£000	£000
Department of Health, Social Services and Public Safety	4,693	428	191	23
Health and Social Services Boards	282	3,433	0	0
Health Estates Executive Agency	0	0	0	0
NI Central Services Agency	3	32	0	0
Other Central Government Bodies	353	472	0	0
Local Authorities	0	0	0	0
HSS/NHS Trusts	174	71	0	0
Public Corporations and Trading Funds	5	0	0	0
Intra-Government Balances	5,510	4,436	191	23
Balances with bodies external to government	329	66	0	0
Total Debtors at 31 March	5,839	4,502	191	23

14. Short-Term Investments

	2006 £000	2005 £000
Government Securities	0	0
Other Approved Public Sector Organisations	0	0
Banking Deposits	105	105
Others	0	0
Total	105	105

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

15. Creditors

	2006	2005
	£000	£000
15.1 Creditors: Amounts falling due within one year:		
Bank overdrafts	0	0
Current installments due on loans	167	168
Interest payable	9	10
Public dividend capital dividend payable	388	955
Public dividend capital payable in respect of impairments	99	0
Payments received on account	0	0
HPSS or NHS creditors and accruals	290	301
Non HPSS or NHS trade revenue creditors	5,445	3,599
Non HPSS or NHS trade capital creditors	762	1,261
Payroll creditors including taxation and social security	1	8
Net obligations under finance leases	0	0
Clinical Negligence	0	0
Pensions		
- relating to former directors	0	0
- relating to other staff	0	0
Other accruals	12	22
Other creditors	0	0
Sub Total	<u>7,173</u>	<u>6,324</u>
15.2 Creditors: Amounts falling due after more than one year:		
Long Term Loans	2,261	2,428
Obligations under finance leases and hire purchase contracts	0	0
HPSS or NHS Creditors	0	0
Clinical Negligence	0	0
Pensions		
- relating to former directors	0	0
- relating to other staff	0	0
Other	0	0
Sub Total	<u>2,261</u>	<u>2,428</u>
Total Creditors	<u>9,434</u>	<u>8,752</u>

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

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

NOTE 15 (Contd)

15.3 Intra-Government Balances (Creditors)

Name	Creditors		Creditors	
	Amounts falling due within 1 year	Amounts falling due within 1 year	Amounts falling due after more than 1 year	Amounts falling due after more than 1 year
	2006	2005	2006	2005
	£000	£000	£000	£000
Department of Health, Social Services and Public Safety	663	1,135	2,261	2,428
Health and Social Services Boards	0	4	0	0
Health Estates Executive Agency	0	0	0	0
NI Central Services Agency	15	53	0	0
Other Central Government Bodies	1	0	0	0
Local Authorities	2	156	0	0
HSS/NHS Trusts	275	244	0	0
Public Corporations and Trading Funds	0	0	0	0
Intra-Government Balances	956	1,592	2,261	2,428
Balances with bodies external to government	6,217	4,732	0	0
Total Creditors at 31 March	7,173	6,324	2,261	2,428

15.4 Finance Lease Obligations

The future minimum lease payments under finance leases to which the Trust was committed at the balance sheet date were as follows:

	2006 £000	2005 £000
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
	0	0

This total net obligation under finance leases can be analysed as follows:

	2006 £000	2005 £000
Creditors: amounts due within one year	0	0
Creditors: amounts due after more than one year	0	0
	0	0

15.5 Public Dividend Capital Dividends

	2006 £000	2005 £000
The dividend is in respect of Public Dividend Capital	388	955
	388	955

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

16. Loans

	Government Loans £000	Other Loans £000	2006 £000	2005 £000
Amounts falling due:				
In one year or less	167	0	167	168
Between one and two years	168	0	168	167
Between two and five years	502	0	502	503
In five years or more	1,591	0	1,591	1,758
Total	<u>2,428</u>	<u>0</u>	<u>2,428</u>	<u>2,596</u>

	Government Loans £000	Other Loans £000	2006 £000	2005 £000
Wholly repayable within five years	0	0	0	0
Wholly repayable after five years, not by installments	0	0	0	0
Wholly or partially repayable after five years by installments	2,428	0	2,428	2,596
Total	<u>2,428</u>	<u>0</u>	<u>2,428</u>	<u>2,596</u>

Total Repayable after five years by installments	<u>1,591</u>	<u>0</u>	<u>1,591</u>	<u>1,758</u>
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Loans wholly or partially repayable after five years:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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Terms of payment	Interest Rate %	2006 £000	2005 £000
Originating Capital Debt	8.750	2,428	2,596

