

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

**ANNUAL ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2005**

**Presented to the Houses of Parliament  
By the Secretary of State for Northern Ireland  
By Command of Her Majesty  
SEPTEMBER 2005**

4

## **FOREWORD**

These accounts for the year ended 31 March 2005 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:

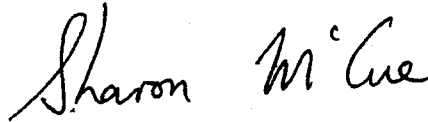
- observe the accounts direction issued by the Department of Health, Social Services and Public Safety including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- make judgements and estimates on a reasonable basis.
- state whether applicable 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 10 to 52) 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

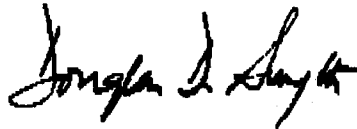


Date

18 August 2005

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 10 to 52) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

Chairman



Date

18 August 2005

Chief Executive



Date

18 August 2005

## **STATEMENT ON INTERNAL CONTROL FOR THE FINANCIAL YEAR 2004/05**

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 of NIAS, I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of the organisation, and for reviewing the effectiveness of the system.

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 to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in NIAS for the year ended 31 March 2005, 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 establishment of a remuneration 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 financial reports which indicate financial performance against the forecast;
- setting targets to measure financial and other performance measures;
- 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 2004-05 Internal Audit reviewed the following systems:

- Local Accounts Payable
- Bank & Cash
- Payroll

- Asset Management
- Stores
- Charitable Funds
- Fuel

In his annual report, the Internal Auditor reported that the Trust's system of internal control was adequate and effective. However, weaknesses in control were identified in a small number of areas. For example, Internal Audit has recommended a review of the administration, monitoring and reporting in relation to fuel and also the procedures and practices in place with regard to the management of stock. 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 has developed a risk management strategy, which has identified the organisation's objectives and risks and sets out a control strategy for each of the significant risks. The Trust has also established a Risk Management Steering Group to oversee the implementation of the Trust's risk management strategy and develop a risk register. Procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported and that risk management has been incorporated fully into the corporate planning and decision making process of the organisation. A Risk Manager has been appointed to progress developments in this area.

A system of Clinical Governance is established within the Trust. A Trust Board Clinical Governance Sub Committee has been formed and meets regularly. These meetings are recorded and minutes reported to Trust Board. A full time Medical Director has been in post from May 2003.

A Clinical Audit function has been established within the Trust. All clinical information contained in Patient Report Forms are now held electronically within the Formic Intelligent Data Capture System which enables data extraction and audit. A number of audits using this data have been carried out in the year. In particular, an

exercise to validate patient data and the audit process was undertaken. Also, a review of clinical activity and performance within the area of acute coronary care was carried out and presented to the Clinical Governance Committee. This area will continue to develop in 2005/06 with the support of Commissioners.

The Trust has secured funding to examine and evaluate the most appropriate model of Clinical Supervision. The Trust continues to benchmark with other Ambulance Services and will develop a pilot for the introduction of an enhanced system of Clinical Supervision.

During the year an additional eight Controls Assurance Standards were introduced bringing the total number of standards for 2004/05 to fourteen. Performance against these standards was evaluated through a process of self assessment and also independent verification by Internal Audit. The following levels of compliance were achieved:

Standard	Required	2004/05	
		Audit Assessment	Self Assessment
Buildings, Land, Plant & Non Medical Equipment	Moderate		Moderate - 64%
Decontamination of Medical Equipment	Substantive	Substantive – 95%	Substantive – 81%
Environmental Management	Moderate		Minimal 18%
<b>Financial Management*</b>	Substantive	Substantive – 90%	Substantive – 90%
Fire Safety	Substantive	Substantive – 78%	Substantive – 82%
<b>Governance*</b>	Substantive	Substantive – 75%	Substantive – 75%
Health & Safety	Moderate		Moderate – 54%
Human Resources	Moderate		Substantive – 82%
Infection Control	Substantive	Substantive – 73%	Substantive – 75%
Information & Communications Technology	Moderate		Substantive – 63%
Medical Devices & Equipment Management	Moderate		Substantive – 72%
Medicines Management	Moderate		Substantive – 85%
<b>Risk Management*</b>	Substantive	Substantive – 70%	Substantive – 70%
Waste Management	Moderate		Substantive – 73%

**\* Core Standard**

*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 Management Standard. Performance against this standard was minimal, 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 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.



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

Chief Executive



Date

18 August 2005

## **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 on pages 10 to 52 under the Health and Personal Social Services (Northern Ireland) Order 1972 as amended. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 14 to 19.

#### **Respective responsibilities of the Board Members, Chief Executive and Auditor**

As described on page 2, the Board Members and Chief Executive are responsible for the preparation of 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. The Board Members and Chief Executive are also responsible for the preparation of the contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are 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 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 if, in my opinion, the Trust has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 4 to 7 reflects the Trust's compliance with the Department of Health, Social Services and Public Safety's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by the Department of Health, Social Services and Public Safety, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Chief Executive's statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

#### **Basis of audit opinion**

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board Members and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

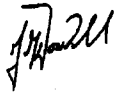
I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity 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 have also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Northern Ireland Ambulance Service Health and Social Services Trust at 31 March 2005 and of the surplus total recognised gains and losses and cash flows for the year ended and 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 Service 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.



