

NORTHERN IRELAND AMBULANCE SERVICE
HEALTH AND SOCIAL SERVICES TRUST

Annual Accounts

FOR THE YEAR ENDED 31 MARCH 2004

*Laid before each House of Parliament
by the Department of Health, Social Services and Public Safety
in accordance with Paragraph 12(2) and (4) of the Schedule to the
Northern Ireland Act 2000 and Article 2(2)(b) of the
Northern Ireland Act 2000 (Prescribed Documents) Order 2002*

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

Ordered by the House of Commons to be printed

16th SEPTEMBER 2004

FOREWORD

These accounts for the year ended 31 March 2004 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 1 to 44) 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.

S. M'Gue.....Director of Finance
3/09/04.....Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 1 to 44) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

Douglas J. Smyth.....Chairman
03.07.04.....Date

[Signature].....Chief Executive
3.9.2004.....Date

STATEMENT ON INTERNAL CONTROL FOR THE FINANCIAL YEAR 2003/04

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 2004, 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 2003-04 Internal Audit reviewed the following systems:

- Local Accounts Payable
- Bank & Cash
- Payroll
- Overtime
- Travel Expenses

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. 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.

In order for the NIAS to implement a system of clinical governance, the four key tasks undertaken were to:

- Establish leadership, accountability and working arrangements
- Establish a system of clinical audit
- Establish a system of clinical supervision
- Establish a system of risk management

Establish leadership, accountability and working arrangements.

A Trust Board Clinical Governance Sub Committee has been formed and has met on a number of occasions. A full time Medical Director was appointed from May 2003 and a Clinical Governance Operations Group with membership from all levels and areas of the organisation was constituted. Terms of reference for these bodies have been agreed and minutes of their meetings recorded.

Establish a system of Clinical Audit.

A new Patient Report Form has been designed that fully complies with the Joint Royal Colleges Ambulance Liaison Committee National Minimal Data Set. This new Patient Report Form was introduced in August 2003 and the Formic Intelligent Data Capture System purchased and installed together with an independent server for clinical data. The Patient Report Form has been validated and to date several thousand forms have been electronically scanned for data retrieval.

Initial data capture and analysis has commenced and a number of clinical audits have been agreed and the development of Clinical Performance Indicators using a system of Clinical Audit is currently being developed. Initial analysis would show that compliance with the new Patient Report Form has increased when compared with the previous manual system. The requirements for a Clinical Audit function within NIAS have been determined and a submission for a Clinical Audit Officer made to the Commissioners.

Establish a System of Clinical Supervision.

Requirements for the introduction of an enhanced system of Clinical Supervision within the Trust have been reviewed and will be addressed in 2004/05. Limited progress was made in this area during 2003/04 due to competing pressures and priorities for the Trust.

Establish a system of Risk Management.

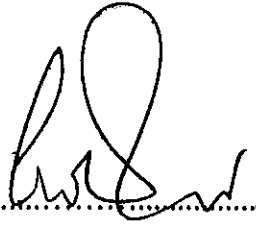
A Risk Management Steering Group has been formed to oversee the development of risk management structures and procedures within the Trust and a baseline assessment of risk management activity within the Trust against the requirements of the DHSSPS has been undertaken. A review of compliance with various Controls Assurance Standards has been undertaken which achieved the following levels of compliance

	Standard	Level of Compliance Required	Compliance Score at 31 March 2004
1	Risk Management	Substantive (70-99%)	81%
2	Financial Management	Substantive (70-99%)	97%
3	Governance	Substantive (70-99%)	78%
4	Human Resources	Moderate (30-69%)	84%
5	Medical Devices and Equipment	Moderate (30-69%)	68%
6	Medicines Management	Moderate (30-69%)	53%

A Risk Manager was appointed to the Trust and an electronic risk register, the Datix System, has been purchased and installed. Training in the use of the Risk Register has commenced to facilitate population of the Risk Register. The Risk Manager undertook a review of our current Critical Incident Reporting procedures and the Critical Incident Reporting Form is being reviewed and redesigned in order to be compliant with the new Risk Register.

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. Procedures have been put 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 processes of the organisation.

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 and Audit Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

 Chief Executive 3.9.2004 Date
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Northern Ireland Ambulance Service 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 I to 44 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 5 to 10.

Respective responsibilities of the Board Members, Chief Executive and Auditor

As described on page II to III, 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 IV to VII 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.

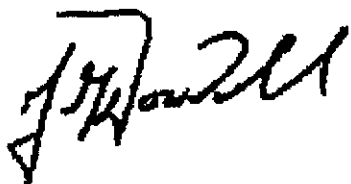
I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other 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 Trust at 31 March 2004 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