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

17. Provisions for Liabilities and Charges

	Pensions relating to former directors £000	Pensions relating to Other staff £000	Clinical Negligence £000	Restructuring £000	Other £000	2006 £000	2005 £000
Balance at 31 March 2005	0	0	23	0	1,481	1,504	1,761
Change in discount rate	0	0	0	0	61	61	0
Restated Opening Balance	0	0	23	0	1,542	1,565	1,761
Arising during the year	0	0	157	0	514	671	402
Utilised during the year	0	0	0	0	(139)	(139)	(184)
Reversed unused	0	0	(1)	0	(279)	(280)	(520)
Unwinding of discount	0	0	12	0	30	42	45
At 31 March 2006	<u>0</u>	<u>0</u>	<u>191</u>	<u>0</u>	<u>1,668</u>	<u>1,859</u>	<u>1,504</u>

17.1 Movement in Year

	£000
Change in discount rate	61
Arising during the year	671
Utilised during the year	(139)
Reversed unused	(280)
Unwinding of discounts	42
Total	<u>355</u>

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

NOTE 17 (Contd)

Expected Timing of Cash Flow

	Pensions relating to former directors £000	Pensions relating to other Staff £000	Clinical Negligence £000	Restructuring £000	Other £000	2006 £000	2005 £000
Within 1 year	0	0	6	0	904	910	864
1-5 years	0	0	185	0	51	236	137
Over 5 years	0	0	0	0	713	713	503

The provision in respect of other liabilities and charges comprises £272,445 for Accrued Leave, £888,350 for Employers Liability and £507,687 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 DHSS&PS 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:

Clinical Negligence Central Fund	£000 191
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The clinical negligence provision includes £NIL for incidents against which claims have not, as yet been received. The related reimbursements, included in the debtors, amount to £NIL.

In addition to the clinical negligence provision, contingent liabilities for clinical negligence are given in Note 25.

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

18. Public Dividend Capital

	2006	2005
	£000	£000
Public dividend capital was issued as follows:		
During the reporting year	(906)	0
In prior years	10,286	10,286
Total	<u>9,380</u>	<u>10,286</u>

19. Movements on Reserves

	Revaluation	Donation	Realised	Other	Income and	Total
	Reserve	Reserve	Donation	Reserves	Expenditure	Total
	£000	£000	Reserve	£000	Reserve	£000
	£000	£000	£000	£000	£000	£000
At 1 April 2005	4,291	0	0	0	(1,106)	3,185
Retained surplus/ (deficit) for year	0	0	0	0	(208)	(208)
Revaluation and Indexation of fixed assets	403	0	0	0	0	403
Transfer of realised profits/(losses)	0	0	0	0	0	0
Movements in donation reserve	0	0	0	0	0	0
Fixed Asset Impairments	0	0	0	0	0	0
Other reserve movements	0	0	0	0	0	0
At 31 March 2006	<u>4,694</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,314)</u>	<u>3,380</u>

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

20. Reconciliation of Movement in Government Funds

	2006	2005
	£000	£000
Surplus/(deficit) for the financial year	367	965
less provisions for future obligations	(187)	127
less public dividend capital dividends	(388)	(955)
	<u>(208)</u>	<u>137</u>
Gains/(losses) from revaluation/indexation of		
Purchased fixed assets	403	1,020
Public dividend capital repayments	(906)	0
Public dividend capital issued	0	0
New Government loans issued	0	0
Government loans repayments	(168)	(167)
Additions (reductions) in other reserves	0	0
Net Movement in Government funds	<u>(879)</u>	<u>990</u>
Government funds at 31 March 2005	<u>16,190</u>	<u>15,200</u>
Government funds at 31 March 2006	<u>15,311</u>	<u>16,190</u>

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

21 Financial Performance Targets

21.1 Capital Cost Absorption Duty

The Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets. The rate is calculated as the percentage that interest payable on Government borrowing plus dividends payable on public dividend capital, totalling £611k, bears to the average relevant net assets of £15,628k, that is 3.9% (2004/2005 7.7%).

The Capital Cost Absorption (CCA) rate comprises two components – the Trust Debt Remuneration (TDR), and the Average Relevant Net Assets (ARNA), in order to achieve compliance with the 3.5% target the Trust needs to manage the TDR such that it equates to exactly 3.5% of the ARNA. The TDR comprises of Public Dividend Capital (PDC) dividend and Interest Payable and varies based on the actual out-turn depreciation deviation from the estimated primary capital charges forecast liability minus the 3.5% interest in ARNA (referred to as a windfall). The increased absorption is as a result of a number of factors as follows:

- i. Changes in the actual profile of capital programme from that forecast, primarily due to the supplier constraints.
- ii. Expenditure due to in-year changes to the approved capital programme notified by the DHSS&PS via changes to the Trusts CRL.