**J M Dowdall CB**  
**Comptroller and Auditor General**

**Northern Ireland Audit Office**  
**106 University Street**  
**Belfast BT7 1EU**

**Date:**  
26<sup>th</sup> August 2005

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

## **INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005**

	NOTE	2005 £000	2004 £000
Income from Activities	2	39,355	32,474
Other Operating Income	3	586	828
Operating Expenses	4,5	<u>(38,833)</u>	<u>(32,653)</u>
<b>OPERATING SURPLUS (DEFICIT)</b>		1,108	649
Profit/(loss) on disposal of Fixed Assets	7	<u>(6)</u>	<u>(1)</u>
<b>SURPLUS (DEFICIT) BEFORE INTEREST</b>		1,102	648
Interest Receivable		102	73
Interest Payable	8	<u>(239)</u>	<u>(252)</u>
<b>SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR</b>		965	469
Public Dividend Capital Dividends Payable	15	<u>(955)</u>	<u>(462)</u>
<b>OPERATIONAL SURPLUS (DEFICIT) BEFORE PROVISIONS</b>		10	7
Provisions for Future Obligations	9.1	<u>127</u>	<u>90</u>
<b>RETAINED SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR</b>		<u>137</u>	<u>97</u>
<b>BREAK EVEN POSITION</b>	21	<u>10</u>	<u>7</u>

The notes on pages 14 to 52 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 2005

		2005	2004
	NOTE	£000	£000
<b>FIXED ASSETS</b>			
Intangible assets	10	0	0
Tangible assets	11	19,000	18,174
		19,000	18,174
<b>CURRENT ASSETS</b>			
Stocks and work in progress	12	97	78
Debtors: Amounts falling due			
Within one year	13	4,502	1,701
After one year	13	23	153
Short term investments	14	105	104
Cash at bank and in hand		0	0
		4,727	2,036
CREDITORS: Amounts falling due			
within one year	15	(6,324)	(3,539)
<b>NET CURRENT ASSETS (LIABILITIES)</b>		<b>(1,597)</b>	<b>(1,503)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>17,403</b>	<b>16,671</b>
Creditors: Amounts falling due after more than			
one year	15	(2,428)	(2,596)
Provisions for Liabilities and Charges	17	(1,504)	(1,761)
<b>TOTAL ASSETS EMPLOYED</b>		<b>13,471</b>	<b>12,314</b>
<b>FINANCED BY:</b>			
<b>CAPITAL AND RESERVES</b>			
Public dividend capital	18	10,286	10,286
Revaluation reserve	19	4,291	3,271
Donation reserve	19	0	0
Realised donation reserve	19	0	0
Other reserves	19	0	0
Income and expenditure reserve	19	(1,106)	(1,243)
		13,471	12,314

The notes on pages 14 to 52 form part of these accounts

Chief Executive

Date

18 August 2005

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

## **CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005**

	2005	2004
	£000	£000
<b>Net Cash Inflow from Operating Activities (Note 29.1)</b>		
	2,834	3,105
<b>Returns on Investments and Servicing of Finance</b>		
Interest received	101	73
Interest paid	(239)	(254)
Capital element of finance lease rental payments	0	0
<b>Net Cash (Outflow) Inflow from returns on Investments and Servicing of Finance</b>	(138)	(181)
<b>Capital Expenditure</b>		
Payments to acquire intangible fixed assets	0	0
Receipts from sales of intangible fixed assets	0	0
Payments to acquire tangible fixed assets	(2,068)	(4,656)
Receipts from sale of tangible fixed assets	2	2
<b>Net Cash Inflow (Outflow) from Capital Expenditure</b>	(2,066)	(4,654)
<b>Dividends Paid</b>	(462)	(835)
<b>Management of Liquid Resources</b>		
Purchase of current asset investments	0	0
Sale of current asset investments	0	0
<b>Net Cash Inflow (Outflow) from Management of Liquid Resources</b>	0	0
<b>Net Cash Inflow (Outflow) before Financing</b>	168	(2,565)
<b>Financing</b>		
New money capital reserve	0	0
New Public Dividend Capital	0	2,650
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	(167)	(168)
Repayment of Public Dividend Capital	0	0
Capital element of finance lease rental payments	0	0
<b>Net Cash Inflow (Outflow) from Financing</b>	(167)	2,482
<b>Increase (Decrease) in Cash (Notes 29.2 and 3)</b>	<u>1</u>	<u>(83)</u>

# NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2005

	2005	2004
	£000	£000
Surplus (Deficit) for the financial year	965	469
Provisions for future obligations	<u>127</u>	<u>90</u>
Fixed asset impairment losses	1,092 0	559 0
<b>Non donated Fixed Assets</b>		
Indexation of fixed assets	786	662
Unrealised Surplus (Deficit) on revaluation of fixed assets	<u>234</u>	<u>0</u>
	1,020	662
<b>Donated Assets</b>		
Additions to donated assets	0	0
Changes to donation reserve (except transfers to realised donation reserve)	<u>0</u>	<u>0</u>
<b>Total recognised gains and losses relating to the year</b>	2,112	1,221
Additions to Capital Assets Reserve	<u>0</u>	<u>0</u>
<b>TOTAL GAINS/(LOSSES) RECOGNISED IN THE FINANCIAL YEAR</b>	<u><u>2,112</u></u>	<u><u>1,221</u></u>
Total recognised gains/(losses) for the year (as above)		1,221
Prior year adjustment		145
Total gains and losses recognised since last Annual Report		<u><u>1,366</u></u>

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

**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 2004/05 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.

However, where an impairment arises due to consumption of economic benefits FRS 15 requires the loss to be recognised in the income and expenditure account in its entirety.

In the context of their capital accounting HSS Trusts take those impairment losses resulting from short term changes in price that are considered to be recoverable, 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.