Date: 10 September 2004

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

Northern Ireland Ambulance Service Trust

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	NOTE	2004 £000	2003 £000 Restated
Income from Activities			
continuing activities	2	32,474	29,196
Other Operating Income	3	<u>828</u>	<u>599</u>
		33,302	29,795
Operating Expenses			
continuing activities	4, 5	<u>(32,653)</u>	<u>(28,505)</u>
OPERATING SURPLUS (DEFICIT)			
continuing activities		649	1,290
Profit/(loss) on disposal of Fixed Assets	7	<u>(1)</u>	<u>5</u>
SURPLUS (DEFICIT) BEFORE INTEREST		648	1,295
Interest Receivable		73	66
Interest Payable	8	<u>(252)</u>	<u>(265)</u>
SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		469	1,096
Public Dividend Capital Dividends Payable	15.4	<u>(462)</u>	<u>(835)</u>
OPERATIONAL SURPLUS (DEFICIT) BEFORE PROVISIONS			
	9.2	7	261
Provisions for Future Obligations	9.3	<u>90</u>	<u>(214)</u>
RETAINED SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR		<u>97</u>	<u>47</u>
BREAK EVEN POSITION	9.2	<u>7</u>	<u>261</u>

The notes on pages 1 to 28 form part of these accounts

Northern Ireland Ambulance Service Trust

BALANCE SHEET AS AT 31 MARCH 2004

	NOTE	2004 £000	2003 £000 Restated
FIXED ASSETS			
Intangible assets	10	0	0
Tangible assets	11	18,174	15,327
		<u>18,174</u>	<u>15,327</u>
CURRENT ASSETS			
Stocks and work in progress	12	78	55
Debtors: Amounts falling due			
Within one year	13	1,701	1,119
After one year	13	153	153
Short term investments	14	104	186
Cash at bank and in hand		<u>0</u>	<u>0</u>
		2,036	1,513
CREDITORS: Amounts falling due within one year	15	<u>(3,539)</u>	<u>(3,320)</u>
NET CURRENT ASSETS (LIABILITIES)		<u>(1,503)</u>	<u>(1,807)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,671	13,520
Creditors: Amounts Falling due after more than one year	15	(2,596)	(2,763)
Provisions for Liabilities and Charges	17	<u>(1,761)</u>	<u>(1,851)</u>
TOTAL ASSETS EMPLOYED		<u>12,314</u>	<u>8,906</u>
FINANCED BY:			
CAPITAL AND RESERVES			
Public dividend capital	18	10,286	7,636
Revaluation reserve	19	3,271	2,610
Donation reserve	19	0	0
Realised donation reserve	19	0	0
Other reserves	19	0	0
Income and expenditure reserve	19	<u>(1,243)</u>	<u>(1,340)</u>
		<u>12,314</u>	<u>8,906</u>

The notes on pages 1 to 28 form part of these accounts

I certify that the attached Financial Statements and Annual Report were approved by the Board of Directors on 3 September 2004.

Chairman

Douglas J. Smyth
03.09.04.

Chief Executive

[Signature]
3.9.2004

Northern Ireland Ambulance Service Trust

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	2004	2003
	£000	£000
		Restated
Net Cash Inflow from Operating Activities (Note 27.1)	3,105	3,218
Returns on Investments and Servicing of Finance		
Interest received	73	66
Interest paid	(254)	(267)
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	(181)	(201)
Capital Expenditure		
Payments to acquire fixed assets	(4,656)	(4,551)
Receipts from sale of fixed assets	<u>2</u>	<u>5</u>
Net Cash Inflow (Outflow) from Capital Expenditure	(4,654)	(4,546)
Dividends Paid	(835)	(443)
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	(2,565)	(1,972)
Financing		
New money capital reserve	0	0
New public dividend capital	2,650	2,140
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 Public Dividend Capital	0	0
Capital element of finance lease rental payments	<u>0</u>	<u>0</u>
Net Cash Inflow (Outflow) from Financing	<u>2,482</u>	<u>1,973</u>
Increase (Decrease) in Cash (Notes 27.2 and 3)	<u>(83)</u>	<u>1</u>

Northern Ireland Ambulance Service Trust

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2004

	2004		2003	
	£000	£000	£000	£000
			Restated	
Surplus (Deficit (for the financial year)		469		1,096
Provisions for future obligations		90		(214)
		559		882
Fixed asset impairment losses		0		0
Non donated Fixed Assets				
Indexation of fixed assets	662		959	
Unrealised Surplus (deficit) on revaluation of fixed assets	0		0	
		662		959
Donated Assets				
Additions to donated assets	0		0	
Changes to donation reserve (except transfers to realised donation reserve)	0	0	0	0
Total recognised gains and losses relating to the year		1,221		1,841
Additions to Capital Assets Reserve		0		0
TOTAL GAINS/(LOSSES) RECOGNISED IN THE FINANCIAL YEAR		1,221		1,841
Total recognised gains/(losses) for the year (as above)		1,221		
Prior year adjustment (note 1j)		145		
Total gains and losses recognised since last Annual Report		1,366		

THE NORTHERN IRELAND AMBULANCE SERVICE HSS TRUST

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

a. 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.

b. Basis of Preparation of Accounts

These accounts have been prepared under the historical cost convention as modified by the indexation and revaluation of tangible fixed assets. The accounts have been prepared in accordance with the accounting standards and policies for Health and Social Services Bodies approved by the Department of Health, Social Services and Public Safety.

The accounting policies adopted follow UK generally accepted accounting practice (UK GAAP) to the extent that it is meaningful and appropriate to the public sector. The accounting policies, where possible, 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, except for the policy amendments discussed at (1j) below, the impact of which is disclosed in Note 28 to the financial statements.