The Capital Cost Absorption Rate is calculated as follows:

Capital Cost Absorption rate (%) = (TDR/Average relevant net assets) x 100

	2006 £000
Trust Debt Remuneration is calculated as:	
Interest payable on Government borrowing	223
Plus	
Dividends payable on Public Dividend Capital	388
Trust Debt Remuneration	<u><u>611</u></u>

Average Relevant Net Assets is calculated as:

Average relevant net assets is the simple average of opening and closing relevant net assets, where each are calculated as follows:

	Opening £000	Closing £000	Average £000
Total capital and reserves (equivalent to total net assets)	13,471	12,760	13,116
Less:			
Donation reserve	0	0	0
Finance lease assets (during their primary lease term)	0	0	0
Plus:			
Interest Bearing Debt	2,596	2,428	2,512
Finance Lease Creditors (capital only)	0	0	0
Relevant Net Assets	<u><u>16,067</u></u>	<u><u>15,188</u></u>	<u><u>15,628</u></u>

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

21.2 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:

	2001/02 £000	2002/03 £000	2003/04 £000	2004/05 £000	2005/06 £000
i. Turnover	<u>27,191</u>	<u>29,795</u>	<u>33,302</u>	<u>39,941</u>	<u>44,641</u>
ii. Operational Surplus/(Deficit) for Financial Year before Provisions and Exceptional Income	<u>4</u>	<u>261</u>	<u>7</u>	<u>10</u>	<u>(21)</u>
iii. Break Even in year position	4	261	7	10	(21)
iv. Break Even cumulative position opening)	94	98	359	366	376
v. Other Adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
viii. Break Even Cumulative Position (closing)	<u>98</u>	<u>359</u>	<u>366</u>	<u>376</u>	<u>355</u>
Materiality Test:					
Break Even in year position as % of turnover	0.0%	0.9%	0.0%	0.0%	0.0%
Break Even cumulative position as % of turnover	0.4%	1.2%	1.1%	0.9%	0.8%

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

21.3 External Financing Limit

	2006 £000	2005 £000
External Financing Limit Set by the Department	<u>(907)</u>	<u>(113)</u>

The Trust stayed within its External Financing Limit by £167k. The Trust's External Financing Requirement for the year was £907k and was met as follows:-

	2006 £000	2005 £000
Increase/(decrease) in:		
Public dividend capital	(906)	0
Government long-term loans	(168)	(167)
Other long-term loans	0	0
Short-term loans	0	0
Overdrafts	0	0
Finance lease capital creditors	0	0
(Increase)/decrease in:		
Short-term investments	0	(1)
Cash at bank and in hand	0	0
External Finance Assessed	<u>(1,074)</u>	<u>(168)</u>

21.4 Capital Resource Limit

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

	2006 £000	2005 £000
Gross Capital Expenditure (charge against the CRL)	1,580	2,934
Capital Resource Limit (Over)/Underspend against CRL	<u>1,582</u> <u>2</u>	<u>2,936</u> <u>2</u>

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

22. Private Finance Transactions

22.1 PFI Schemes deemed to be off balance sheet

	2006 £000	2005 £000
Amounts included within operating expenses in respect of PFI transactions deemed to be off balance sheet	<u>0</u>	<u>0</u>
The Trust is committed to make the following payments during the next year	£000	£000
PFI scheme which expires within one year	0	0
2 to 5 years (inclusive)	0	0
6 to 10 years (inclusive)	0	0
11 to 15 years (inclusive)	0	0
16 to 20 years (inclusive)	0	0
21 to 25 years (inclusive)	0	0
26 to 30 years (inclusive)	0	0
31 to 35 years (inclusive)	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
	2006 £000	2005 £000
Estimated capital value of the PFI schemes		
Carparks	0	0
ATICS Equipment Scheme	0	0
Bed Management Scheme	0	0
Equipment Leases	0	0
Laboratory Equipment Scheme	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

22.2 Service element of PFI Schemes deemed to be on balance sheet

	2006	2005
	£000	£000
Amounts included within operating expenses in respect of the 'service' element of PFI schemes deemed to be on balance sheet.	<u>0</u>	<u>0</u>

The Trust is committed to make the following payments during the next year:

	2006	2005
	£000	£000
PFI scheme which expires within one year	0	0
2 to 5 years (inclusive)	0	0
6 to 10 years (inclusive)	0	0
11 to 15 years (inclusive)	0	0
16 to 20 years (inclusive)	0	0
21 to 25 years (inclusive)	0	0
26 to 30 years (inclusive)	0	0
31 to 35 years (inclusive)	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

The estimated annual payments in future years are expected to be materially different from those which the Trust is committed to make during the next year. The likely financial effect of this is £NIL (2005 £NIL).