#### **1.4 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 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 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. 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 HPSS 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 3.5% in real terms.

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 HPSS 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.

### **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 31 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 2005**

### **NOTES TO THE ACCOUNTS**

#### **2. Income from Activities**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
NI Health and Social Services Boards	38,140	31,232
GB/Republic of Ireland Health Authorities	0	0
General Practice Fundholders	0	0
HSS Trusts	1,214	1,241
Non-HPSS:		
- private patients	1	1
- other	0	0
Clients contributions	0	0
<b>Total</b>	<b>39,355</b>	<b>32,474</b>

#### **3. Other Operating Income**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Patient transport services	0	0
Other income from non-patient services	586	828
NICPMDE	0	0
SUMDE	0	0
Charitable and other contributions to expenditure	0	0
- Transfers from the donation reserve in respect of depreciation on donated assets	0	0
Income in respect of fixed asset impairments	0	0
Clinical Negligence Central Fund	0	0
Reversal of fixed asset impairments (specify)	0	0
Other income (specify where material)	0	0
<b>Total</b>	<b>586</b>	<b>828</b>

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

## **NOTES TO THE ACCOUNTS**

### **4. Operating Expenses**

#### **4.1 Operating Expenses are as follows:-**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Salaries and wages (excluding board members' remuneration)	27,791	22,219
Executive Board members remuneration	307	336
Non-executive Board members remuneration	46	47
Supplies and services - clinical	639	804
Supplies and services - general	242	438
Establishment	1,075	1,012
Transport	3,160	2,717
Premises	1,209	1,225
Bad debts	4	0
Depreciation and amortisation	3,113	2,610
Fixed asset impairments	7	0
Purchase of care from non-HPSS bodies and grants to voluntary organisations	0	0
Personal social services	0	0
Recharges from other HPSS organisations	347	372
Clinical Negligence Payments:		
- Provisions Utilised	0	0
- Other	0	0
Audit fees	31	27
Other auditors remuneration	0	0
Miscellaneous	862	846
<b>Total</b>	<b>38,833</b>	<b>32,653</b>

#### **4.2 Operating Leases**

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

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Hire of plant and machinery	0	0
Other operating leases	143	138
	<b>143</b>	<b>138</b>

Commitments under non-cancellable operating leases are:

	<b>Land and buildings</b>		<b>Other leases</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Operating leases which expire:				
Within 1 year	34	0	0	0
Between 1 and 5 years	207	138	39	20
After 5 years	0	0	0	0
	<b>241</b>	<b>138</b>	<b>39</b>	<b>20</b>

# NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

## ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

### NOTES TO THE ACCOUNTS

#### NOTE 5.1

##### 5.1 Staff Costs

	Directly employed £000	Other £000	2005 £000	2004 £000
Salaries and Wages	24,453	306	24,759	19,733
Social security costs	1,755	0	1,755	1,401
Pension Costs for early retirement reflecting the single lump sum to buy over the full liability	0	0	0	0
Other pension costs	1,277	0	1,277	1,085
Early departure costs	0	0	0	0
Total	27,485	306	27,791	22,219
Of the total, £NIL has been charged to capital				

##### 5.2 Average Number of Employees

	Directly employed No.	Other No.	2005 No.	2004 No.
Medical and Dental	1	0	1	0
Nursing and Midwifery	0	0	0	0
Professions Allied to Medicine	0	0	0	0
Ancillaries	0	0	0	0
Administrative and Clerical	55	19	74	70
Ambulance Staff	849	0	849	796
Works	3	0	3	3
Other Professional and Technical	0	0	0	0
Social Services	0	0	0	0
Other	0	0	0	0
	908	19	927	869



# NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

## ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

### NOTES TO THE ACCOUNTS

#### NOTE 5 (Cond)

#### 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 31/03/04 £000	CETV at 31/03/05 £000	Real increase in CETV £000
<b>Non-Executive Members</b>							
D Smyth	18	-	-	-	-	-	-
L Gillespie	*	*	-	-	-	-	-
M Greer	*	*	-	-	-	-	-
F Hughes	*	*	-	-	-	-	-
S Mullan	*	*	-	-	-	-	-
R Perrott	*	*	-	-	-	-	-
<b>Executive Members</b>							
L McIvor	59	0	1	49	130	154	13
S McCue	*	*	*	*	*	*	*
R O'Hara	*	*	*	*	*	*	*
B Snoddy	*	*	*	*	*	*	*
D McManus	*	*	*	*	*	*	*

\* 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 were a number of changes to the membership of the Board. Mr McIvor (Director of Operations) was acting Chief Executive from 01 April. After a full recruitment process Mr McIvor was appointed Chief Executive from 01 October. Mr Snoddy (Assistant Director of Operations) was acting Director of Operations from 26 June. The remuneration information disclosed above reflects the directors' salaries on a pro-rata basis.

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

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 HPSS 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 HSS TRUST**

## **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

### **NOTES TO THE ACCOUNTS**

#### **NOTE 5 (Contd)**

<b>5.4</b>	<b>Staff Benefits</b>	<b>2005</b>	<b>2004</b>
		<b>£000</b>	<b>£000</b>
		0	0
		<hr/>	<hr/>
		<b>0</b>	<b>0</b>
		<hr/>	<hr/>

#### **5.5 Trust Management Costs**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Trust Management Costs	2,262	2,110
Total Income	36,179	32,893
% of total income	<hr/> <b>6.3%</b> <hr/>	<hr/> <b>6.4%</b> <hr/>

The above figures exclude Agenda for Change funding in order that the % is comparable with the previous financial year. To date there are no Agenda for Change management costs, hence the inclusion of Agenda for Change funding would skew the above %.