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 bodies charge impairments which arise from the consumption of economic benefits to the Income and Expenditure Account. However, 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.

c. Fixed assets

i. Capitalisation

All assets falling into the following categories are capitalised in accordance with the capital accounting guidance issued by the Department of Health, Social Services and Public Safety:

intangible assets which can be valued, are capable of being used in a Trust's activities for more than one year and have a value in excess of £5,000;

tangible assets which are capable of being used for a period which could exceed one year, and have a cost in excess of £5,000;

groups of tangible assets which are:

- interdependent having a total cost of acquisition in excess of £5,000;
- purchased in the same financial year and expected to be written off in the same financial year;
- under single managerial control;
- have individual values of at least £250.

ii. Fixed assets are valued as follows:

Land, buildings, installations, and fittings are valued at open market valuation for their existing use, other than land and buildings surplus to requirements which are valued at open market value for their alternative use. Valuations are carried out at five-yearly intervals by independent valuers and between valuations an appropriate index is applied to arrive at a current value;

equipment is valued at estimated net current replacement cost;

assets in the course of construction are valued at cost.

Revaluation:

The last formal revaluation was carried out as at 1 April 2000 and was accounted for in the 2000/01 accounts.

iii. Depreciation and amortisation

Depreciation is charged on a straight line basis on each main class of tangible asset as follows:

Land and assets in the course of construction are not depreciated.

Buildings, installations, and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the District Valuer. Depending on the type of installation or fitting it is expected that the maximum useful lives will be in the range 15-80 years;

Equipment is depreciated on current replacement cost over the standard life of the asset using the following standard lives:

	Years
moveable engineering plant and equipment and long life medical equipment	15
furniture and medium life medical equipment	10
mainframe information technology installations	8
vehicles and soft furnishings	7
office, information technology, short life medical and other equipment	5

Intangible assets are amortised over the estimated lives of the assets.

iv. Profit (Loss) on Sale of Fixed Assets

These are treated in accordance with FRS3. The difference between the net book value and the sale proceeds is taken to the Income and Expenditure Account. The difference between the net book value and depreciated historic cost is transferred from the Revaluation Reserve to the Income and Expenditure Reserve.

v. Donated assets

Donated assets are capitalised on receipt and are valued and depreciated as described above.

The value of donated assets and the donated element of part donated assets is reflected in a donation reserve which is credited with the value of the original donation and subsequent revaluation and indexation; an amount equal to the depreciation charge is released from this reserve each year to the Income and Expenditure Account.

vi. Leasing

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.

d. 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.

e. Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

Work in progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work in progress.

f. 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.

g. Losses

This note (Note 26) 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.

h. Clinical Negligence

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.

i. Private Finance Initiative

The amendment to FRS 5 dealing with Private Finance Initiative (PFI) contracts was adopted by the HPSS from 1999/2000. The HPSS follows HM Treasury's 'Technical Note 1 (Revised) How to Account for PFI transactions' which provides practical guidance for the application of the FRS 5 Amendment.

j. Change in Accounting Policy

The DHSSPS introduced an updated Capital Accounting Manual for 2003/2004. The Manual provides a revised and enhanced definition of capital and guidance on the valuation of assets under construction.

As a result of the implementation of this manual there has been a reclassification of some expenditure between revenue, recognised in the Income and Expenditure Account, and capital, recognised in the Balance Sheet.

In addition, as a result of the implementation of this manual, assets in the course of construction, which were previously subject to annual indexation revaluations, have been restated at cost until they are brought into use.

In accordance with the DHSSPS' interpretation of FRS 3 and FRS 18 this represents a change in accounting policy that is required to be accounted for as a prior year adjustment. The full effect of this prior adjustment on last year's results is shown in Note 28.

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

2. Income from Activities

	2004 £000	2003 £000
NI Health and Social Services Boards	31,232	28,138
GB/Republic of Ireland Health Authorities	0	0
HSS Trusts	1,241	1,055
Non-HPSS:		
- private patients	1	3
- other	0	0
Clients contributions	0	0
Total	32,474	29,196

3. Other Operating Income

	2004 £000	2003 £000
Patient transport services	0	0
Other income from non-patient services	828	599
NICPMDE	0	0
SUMDE	0	0
Charitable and other contributions to expenditure:		
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
Total	828	599

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

4. Other Operating Expenses

4.1 Other Operating Expenses are as follows:-

	2004 £000	2003 £000
Salaries and Wages (excluding Board members remuneration)	22,004	19,634
Board members remuneration	331	252
Supplies and services - clinical	804	807
Supplies and services - general	438	224
Establishment	1,012	934
Transport	2,717	2,667
Premises	1,225	884
Bad debts	0	0
Depreciation and amortisation	2,610	1,928
Fixed asset impairments	0	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	372	280
Clinical Negligence Payments:		
- Provisions Utilised	0	0
- Other	0	0
Audit fees	27	32
Other auditors remuneration	0	0
Miscellaneous	1,113	863
Total	32,653	28,505

4.2 Operating Leases

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

	2004 £000	2003 £000
Hire of plant and machinery	0	0
Other operating leases	138	138
	138	138

Commitments under non-cancellable operating leases are:

	Land and buildings		Other Leases	
	2004 £000	2003 £000	2004 £000	2003 £000
Operating leases which expire:				
Within 1 year	0	0	0	0
Between 1 and 5 years	114	182	20	40
After 5 years	0	0	0	0
	114	182	20	40

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

5. Information regarding Board Members and Employees

The following notes 5.1 and 5.4 are provided in line with previous Departmental guidance. As requested by the Department, the Trust's senior management team also gave full consideration to additional disclosure guidelines for the 2003/04 financial year, and determined that the previous guidance was more meaningful.