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

23. Capital Commitments

Capital commitments at the balance sheet date are:-

	Finance Leases £000	Other £000	2006 Total £000	2005 Total £000
Contracted	0	562	562	244
Authorised by the Board, but not contracted	0	1,966	1,966	2,663
Total	0	2,528	2,528	2,907

24. Post Balance Sheet Events

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

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

25. Contingent Liabilities

Clinical Negligence

The Trust has contingent liabilities of £NIL 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:

	2006	2005
	£000	£000
Total estimate of contingent clinical negligence liabilities	0	1
Amount recoverable from the Clinical Negligence Central Fund	0	(1)
Net Contingent Liability	<u>0</u>	<u>0</u>

In addition to the above contingent liability, provisions for clinical negligence are given in Note 17.

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:

	2006	2005
	£000	£000
Public Liability	0	0
Employers' Liability	0	0
Accrued Leave	0	0
Injury Benefit	0	0
Other	0	0
Total	<u>0</u>	<u>0</u>

26. Related Party Transactions

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

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 HSS 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 HSS 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 Services Boards, the remaining 17 HSS Trusts and the Central Services Agency.

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

27. Analysis of Losses and 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	2	2,130
6. Bad debts and claims abandoned	2	317
7. Stores and Inventory Losses – Theft, fraud, arson (whether proved or suspected) etc	0	0
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	0	0
i. Bedding and linen	0	0
ii. Other equipment and property	0	0
12. Compensation payments (legal obligation)	0	0
i. Clinical Negligence	0	0
ii. Public Liability	0	0
iii. Employers Liability	11	119,137
13. Ex-gratia payments – Compensation payments (including payments to patients and staff)	0	0
14. Ex-gratia payments – Other payments	2	541
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	17	122,125

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

27. Special Payments

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

28. Notes to the Cash Flow Statement

28.1 Reconciliation of operating surplus (deficit) to net cash inflow from operating activities

	2006	2005
	£000	£000
Operating surplus (deficit)	348	1,101
Depreciation charge	3,055	3,113
(Profit)/loss on sale of fixed assets	(17)	7
Provisions for future obligations (I&E Account)	(187)	127
Fixed asset impairments	99	7
Transfer from donation reserve	0	0
Non-cash Items	0	0
Increase/(decrease) in provisions (Balance Sheet)	355	(257)
(Increase)/decrease in stocks	7	(19)
(Increase)/decrease in debtors	(1,505)	(2,671)
Increase/(decrease) in creditors	1,818	1,426
Net cash inflow from operating activities	<u>3,973</u>	<u>2,834</u>

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

28. Notes to the Cash Flow Statement

28.2 Reconciliation of net cash flow to movement in net debt

	2006		2005	
	£000	£000	£000	£000
Increase/(decrease) in cash in the period	0		1	
Cash inflow from new debt	0		0	
Cash outflow from debt repaid and finance lease capital payments	168		167	
Cash (inflow)/outflow from decrease/increase in liquid resources	<u>0</u>		<u>0</u>	
Change in net debt resulting from cash flows		168		168
Non-cash changes in debt		<u>0</u>		<u>0</u>
Net debt at 1 April 2005		<u>(2,491)</u>		<u>(2,659)</u>
Net debt at 31 March 2006		<u><u>(2,323)</u></u>		<u><u>(2,491)</u></u>

28.3 Analysis of changes in net funds/debt

	At 1 April 2005 £000	Cash flows £000	Non-cash changes £000	At 31 March 2006 £000
Cash at bank and in hand	0	0		0
Bank overdrafts	0	0		0
Debt due within 1 year	(168)	168	(167)	(167)
Debt due after 1 year	(2,428)	0	167	(2,261)
Finance leases	0	0		0
Current asset investments	105	0		105
	<u>(2,491)</u>	<u>168</u>	<u>0</u>	<u>(2,323)</u>

NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

NOTES TO THE ACCOUNTS

29. Financial Instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the relationships with HPSS Commissioners, and the manner in which they are funded, the Northern Ireland Ambulance Service HSS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Northern Ireland Ambulance Service HSS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Northern Ireland Ambulance Service HSS Trust in undertaking its activities.

30. Third Party Assets

The Trust held £NIL cash at bank and in hand at 31/3/2006 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.