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 2004/05 there were 4 early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £19,678.

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

## **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

### **NOTES TO THE ACCOUNTS**

#### **Related Party Transactions**

##### **6.1 Public Sector Payment Policy - Measure of Compliance**

The Department requires that Trusts pay their non HPSS 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:

	Number	2005 £000	Number	2004 £000
Total bills paid	11,223	9,076	10,751	10,237
Total bills paid within 30 day target	10,159	8,583	9,555	9,821
% of bills paid within 30 day target	90.5%	94.6%	88.9%	95.9%

##### **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>0</u>

There were no claims made under this legislation. However, during the year one supplier introduced a policy of late payment charges for invoices not paid within 30 days. The Trust incurred charges from this supplier totalling £957 which is included within Interest Payable (Note 8).

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

## **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

### **NOTES TO THE ACCOUNTS**

#### **7. Profit (Loss) on Disposal of Fixed Assets**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Profit on disposal of intangible assets	0	0
Loss on disposal of intangible assets	0	0
Profit on disposal of land and buildings	0	0
Loss on disposal of land and buildings	0	0
Profit on disposal of plant and equipment	1	2
Loss on disposal of plant and equipment	<u>(7)</u>	<u>(3)</u>
<b>Total</b>	<b><u>(6)</u></b>	<b><u>(1)</u></b>

#### **8. Interest Payable**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Originating interest bearing debt	238	252
Further borrowing (government)	0	0
Further borrowing (other)	0	0
Finance leases	0	0
Other interest (Late Payment Charges)	1	0
	<u>          </u>	<u>          </u>
<b>Total</b>	<b><u>239</u></b>	<b><u>252</u></b>

An amount of £44,976 is included within Note 9.3 for the unwinding of discount on provisions.

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

## **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

### **NOTES TO THE ACCOUNTS**

#### **9.1 Provisions for Future Obligations**

	<b>2005 £000</b>	<b>2004 £000</b>
Provisions in year:		
Clinical Negligence	(132)	(5)
Pensions	0	0
Employers Liability	(59)	(176)
Public (Occupiers) Liability	1	74
Injury Benefit	91	101
Accrued Leave	0	0
Restructuring	0	0
Industrial Relations Cases	(19)	3
Other (Specify)	0	0
	<hr/>	<hr/>
<b>Arising during the year (net) (9.2)</b>	<b>(118)</b>	<b>(3)</b>
Unwinding of Discount on Provisions (9.3)	45	50
Utilised in year (9.4)	(184)	(137)
Other (Specify)	0	0
	<hr/>	<hr/>
<b>Movement in Year (subtotal) (note 17)</b>	<b>(257)</b>	<b>(90)</b>
Reimbursements receivable (note 9.5)	130	0
<b>Total Increase/Decrease (to Income and Expenditure Account)</b>	<b><u>(127)</u></b>	<b><u>(90)</u></b>

#### **9.2 Arising During the Year**

	<b>2005 £000</b>	<b>2004 £000</b>
Provided in year (note 17)	402	464
Provisions not required (reversed unused) (note 17)	(520)	(467)
	<hr/>	<hr/>
<b>Total Provided in year (9.1)</b>	<b><u>(118)</u></b>	<b><u>(3)</u></b>

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

## **NOTES TO THE ACCOUNTS**

	<b>2005 £000</b>	<b>2004 £000</b>
<b>9.3 Unwinding of Discount on Provisions</b>		
Unwinding of discount on Provisions is analysed as follows:		
Clinical Negligence	2	5
Other	43	45
<b>Total Unwinding of Discounts on Provisions (Note 9.1)</b>	<b>45</b>	<b>50</b>
	<b>2005 £000</b>	<b>2004 £000</b>
<b>9.4 Utilised in year</b>		
Clinical Negligence (Note 17)	0	0
Pensions relating to other staff (note 17)	0	0
Restructuring (note 17)	0	0
Other (note 17)	(184)	(137)
<b>Total Utilised (Note 9.4)</b>	<b>(184)</b>	<b>(137)</b>
	<b>2005 £000</b>	<b>2004 £000</b>
<b>9.5 Reimbursements Receivable</b>		
Clinical Negligence Central Fund	130	0
Other (Specify)	0	0
<b>Total Reimbursements Receivable</b>	<b>130</b>	<b>0</b>

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

## **NOTES TO THE ACCOUNTS**

### **10 Intangible Fixed Assets**

<b>Cost or Valuation</b>	<b>Software licences £000</b>	<b>Other licences and trademarks £000</b>	<b>Patents £000</b>	<b>Development Expenditure £000</b>	<b>Total £000</b>
At 1 April 2004	0	0	0	0	0
Indexation	0	0	0	0	0
Additions - purchased	0	0	0	0	0
Additions - donated	0	0	0	0	0
Reclassifications	0	0	0	0	0
Other Revaluation					
Impairments	0	0	0	0	0
Disposals	0	0	0	0	0
At 1 April 2005	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Depreciation</b>					
At 1 April 2004	0	0	0	0	0
Indexation	0	0	0	0	0
Transfers	0	0	0	0	0
Revaluation	0	0	0	0	0
Impairments	0	0	0	0	0
Disposals	0	0	0	0	0
Reversal of impairments	0	0	0	0	0
Provided during the year	0	0	0	0	0
At 31 March 2005	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Book Value</b>					
At 31 March 2005	0	0	0	0	0
- Purchased					
- Donated					
<b>Total at 31 March 2005</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2004					
- Purchased	0	0	0	0	0
- Donated	0	0	0	0	0
<b>Total at 31 March 2004</b>	<u>0</u>	<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 2005