5.1 Board Members Remuneration

	Remuneration as Director £000	Other Remuneration £000	2004 Total £000	2003 Total £000
Non-Executive directors remuneration	44	0	44	43
Executive directors remuneration:-				
Basic Salary	281	0	281	207
Performance related pay				
- 2004	6	0	6	3
- 2003	3	0	3	3
- Prior years	15	0	15	12
Employer's pension contributions	20	0	20	11
Benefits in kind	5	0	5	8
Compensation for loss of office	0	0	0	0
Pensions to former directors	0	0	0	0
	374	0	374	287

Performance related pay award for 2003/04 falls within the 2.5% Departmental ceiling.

Performance related pay for prior years relates to the cumulative effect of PRP awards made in prior years. These cumulative pay awards form part of current year salary in accordance with both contracts of employment and Departmental guidance.

£NIL remuneration was waived by Directors
£NIL allowances were paid in lieu

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

NOTE 5.1 (Contd)

The remuneration of the Chairman, Chief Executive and, where the Chief Executive is not the highest paid member, the highest paid director are as follows:

	Remuneration as Director £000	Other Remuneration £000	2004 Total £000	2003 Total £000
Chairman				
Basic Salary	18	0	18	18
Benefits	0	0	0	0
Performance related pay	0	0	0	0
	<u>18</u>	<u>0</u>	<u>18</u>	<u>0</u>
Pension contributions	0	0	0	0
	<u>18</u>	<u>0</u>	<u>18</u>	<u>18</u>
Chief Executive				
Basic Salary	70	0	70	62
Benefits	0	0	0	4
Performance related pay	5	0	5	9
	<u>75</u>	<u>0</u>	<u>75</u>	<u>75</u>
Pension Contributions	5	0	5	4
	<u>80</u>	<u>0</u>	<u>80</u>	<u>79</u>
Highest Paid Director				
Basic Salary	71	0	71	0
Benefits	0	0	0	0
Performance related pay	0	0	0	0
	<u>71</u>	<u>0</u>	<u>71</u>	<u>0</u>
Pension Contributions	5	0	5	0
	<u>76</u>	<u>0</u>	<u>76</u>	<u>0</u>

The Chief Executive received an increase in basic salary of 3.0% (2003 – 3.0%) and an increase in performance related pay in line with Departmental guidance.

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

NOTE 5.1 (Contd)

Director's remuneration (excluding pension scheme contributions) fell within the following ranges:-

			2004	2003
			No	No
£0	-	£5,000	0	5
£5,001	-	£10,000	5	0
£10,001	-	£15,000	0	0
£15,001	-	£20,000	1	1
£20,001	-	£25,000	0	0
£25,001	-	£30,000	0	0
£30,001	-	£35,000	0	0
£35,001	-	£40,000	0	0
£40,001	-	£45,000	1	1
£45,001	-	£50,000	2	2
£50,001	-	£55,000	0	0
£55,001	-	£60,000	0	0
£60,001	-	£65,000	0	0
£65,001	-	£70,000	0	0
£70,001	-	£75,000	2	1
£75,001 or above			0	0

Benefits in kind paid to all executive and non-executive directors:-

2004	2003
£000	£000
5	8
<hr/>	<hr/>
5	8
<hr/>	<hr/>

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

NOTE 5.1 (Contd)

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.

5.2 Staff Costs

	2004	2003
	£000	£000
Salaries and Wages	19,753	17,964
Social security costs	1,433	1,167
Other pension costs	1,105	713
Agency staff	267	232
	22,558	20,076

5.3 Average Number of Employees

	2004	2003
	No	No
The average number of employees during the year was:		
Medical and Dental	0	0
Nursing and Midwifery	0	0
Professions Allied to Medicine	0	0
Ancillaries	0	0
Administrative and Clerical	61	60
Ambulance Staff	793	763
Works	3	3
Other Professional and Technical	0	0
Social Services	0	0
Other	0	0
	857	826

Figures refer to whole-time equivalents (WTEs) rather than individuals.