### NOTES TO THE ACCOUNTS

#### 11. Tangible Fixed Assets

##### 11.1 Tangible fixed assets comprise the following elements:

##### Purchased Assets

Cost or Valuation	Land £000	Buildings Installations and fittings £000	Computer Equipment £000	Other Equipment £000	Assets under Construction £000	Total £000
At 1 April 2004	655	8,501	1,552	19,393	0	30,101
Indexation	12	688	0	420	0	1,120
Additions	0	94	106	629	2,105	2,934
Reclassifications	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	(38)	(2,552)	0	(2,590)
National Revaluation Exercise	408	(181)	0	0	0	227
At 31 March 2005	<u>1,075</u>	<u>9,102</u>	<u>1,620</u>	<u>17,890</u>	<u>2,105</u>	<u>31,792</u>
<b>Depreciation</b>						
At 1 April 2004	0	1,395	896	9,636	0	11,927
Indexation	0	126	0	208	0	334
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Impairments	0	7	0	0	0	7
Disposals	0	0	(34)	(2,548)	0	(2,582)
Reversal of impairments	0	0	0	0	0	0
Provided during the year	0	679	185	2,249	0	3,113
National Revaluation Exercise	<u>0</u>	<u>(7)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7)</u>
At 31 March 2005	<u>0</u>	<u>2,200</u>	<u>1,047</u>	<u>9,545</u>	<u>0</u>	<u>12,792</u>
<b>Net Book Value</b>						
At 31 March 2005	<u>1,075</u>	<u>6,902</u>	<u>573</u>	<u>8,345</u>	<u>2,105</u>	<u>19,000</u>
At 31 March 2004	<u>655</u>	<u>7,106</u>	<u>656</u>	<u>9,757</u>	<u>0</u>	<u>18,174</u>

Of the total net book value at 31 march 2005, £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 2005**

## **NOTES TO THE ACCOUNTS**

### **Note 11.1 (Contd)**

#### **Donated Assets**

	<b>Land £000</b>	<b>Buildings Installations and fittings £000</b>	<b>Computer Equipment £000</b>	<b>Other Equipment £000</b>	<b>Assets under Construction £000</b>	<b>Total £000</b>
<b>Cost or Valuation</b>						
At 1 April 2004	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
<b>At 31 March 2005</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Depreciation</b>						
At 1 April 2004	0	0	0	0	0	0
Indexation	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
Reversal of Impairments	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
<b>At 31 March 2005</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Book Value</b>						
<b>At 31 March 2005</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At 31 March 2004</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

## **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

### **NOTES TO THE ACCOUNTS**

#### **11.2 Total Tangible Fixed Assets:**

	<b>Purchased £000</b>	<b>Donated £000</b>	<b>Total £000</b>	<b>2004 £000</b>
Net book value:				
Land	1,075	0	1,075	655
Buildings installations and fittings	6,902	0	6,902	7,106
Computer Equipment	573	0	573	656
Other Equipment	8,345	0	8,345	9,757
Assets under construction	<u>2,105</u>	<u>0</u>	<u>2,105</u>	<u>0</u>
<b>Total</b>	<b><u>19,000</u></b>	<b><u>0</u></b>	<b><u>19,000</u></b>	<b><u>18,174</u></b>

#### **11.3 The net book value of land and buildings comprises:**

	<b>2005 £000</b>	<b>2004 £000</b>
Freehold	0	0
Long leasehold	7,977	7,761
Short leasehold	<u>0</u>	<u>0</u>
	<b><u>7,977</u></b>	<b><u>7,761</u></b>

#### **11.4**

**The net book value of assets held under finance leases and hire purchase contracts are as follows:**

	<b>2005 £000</b>	<b>2004 £000</b>
Land	0	0
Buildings, Installations and fittings	0	0
Equipment	0	0
Assets under construction	<u>0</u>	<u>0</u>
	<b><u>0</u></b>	<b><u>0</u></b>

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 (2004 £NIL).

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

## **NOTES TO THE ACCOUNTS**

<b>12.</b>	<b>Stocks and Work in Progress</b>	<b>2005</b>	<b>2004</b>
		<b>£000</b>	<b>£000</b>
	Raw Materials and consumables	97	78
	Work in progress	0	0
	Finished goods	0	0
	<b>Total</b>	<b>97</b>	<b>78</b>
<b>13.</b>	<b>Debtors</b>	<b>2005</b>	<b>2004</b>
		<b>£000</b>	<b>£000</b>
	Amounts falling due within one year:		
	HSS or NHS debtors	3,506	220
	Clinical Negligence - Central Fund	0	0
	Other debtors	937	1,358
	Pension Prepayments		
	in respect of former directors	0	0
	in respect of other staff	0	0
	Other prepayments and accrued income	59	123
	<b>Sub Total</b>	<b>4,502</b>	<b>1,701</b>
	The balances are net of a provision for bad debts of £NIL (2004 £NIL)		
	Amounts falling due after more than one year:		
	HSS or NHS debtors	0	0
	Clinical Negligence - Central Fund	23	153
	Other debtors	0	0
	Pension Prepayments		
	in respect of former directors	0	0
	in respect of other staff	0	0
	Other prepayments and accrued income	0	0
	<b>Sub Total</b>	<b>23</b>	<b>153</b>
	<b>Total</b>	<b>4,525</b>	<b>1,854</b>
<b>14.</b>	<b>Short-term Investments</b>	<b>2005</b>	<b>2004</b>
		<b>£000</b>	<b>£000</b>
	Government Securities	0	0
	Other Approved Public Sector Organisations	0	0
	Banking Deposits	105	104
	Others (specify if in excess of £50,000)	0	0
	<b>Total</b>	<b>105</b>	<b>104</b>