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

NOTE 5 (Contd)

5.4 Senior Employees' Remuneration

The following number of employees received remuneration (excluding pension contributions) falling within the following ranges:

	2004 No	2003 No
Medical		
£40,001 - £45,000	0	0
£45,001 - £50,000	0	0
£50,001 or above	0	0
Administration		
£40,001 - £45,000	3	2
£45,001 - £50,000	0	0
£50,001 or above	0	0
Other		
£40,001 - £45,000	0	0
£45,001 - £50,000	0	0
£50,001 or above	0	0

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

NOTE 5 (Contd)

5.5 Staff Benefits

2004	2003
No	No
0	0
0	0
<u>0</u>	<u>0</u>

5.6 Trust Management Costs

	2004	2003
	No	No
Trust Management Costs	2,110	1,805
Total Income	32,893	28,797
% of total income	<u>6.4%</u>	<u>6.3%</u>

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

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

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:

	2004		2003	
	Number	£000	Number	£000
Total bills paid	<u>10,751</u>	<u>10,237,495</u>	<u>9,389</u>	<u>11,906,331</u>
Total bills paid within 30 day target	<u>9,555</u>	<u>9,820,854</u>	<u>8,725</u>	<u>11,677,608</u>
% of bills paid within 30 day target	<u>88.9%</u>	<u>95.9%</u>	<u>92.9%</u>	<u>98.1%</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 is as follows:

£

TOTAL

NIL

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

7. Profit (Loss) on Disposal of Fixed Assets

	2004 £000	2003 £000
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	2	5
Loss on disposal of plant and equipment	<u>(3)</u>	<u>0</u>
Total	<u>(1)</u>	<u>5</u>

8. Interest Payable

	2004 £000	2003 £000
Originating interest bearing debt	252	265
Further borrowing (government)	0	0
Further borrowing (other)	0	0
Finance leases	0	0
Other interest [specify]	<u>0</u>	<u>0</u>
Total	<u>252</u>	<u>265</u>

An amount of £50,225 is included within Note 9.3 for the unwinding of discount on provisions.

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

9. Financial Performance Targets

9.1 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 £714k, bears to the average relevant net assets of £12,812k, that is 5.6%. (2002/03 11.89% against a target of 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 6% interest in ARNA (referred to as a windfall). The increased absorption is as a result of a number of factors as follows:

- i. Increased PDC dividend to balance the capital charges debits to Income & Expenditure, with the income received in prices in the I&E.
- ii. Changes in the actual profile of capital programme from that forecast, primarily due to the supplier constraints.
- iii. Expenditure due to in-year changes to the approved capital programme notified by the DHSS&PS via changes to the Trusts CRL.
- iv. 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 FRS 12 provisions, all of which are ignored in the forecasting mechanism).

The Capital Cost Absorption Rate is calculated as follows:

Capital Cost Absorption rate (%) = (TDR/ARNA) x 100

	2004
	£000
Trust Debt Remuneration is calculated as:	
Interest payable on Government borrowing	252
Plus	
Dividends payable on Public Dividend Capital	462
	<hr/>
Trust Debt Remuneration	<hr/> 714 <hr/>

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

9.1 (Contd)

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 Restated	Closing £000	Average £000
Total capital and reserves (equivalent to total net assets)	8,906	12,314	10,610
Less:			
Donation reserve	0	0	0
Purchased assets in the course of construction	(1,000)	0	(500)
Short-term assets	(186)	(104)	(145)
Finance lease assets (during their primary lease term)	0	0	0
Plus:			
Loans and overdrafts	2,930	2,763	2,847
Finance Lease Creditors (capital only)	0	0	0
	<hr/>	<hr/>	<hr/>
Relevant Net Assets	10,650	14,973	12,812

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

9.2 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:

	1999/2000 £000	2000/2001 £000	2001/2002 £000	2002/2003 £000	2003/2004 £000
i. Turnover	23,360	24,666	27,191	29,795	33,302
ii. Operational Surplus / (Deficit) for Financial Year before Provisions and Exceptional Income	6	(3)	4	261	7
iii. Break Even in year position	6	(3)	4	261	7
iv. Break Even cumulative position (opening)	91	97	94	98	359
v. Other adjustments	0	0	0	0	0
vi. Exceptional Income Year Ended 31 March 2004	0	0	0	0	0
vii. Break Even Cumulative Position (closing)	97	94	98	359	366

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

9.3 Provisions for Future Obligations

	2004 £000	2003 £000
Provisions in year:		
Clinical Negligence	(5)	65
Pensions	0	0
Employers liability	(99)	91
Premature Pensions Following Injury	101	117
Total Provided in year (9.4)	(3)	273
Unwinding of Discount on Provisions (9.5)	50	91
Utilised in Year (9.6)	(137)	(77)
Reimbursements Receivable (9.7)	0	(73)
Total to Income and Expenditure Account	(90)	(214)

9.4 Arising During the Year

	2004 £000	2003 £000
Provided in year	464	511
Provisions not required (reversed / unused)	(467)	(237)
Total Provided in year (9.3)	(3)	273

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

9.5 Unwinding of Discount on Provisions

	2004 £000	2003 £000
Unwinding of discount on Provisions is analysed as follows:		
Clinical Negligence	5	9
Other	45	82
Total Unwinding of Discounts on Provisions (9.3)	50	91

9.6 Utilised in Year

	2004 £000	2003 £000
Clinical Negligence (17)	0	0
Other (17)	(137)	(77)
Total Utilised (9.5)	(137)	(77)

9.7 Reimbursements Receivable

	2004 £000	2003 £000
Clinical Negligence Central Fund	0	(73)
Other	0	0
Total Reimbursements Receivable	0	(73)