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

## **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

### **NOTES TO THE ACCOUNTS**

#### **15. Creditors**

	<b>2005 £000</b>	<b>2004 £000</b>
<b>15.1 Creditors: Amounts falling due within one year:</b>		
Bank overdrafts	0	0
Current instalments due on loans	168	167
Interest payable	10	11
Public Dividend Capital dividend payable	955	462
PDC payable in respect of impairments	0	0
Payments received on account	0	0
HPSS or NHS creditors and accruals	301	400
Non HPSS or NHS trade revenue creditors	3,599	2,087
Non HPSS or NHS trade capital creditors	1,261	395
Payroll creditors including taxation and social security	8	2
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	22	15
Other creditors	0	0
<b>Sub Total</b>	<b>6,324</b>	<b>3,539</b>
<b>15.2 Creditors: Amounts falling due after more than one year:</b>		
Long term loans	2,428	2,596
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
<b>Sub Total</b>	<b>2,428</b>	<b>2,596</b>
<b>Total Creditors</b>	<b>8,752</b>	<b>6,135</b>

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 2005**

### **NOTES TO THE ACCOUNTS**

#### **15.3 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:

	<b>2005 £000</b>	<b>2004 £000</b>
Within one year	0	0
Between one and five years	0	0
After five years	<u>0</u>	<u>0</u>
Less finance charges allocated to future periods	<u>0</u>	<u>0</u>
	<u><u>0</u></u>	<u><u>0</u></u>

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

	<b>2005 £000</b>	<b>2004 £000</b>
Creditors: amounts due within one year	0	0
Creditors: amounts due after more than one year	<u>0</u>	<u>0</u>
	<u><u>0</u></u>	<u><u>0</u></u>

#### **15.4 Public Dividend Capital Dividends**

	<b>2005 £000</b>	<b>2004 £000</b>
The dividend is in respect of Public Dividend Capital	955	462
	<u>955</u>	<u>462</u>

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

## **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

### **NOTES TO THE ACCOUNTS**

#### **16. Loans**

	<b>Government Loans £000</b>	<b>Other Loans £000</b>	<b>2005 £000</b>	<b>2004 £000</b>
Amounts falling due:				
In one year or less	168	0	168	167
Between one and two years	167	0	167	168
Between two and five years	503	0	503	502
In five years or more	1,758	0	1,758	1,926
<b>Total</b>	<b>2,596</b>	<b>0</b>	<b>2,596</b>	<b>2,763</b>

	<b>Government Loans £000</b>	<b>Other Loans £000</b>	<b>2005 £000</b>	<b>2004 £000</b>
Wholly repayable within five years	0	0	0	0
Wholly repayable after five years, not by instalments	0	0	0	0
Wholly or partially repayable after five years by instalments	2,596	0	2,596	2,763
<b>Total</b>	<b>2,596</b>	<b>0</b>	<b>2,596</b>	<b>2,763</b>

Total Repayable after five years by instalments	<b>1,758</b>	<b>0</b>	<b>1,758</b>	<b>1,926</b>
Loans wholly or partially repayable after five years:	0	0	0	0

<b>Terms of payment</b>	<b>Interest Rate %</b>	<b>2005 £000</b>	<b>2004 £000</b>
Original Capital Debt	8.750	2,596	2,763

# NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

## 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	2005 £000	2004 £000
Balance at 31 March 2004	0	0	153	0	1,608	1,761	1,851
Arising during the year	0	0	21	0	381	402	464
Utilised during the year	0	0	0	0	(184)	(184)	(137)
Reversed unused	0	0	(153)	0	(367)	(520)	(467)
Unwinding of discount	0	0	2	0	43	45	50
At 31 March 2005	<u>0</u>	<u>0</u>	<u>23</u>	<u>0</u>	<u>1,481</u>	<u>1,504</u>	<u>1,761</u>

#### Movement in Year

	£000
Arising during the year	402
Utilised during the year	(184)
Reversed unused	(520)
Unwinding of discounts	<u>45</u>
Total	<u>(257)</u>

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

## **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

### **NOTES TO THE ACCOUNTS**

#### **Note 17 (Contd)**

#### **Expected Timing of Cash Flow**

	<b>Pensions relating to former directors £000</b>	<b>Pensions relating to other staff £000</b>	<b>Clinical Negligence £000</b>	<b>Restructuring £000</b>	<b>Other £000</b>	<b>2005 £000</b>	<b>2004 £000</b>
Within 1 year	0	0	0	0	864	864	1,282
1 - 5 years	0	0	23	0	114	137	46
Over 5 years	0	0	0	0	503	503	433

The provision in respect of other liabilities and charges comprises of £271,609 for Accrued Leave, £904,906 for Employers Liability and £304,684 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 in accordance with DHSS&PS guidance. 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	<b>£</b> <b>23,200</b>
----------------------------------	---------------------------

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.