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

10. Intangible Fixed Assets

Intangible fixed assets comprise the following elements:

	2004 £000	2003 £000
Original valuation	0	0
Additions	0	0
Cumulative write-off brought forward	0	0
Write-off this period	0	0
	<hr/>	<hr/>
Net book value carried forward at 31 March 2004	0	0

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

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 2003	272	5,959	984	16,199	1,105	24,519
Prior Year Adjustment	0	0	379	(6)	(105)	268
Indexation	3	489	(37)	358	0	813
Additions	1,520	139	226	2,913	0	4,798
Transfers	0	774	0	226	(1,000)	0
Revaluation	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Disposals	0	0	0	(297)	0	(297)
At 31 March 2004	<u>1,795</u>	<u>7,361</u>	<u>1,552</u>	<u>19,393</u>	<u>0</u>	<u>30,101</u>
Depreciation						
At 1 April 2003	0	962	630	7,746	0	9,338
Prior Year Adjustment	0	0	119	3	0	122
Indexation	0	0	(20)	171	0	151
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	(294)	0	(294)
Reversal of impairments	0	0	0	0	0	0
Provided during the year	0	433	167	2,010	0	2,610
At 31 March 2004	<u>0</u>	<u>1,395</u>	<u>896</u>	<u>9,636</u>	<u>0</u>	<u>11,927</u>
Net Book Value						
At 31 March 2004	<u>1,795</u>	<u>5,966</u>	<u>656</u>	<u>9,757</u>	<u>0</u>	<u>18,174</u>
At 31 March 2003	<u>272</u>	<u>4,997</u>	<u>614</u>	<u>8,444</u>	<u>1,000</u>	<u>15,327</u>

Of the total net book value at 31 March 2004, £NIL related to buildings, installations and fittings valued at open market value for alternative use.

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

NOTE 11.1 (Contd)

Donated 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 2003	0	0	0	0	0	0
Prior Year Adjustment	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
Revaluations	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
At 31 March 2004	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Depreciation						
At 1 April 2003	0	0	0	0	0	0
Prior Year Adjustment	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
Reversal of impairments	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0
At 31 March 2004	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Book Value						
At 31 March 2004	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2003	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

11.2 Total Tangible Fixed Assets:

	Purchased £000	Donated £000	Total 2004 £000	2003 £000 Restated
Net book value:				
Land	1,795	0	1,795	272
Buildings installations and fittings	5,966	0	5,966	4,997
Computer Equipment	656	0	656	614
Other Equipment	9,757	0	9,757	8,444
Assets Under Construction	0	0	0	1,000
Total	18,174	0	18,174	15,327

11.3 The net book value of land and buildings comprises:

	2004 £000	2003 £000
Freehold	0	0
Long leasehold	7,761	5,269
Short leasehold	0	0
	7,761	5,269

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

	2004 £000	2003 £000
Land	0	0
Buildings, Installations and fittings	0	0
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 (2003 £NIL).

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

12. Stocks and Work in Progress	2004 £000	2003 £000
Raw Materials and Consumables	78	55
Work in Progress	0	0
Finished Goods	0	0
Total	78	55
13. Debtors	2004 £000	2003 £000
Amounts falling due within one year:		
HSS or NHS debtors	220	156
Clinical Negligence – Central Fund	0	0
Other debtors	1,358	811
Pension Prepayments		
in respect of former directors	0	0
in respect of other staff	0	0
Other prepayments and accrued income	123	152
Sub Total	1,701	1,119
The balances are net of a provision for bad debts of £NIL (2003 £NIL)		
Amounts falling due after more than one year:		
HSS or NHS debtors	0	0
Clinical Negligence – Central Fund	153	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
Sub Total	153	153
Total	1,854	1,272
14. Short-term Investments	2004 £000	2003 £000
Government Securities	0	0
Other Approved Public Sector Organisations	0	0
Banking Deposits	104	186
Others (specify if in excess of £50,000)	0	0
Total	104	186

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

15. Creditors

	2004 £000	2003 £000
15.1 Creditors: Amounts falling due within one year:		
Bank overdrafts	0	0
Current installments due on loans	167	167
Interest payable	11	11
Public dividend capital dividend payable	462	835
Payments received on account	0	0
HPSS or NHS creditors and accruals	400	435
Non HPSS or NHS trade revenue creditors	2,087	1,602
Non HPSS or NHS trade capital creditors	395	254
Payroll creditors including taxation and social security	2	0
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	15	16
Other creditors	0	0
Sub Total	3,539	3,320
15.2 Creditors: Amounts falling due after more than one year:		
Long Term Loans	2,596	2,763
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 creditors	0	0
Sub Total	2,596	2,763
Total Creditors	6,135	6,084

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 Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

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:

	2004 £000	2003 £000
Within one year	0	0
Between one and five years	0	0
After five years	0	0
	<hr/>	<hr/>
Less finance charges allocated to future periods	0	0
	<hr/>	<hr/>
	0	0
	<hr/>	<hr/>

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

	2004 £000	2003 £000
Creditors: amounts due within one year	0	0
Creditors: amounts due after more than one year	0	0
	<hr/>	<hr/>
	0	0
	<hr/>	<hr/>

15.4 Public Dividend Capital Dividends

	2004 £000	2003 £000
The dividend is in respect of Public Dividend Capital	462	835
	<hr/>	<hr/>
	462	835
	<hr/>	<hr/>

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

16. Loans

	Government Loans £000	Other Loans £000	2004 £000	2003 £000
Amounts falling due:				
In one year or less	167	0	167	167
Between one and two years	168	0	168	168
Between two and five years	502	0	502	502
In five years or more	<u>1,926</u>	<u>0</u>	<u>1,926</u>	<u>2,093</u>
Total	<u>2,763</u>	<u>0</u>	<u>2,763</u>	<u>2,930</u>

	Government Loans £000	Other Loans £000	2004 £000	2003 £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	<u>2,763</u>	<u>0</u>	<u>2,763</u>	<u>2,930</u>
Total	<u>2,763</u>	<u>0</u>	<u>2,763</u>	<u>2,930</u>

Total Repayable after five years by installments	<u>2,763</u>	<u>0</u>	<u>2,763</u>	<u>2,930</u>
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Loans wholly or partially repayable after five years:	<u>1,926</u>	<u>0</u>	<u>1,926</u>	<u>2,093</u>
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Terms of payment	Interest Rate %	2004 £000	2003 £000
Original Capital Debt	8.750	2,763	2,930

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

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	2004 Total £000	2003 Total £000
At 1 April	0	0	153	0	1,698	1,851	1,567
Adjustment (17.1)						0	(4)
Restated at 1 April	0	0	153	0	1,698	1,851	1,563
Arising during the year	0	0	0	0	464	464	511
Utilised during the year	0	0	0	0	(137)	(137)	(77)
Reversed unused	0	0	(5) 5	0	(462)	(467)	(237)
Unwinding of discount	0	0		0	45	50	91
At 31 March	0	0	153	0	1,608	1,761	1,851

Income and Expenditure Account Charges

	£000
Arising during the year	464
Utilised during the year	(137)
Reversed unused	(467)
Unwinding of discounts	<u>50</u>
Total	<u>(90)</u>

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

17.1 Revised methodology for the calculation of Clinical Negligence Provisions

The Department has introduced a revised methodology for the recognition of clinical negligence provisions with effect from 1 April 2002. The revised methodology requires a provision to be recognised only when it is more probable than not that a settlement will be required.

	Pensions relating to former Directors £000	Pensions relating to Other Staff £000	Clinical Negligence £000	Restructuring £000	Other £000	2004 Total £000	2003 Total £000
Expecting Timing of Cash Flow							
Within 1 year	0	0	153	0	1,129	1,282	1,420
1-5 years	0	0	0	0	46	46	85
Over 5 years	0	0	0	0	433	433	346

The provision in respect of other liabilities and charges comprises of £275,835 for Accrued Leave, £1,113,300 for Employers Liability and £219,418 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 Legal department.

When it is not probable that a settlement will be required then the claim is disclosed as a contingent liability. Contingent liabilities in respect of clinical negligence are disclosed in Note 25.

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

Clinical Negligence Central Fund	£000
	<u>153</u>

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 Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

18. Public Dividend Capital

	2004 £000	2003 £000
Public dividend capital was issued/ as follows:		
During the reporting year	2,650	2,140
In prior years	<u>7,636</u>	<u>5,496</u>
Total	<u>10,286</u>	<u>7,636</u>

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 2003	2,721	0	0	0	(1,597)	1,124
Prior Year Adjustment	(112)	0	0	0	257	145
Restated at 1 April 2003	2,609	0	0	0	(1,340)	1,269
Retained surplus (deficit) for year	0	0	0	0	97	97
Revaluation and indexation of fixed assets	662	0	0	0	0	662
Transfer of realised profits (losses)	0	0	0	0	0	0
Movements in donation reserves	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 2004	<u>3,271</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,243)</u>	<u>2,028</u>

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

20. Reconciliation of Movement in Government Funds

	2004 £000	2003 £000 Restated
Surplus (deficit) for the financial year	469	1,096
less provisions for future obligations	90	(214)
less public dividend capital dividends	(462)	(835)
	<u>97</u>	<u>47</u>
Gains (losses) from revaluation/indexation of:		
- Purchased fixed assets	662	959
- Public dividend capital repayments	0	0
- Public dividend capital issued	2,650	2,140
New Government loans issued	0	0
Government loans repayments	(168)	(167)
Additions (reductions) in other reserves	<u>0</u>	<u>0</u>
Net Movement in Government funds	3,241	2,979
Government funds at 31 March 2003	<u>11,959</u>	<u>8,980</u>
Government funds at 31 March 2004	<u>15,200</u>	<u>11,959</u>

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

21.1 External Financing Limit

	2004 £000	2003 £000
External Financing Limit Set by the Department	<u>2,568</u>	<u>2,043</u>

The Trust stayed within its External Financing Limit £3k. The Trust's External Financing Requirement for the year was £2,565 and was met as follows:-