When it is not probable that a settlement will be required then the claim is disclosed as a contingent liability. 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 2005

## NOTES TO THE ACCOUNTS

### 18. Public Dividend Capital

	2005 £000	2004 £000
Public Dividend Capital was issued as follows:		
During the reporting year	0	2,650
In prior years	10,286	7,636
<b>Total</b>	<b>10,286</b>	<b>10,286</b>

### 19. Movements on Reserves

	Revaluation Reserve £000	Donation Reserve £000	Realised Donation Reserve £000	Other Reserves £000	Income and Expenditure Reserve £000	Total £000
At 1 April 2004	3,271	0	0	0	(1,243)	2,028
Retained surplus (deficit) for year	0	0	0	0	137	137
Revaluation and indexation of fixed assets	786	0	0	0	0	786
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 (National Revaluation Exercise)	234	0	0	0	0	234
At 31 March 2005	<b>4,291</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,106)</b>	<b>3,185</b>

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

## **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

### **NOTES TO THE ACCOUNTS**

#### **20. Reconciliation of Movement in Government Funds**

	<b>2005 £000</b>	<b>2004 £000</b>
Surplus (Deficit) for the financial year	965	469
less provisions for future obligations	127	90
less public dividend capital dividends	<u>(955)</u>	<u>(462)</u>
	<b>137</b>	<b>97</b>
 Gains (Losses) from revaluation/indexation of		
Purchased fixed assets	1,020	662
Public dividend capital repayments	0	0
Public dividend capital issued	0	2,650
 New Government loans issued	0	0
Government loans repayments	(167)	(168)
 Additions (Reductions) in other reserves	<u>0</u>	<u>0</u>
 Net Movement in Government Funds	<b>990</b>	<b>3,241</b>
  Government Funds at 31 March 2004	<u><b>15,200</b></u>	<u><b>11,959</b></u>
Government Funds at 31 March 2005	<u><b>16,190</b></u>	<u><b>15,200</b></u>

# NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

## ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

### 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 £1,193k, bears to the average relevant net assets of £14,415k that is 8.3% (2003/04 5.6%).

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:

- Increased PDC dividend to balance the capital charges debits to Income & Expenditure, with the income received in prices in the I&E.
- Changes in the actual profile of capital programme from that forecast, primarily due to the supplier constraints.
- Expenditure due to in-year changes to the approved capital programme notified by the DHSS&PS via changes to the Trusts Capital Resource Limit.
- Deviations of ARNA from Opening Fixed Asset base which the forecast capital charge is based on. (The actual ARNA's include adjustments for assets under construction, bank deposits and include the I&E reserve balance after FRS12 provisions, all of which are ignored in the forecasting mechanism).

The Capital Cost Absorption Rate is calculated as follows:

$$\text{Capital Cost Absorption rate (\%)} = (\text{TDR/Average relevant net assets}) \times 100$$

2005  
£000

Trust Debt Remuneration is calculated as:

Interest payable on Government borrowing	238
Plus	
Dividends payable on Public Dividend Capital	955
Trust Debt Remuneration	<u>1,193</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)	12,314	13,471	12,893
Less:			
Donation reserve	0	0	0
Purchased assets in the course of construction	0	(2,105)	(1,053)
Short-term assets	(104)	(105)	(105)
Finance Lease assets (during their primary lease term)	0	0	0
Plus:			
Loans and overdrafts	2,763	2,596	2,680
Finance Lease Creditors (capital only)	0	0	0
Relevant Net Assets	<u>14,973</u>	<u>13,857</u>	<u>14,415</u>

\*Capital and reserves excludes the impact of the national revaluation exercise.

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

## **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

### **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:

	<b>2000/01 £000</b>	<b>2001/02 £000</b>	<b>2002/03 £000</b>	<b>2003/04 £000</b>	<b>2004/05 £000</b>
i. Turnover	<u>24,666</u>	<u>27,191</u>	<u>29,795</u>	<u>33,302</u>	<u>39,941</u>
ii. Operational Surplus/(Deficit) for Financial Year before Provisions and Exceptional Income	<u>(3)</u>	<u>4</u>	<u>261</u>	<u>7</u>	<u>10</u>
iii. Break Even in year position	(3)	4	261	7	10
iv. Break Even cumulative position (opening)	97	94	98	359	366
v. Other Adjustments	0	0	0	0	0
vi. Exceptional Income Year ended 31 March 2001	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
vii. Break Even Cumulative position (closing)	<u>94</u>	<u>98</u>	<u>359</u>	<u>366</u>	<u>376</u>

#### **Materiality Test:**

Break Even in year  
position as % of  
turnover

<u>0.0%</u>	<u>0.0%</u>	<u>0.9%</u>	<u>0.0%</u>	<u>0.0%</u>
-------------	-------------	-------------	-------------	-------------

Break Even  
cumulative position as  
% of turnover

<u>0.4%</u>	<u>0.4%</u>	<u>1.2%</u>	<u>1.1%</u>	<u>0.9%</u>
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# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

## **NOTES TO THE ACCOUNTS**

### **21.3 External Financing Limit**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
External Financing Limit set by the Department	<u>(113)</u>	<u>2,568</u>

The Trust stayed within its External Financing Limit by £55k. The Trust's External Financing Requirement for the year was £113k and was met as follows:-

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Increase (decrease) in:		
Public Dividend Capital	0	2,650
Government long-term loans	(167)	(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	(1)	82
Cash at bank and in hand	0	0
External Finance Assessed	<u>(168)</u>	<u>2,565</u>

### **21.4 Capital Resource Limit**

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

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

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

## **NOTES TO THE ACCOUNTS**

### **22. Private Finance Transactions**

#### **22.1 PFI Schemes deemed to be off balance sheet**

	<b>2005 £000</b>	<b>2004 £000</b>
Amounts included within operating expenses in respect of PFI transactions deemed to be off balance sheet	<u>0</u>	<u>0</u>

	<b>£000</b>	<b>£000</b>
The Trust is committed to make the following payments during the next year		
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) etc.	0	0
	<u>0</u>	<u>0</u>

	<b>2005 £000</b>	<b>2004 £000</b>
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	0	0
	<u>0</u>	<u>0</u>

# NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

## ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

### NOTES TO THE ACCOUNTS

#### 22.2 Service element of PFI schemes deemed to be on balance sheet.

	2005 £000	2004 £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		
	2005 £000	2004 £000
PFI scheme which expires within one year		
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)	0	0
	<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 (2004 +/- £NIL).