	2004 £000	2003 £000
Increase (decrease) in:		
Public dividend capital	2,650	2,140
Government long-term loans	(167)	(168)
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	82	0
Cash at bank and in hand	0	(1)
	<u>2,565</u>	<u>1,971</u>
External Finance Assessed	<u>2,565</u>	<u>1,971</u>

21.2 Capital Resource Limit

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

	2004 £000
Gross Capital Expenditure (charge against the CRL)	4,797
Capital Resource Limit	<u>4,804</u>
(Over) / Underspend against CRL	<u>7</u>

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

22. Private Finance Transactions

22.1 Service element of PFI Schemes deemed to be off balance sheet

	2004	2003
	£000	£000
Amounts included within operating expenses in respect of the 'service' element of PFI schemes deemed to be off balance sheet	<u>0</u>	<u>0</u>

	2004	2003
	£000	£000
The Trust is committed to make the following payments during the next year		
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
36 to 40 years (inclusive)	0	0
41 to 45 years (inclusive)	0	0
46 to 50 years (inclusive)	0	0
51 to 55 years (inclusive)	0	0

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 effort of this is £NIL (2003 £NIL).

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

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

	2004 £000	2003 £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>

	2004 £000	2003 £000
The Trust is committed to make the following payments during the next year		
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
36 to 40 years (inclusive)	0	0
41 to 45 years (inclusive)	0	0
46 to 50 years (inclusive)	0	0
51 to 55 years (inclusive)	0	0

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 effort of this is £NIL (2003 £NIL).

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

23. Capital Commitments

Capital commitments at the balance sheet date were:-

	Finance Leases £000	Other £000	2004 Total £000	2003 Total £000
Contracted	0	0	0	552
Authorised by the Board, but not contracted	0	2,510	2,510	2,520
Total	0	2,510	2,510	3,072

24. Post Balance Sheet Events

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

25. Contingent Liabilities

The Trust has contingent liabilities of £6,755 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 £6,755.

	2004 £000	2003 £000
Total estimate of contingent clinical negligence liabilities	7	6
Amount recoverable from the Clinical Negligence Central Fund	(7)	(6)
Net Contingent liability	0	0

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:

	2004 £000	2003 £000
Public Liability	0	0
Employers' Liability	0	0
Accrued Leave	0	0
Injury Benefit	0	0
Other (Specify)	0	0
Total	0	0

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

NOTE 26

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	0	0
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	1	1,120
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	1	5,738
12. Compensation payments (legal obligation)		
i. Clinical negligence	0	0
ii. Public Liability	0	0
iii. Employers Liability	23	125,199
13. Ex-gratia payments – Compensation payments (including payments to patients and staff)	0	0
14. Ex-gratia payments – Other payments	1	118
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	26	132,175

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

27. Notes to the Cash Flow Statement

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

	2004 £000	2003 £000 Restated
Operating surplus (deficit)	649	1,289
Depreciation charge	2,610	1,928
Provisions for future obligations (I&E Account)	90	(214)
Fixed asset impairments	0	0
Transfer from donation reserve	0	0
Non-cash Items	0	0
Increase (decrease) in provisions (Balance Sheet)	(90)	284
(Increase) decrease in stocks	(23)	46
(Increase) decrease in debtors	(582)	(397)
Increase (decrease) in creditors	451	282
Net cash inflow from operating activities	<u>3,105</u>	<u>3,218</u>

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

27. Notes to the Cash Flow Statement

27.2 Reconciliation of net cash flow to movement in net debt

	2004		2003	
	£000	£000	£000	£000
Increase/(decrease) in cash in the period	(83)		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		85		168
Non-cash changes in debt		<u>0</u>		<u>0</u>
Total		85		168
Net debt at 1 April 2003		<u>(2,744)</u>		<u>(2,744)</u>
Net debt at 31 March 2004		<u><u>(2,659)</u></u>		<u><u>(2,576)</u></u>

27.3 Analysis of changes in net debt

	At 1 April 2003 £000	Cash flows £000	Non-cash changes £000	At 31 March 2004 £000
Cash at bank and in hand	0	0	0	0
Bank overdrafts	0	0	0	0
Debt due within 1 year	(167)	167	(167)	(167)
Debt due after 1 year	(2,763)	0	167	(2,596)
Finance leases	0	0	0	0
Current asset investments	<u>186</u>	<u>(82)</u>	<u>0</u>	<u>104</u>
	<u><u>(2,744)</u></u>	<u><u>85</u></u>	<u><u>0</u></u>	<u><u>(2,659)</u></u>

Northern Ireland Ambulance Service Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

NOTES TO THE ACCOUNTS

28. Prior Year Adjustment

The change in accounting policy as set out in Note 1j gives rise to a cumulative adjustment to reserves of £257k, analysed as follows:

The impact on the Income & Expenditure Account for the year ended 31 March 2003 is as follows:

	Prior Year Adjustment £000
Decrease in establishment expenditure	99
Increase in Depreciation charge	(70)
	<hr/>
	29
	<hr/>

The impact on the Balance Sheet as at 31 March 2003 is as follows:

Increase in Fixed Assets	145
Decrease in Revaluation Reserve	<hr/> 112
Increase in Income & Expenditure Reserve	<hr/> 257
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