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

## **NOTES TO THE ACCOUNTS**

### **23. Capital Commitments**

Capital commitments at the balance sheet date were:-

	<b>Finance Leases £000</b>	<b>Other £000</b>	<b>2005 Total £000</b>	<b>2004 Total £000</b>
Contracted	0	244	244	0
Authorised by the Board, but not contracted	0	2,663	2,663	2,510
<b>Total</b>	<b>0</b>	<b>2,907</b>	<b>2,907</b>	<b>2,510</b>

### **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 2005

### NOTES TO THE ACCOUNTS

#### 25. Contingent Liabilities

##### Clinical Negligence

The Trust has contingent liabilities of £644 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:

	2005 £000	2004 £000
Total estimate of contingent clinical negligence liabilities	1	7
Amount recoverable from the Clinical Negligence Central Fund	<u>(1)</u>	<u>(7)</u>
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:

	2005 £000	2004 £000
Public Liability	0	0
Employers' Liability	0	0
Accrued Leave	0	0
Injury Benefit	0	0
Other (Specify)	<u>0</u>	<u>0</u>
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 18 HSS Trusts and the Central Services Agency.

# NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

## 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	0	0
6	Bad debts and claims abandoned	7	3,621
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	18	163,872
13	Ex-gratia payments - Compensation payments (including payments to patients and staff)	2	194
14	Ex-gratia payments - Other payments	0	0
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
<b>TOTAL</b>		<b>27</b>	<b>167,687</b>

# NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

## NOTES TO THE ACCOUNTS

### 28. Intra-Government Balances

Name	Creditors		Debtors	
	Amounts falling due within 1 year £000	Amounts falling due after more than 1 year £000	Amounts falling due within 1 year £000	Amounts falling due after more than 1 year £000
Other central government bodies	170	2,428	430	23
Northern Ireland Health and Social Service Boards	4	0	3,433	0
HSS Trusts	244	0	71	0
NHS Trusts	0	0	0	0
Agencies & Special Agencies	53	0	2	0
Non-Departmental Public Bodies	0	0	0	0
Local Authorities	156	0	0	0
Public corporations and trading funds	0	0	0	0
<b>Total</b>	<b>627</b>	<b>2,428</b>	<b>3,936</b>	<b>23</b>

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

## **NOTES TO THE ACCOUNTS**

### **29. Notes to the Cash Flow Statement**

#### **29.1 Reconciliation of operating surplus (deficit) to net cash inflow from operating activities**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Operating surplus (deficit)	1,108	649
Depreciation charge	3,113	2,610
Provisions for future obligations (I&E Account)	127	90
Fixed asset impairments	7	0
Transfer from donation reserve	0	0
Non-cash Items	0	0
Increase (decrease) in provisions (Balance Sheet)	(257)	(90)
(Increase) decrease in stocks	(19)	(23)
(Increase) decrease in debtors	(2,671)	(582)
Increase (decrease) in creditors	<u>1,426</u>	<u>451</u>
<b>Net cash inflow from operating activities</b>	<b><u>2,834</u></b>	<b><u>3,105</u></b>

# **NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

## **NOTES TO THE ACCOUNTS**

### **29. Notes to the Cash Flow Statement**

#### **29.2 Reconciliation of net cash flow to movement in net debt**

	2005		2004	
	£000	£000	£000	£000
Increase/(decrease) in cash in the period	1		(83)	
Cash inflow from new debt	0		0	
Cash outflow from debt repaid and finance lease capital payments	167		168	
Cash (inflow)/outflow from decrease/increase in liquid resources	<u>0</u>		<u>0</u>	
Change in net debt resulting from cash flows		168		85
Non-cash changes in debt		<u>0</u>		<u>0</u>
Net Debt at 1 April 2004		<u>(2,659)</u>		<u>(2,744)</u>
Net Debt at 31 March 2005		<u><u>(2,491)</u></u>		<u><u>(2,659)</u></u>

#### **29.3 Analysis of changes in net debt**

	At 1 April 2004 £000	Cash flows £000	Non-cash changes £000	At 31 March 2005 £000
Cash at bank and in hand	0	0	0	0
Bank overdrafts	0	0	0	0
Debt due within 1 year	(167)	167	(168)	(168)
Debt due after 1 year	(2,596)	0	168	(2,428)
Finance leases	0	0	0	0
Current asset investments	104	1	0	105
Bad debts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u><u>(2,659)</u></u>	<u><u>168</u></u>	<u><u>0</u></u>	<u><u>(2,491)</u></u>

# **NORTHERN IRELAND AMBULANCE HSS TRUST**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

## **NOTES TO THE ACCOUNTS**

### **30. 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 relationship with HSS Commissioners, and the manner in which they are funded, the Northern Ireland Ambulance 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 that would be typical of the listed companies to which FRS 13 mainly applies. The Northern Ireland Ambulance 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 HSS Trust in undertaking its activities.

### **31. Third party assets**

The Trust held £NIL cash at bank and in hand at 31/3/2005 which relates to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts. A separate audited account of the monies is maintained by the Trust.