

Welsh Ambulance Services NHS Trust

Foreword

These accounts for the period ended 31 March 2010 have been prepared to comply with HM Treasury's I-FReM, and the comparative figures restated, in accordance with International Financial Reporting Standards (IFRS) by the Welsh Ambulance Services NHS Trust under schedule 9 section 178 Para 3 (1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers, with the approval of the Treasury, directed.

17. Other financial assets

	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Non-current			
Finance lease receivables	0	0	0
Financial assets carried at fair value through profit and loss	0	0	0
Held to maturity investments carried at amortised cost	0	0	0
Available for sale financial assets carried at fair value	0	0	0
Loans carried at amortised cost	0	0	0
Total	0	0	0
Current			
Finance lease receivables	0	0	0
Financial assets carried at fair value through profit and loss	8,500	7,850	2,150
Held to maturity investments carried at amortised cost	0	0	0
Available for sale financial assets carried at fair value	0	0	0
Loans carried at amortised cost	0	0	0
Total	8,500	7,850	2,150

18. Other assets

	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Non-current			
EU Emissions trading scheme allowances	0	0	0
Prepayments	0	0	0
Other assets	0	0	0
Total	0	0	0
Current			
EU Emissions trading scheme allowances	0	0	0
Prepayments	0	0	0
Other assets	0	0	0
Total	0	0	0

19. Inventories

19.1 Inventories

	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Drugs	0	0	28
Consumables	209	126	150
Energy	2	1	5
Work in progress	0	0	0
Other	34	45	59
Total	245	172	242
Of which held at net realisable value:	0	0	0

19.2 Inventories recognised in expenses

	31 March 2010 £000	31 March 2009 £000
Inventories recognised as an expense in the period	0	70
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	0	70

20. Trade and other receivables

20.1 Trade and other receivables

	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Current			
Welsh Assembly Government	544	422	1,821
Welsh Health Boards	2,544	194	104
Welsh NHS Trusts	162	1,824	1,975
Non - Welsh Trusts	384	151	177
Other NHS	0	4	35
Welsh Risk Pool	629	569	5,923
Capital debtors	0	0	0
Other debtors	1,471	2,049	1,541
Provision for irrecoverable debts	(355)	(326)	(298)
PDC dividend	0	0	156
Pension Prepayments	0	0	0
Other prepayments and accrued income	1,223	1,436	1,596
Sub-total	6,602	6,323	13,030
Non-current			
Welsh Assembly Government	0	0	0
Welsh Health Boards	0	0	0
Welsh NHS Trusts	0	0	0
Non - Welsh Trusts	0	0	0
Other NHS	0	0	0
Welsh Risk Pool	0	0	0
Capital debtors	0	0	0
Other debtors	0	0	0
Provision for irrecoverable debts	0	0	0
Other prepayments and accrued income	0	0	0
Sub-total	0	0	0
Total trade and other receivables	6,602	6,323	13,030

Following the reorganisation of the NHS in Wales on 1 October 2009, all but two of the former Welsh NHS Trusts were reorganised into Health Boards. This explains the change in analysis between these two categories as compared to the previous year above.

No interest is charged on trade receivables.

20.2 Receivables past their due date but not impaired

	31-Mar 2010 £000	31 March 2009 £000	1 April 2008 £000
By up to 3 months	561	504	163
By 3 to 6 months	774	119	58
By more than 6 months	21	15	3
Balance at end of financial year/period	<u>1,356</u>	<u>638</u>	<u>224</u>

20.3 Provision for the impairment of receivables

	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Balance at beginning of the year	(326)	(298)	(138)
Amount written off during the year	40	3	7
Amount recovered during the year	131	0	0
(Increase)/decrease in receivables impaired	(200)	(31)	(167)
Balance at 31 March	<u>(355)</u>	<u>(326)</u>	<u>(298)</u>

In determining whether a debt is impaired consideration is given to the age of the debt and the results of actions taken to recover the debt, including reference to credit agencies.

21. Cash and cash equivalents

	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Opening Balance	326	326	326
Net change in year	0	0	0
Closing Balance	<u>326</u>	<u>326</u>	<u>326</u>
Made up of:			
Cash with OPG	284	227	348
Commercial banks	38	95	(26)
Cash in hand	4	4	4
Current investments	0	0	0
Cash and cash equivalents as in SoFP	<u>326</u>	<u>326</u>	<u>326</u>
Bank overdraft - OPG	0	0	0
Bank overdraft - Commercial	0	0	0
Cash & cash equivalents as in Statement of Cash Flows	<u>326</u>	<u>326</u>	<u>326</u>

22. Trade and other payables

22.1 Trade and other payables at the

Statement of Financial Position date consist of:

	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Current			
Welsh Assembly Government	0	231	0
Welsh Health Boards	473	29	23
Welsh NHS Trusts	0	571	332
Other NHS	66	628	843
Income tax and social security	1,872	1,850	1,497
Non-NHS trade payables - revenue	1,912	2,819	3,263
Non-NHS trade payables - capital	5,302	3,272	5,133
Overdraft	0	0	0
Rentals due under operating leases	0	0	0
Obligations under finance leases HP and PFI contracts	0	0	0
Pensions: staff	1,213	1,154	1,098
Accruals	3,468	2,445	2,805
Interest payable	0	0	0
Public Dividend Capital dividend payable	107	172	0
Deferred Income	0	0	0
Other liabilities - all other payables	980	892	705
Sub-total	15,393	14,063	15,699
Non-current			
Welsh Assembly Government	0	0	0
Welsh Health Boards	0	0	0
Welsh NHS Trusts	0	0	0
Other NHS	0	0	0
Income tax and social security	0	0	0
Non-NHS trade payables - revenue	0	0	0
Non-NHS trade payables - capital	0	0	0
Overdraft	0	0	0
Rentals due under operating leases	0	0	0
Obligations under finance leases HP and PFI contracts	0	0	0
Pensions: staff	0	0	0
Accruals	0	0	0
Interest payable	0	0	0
Public Dividend Capital dividend payable	0	0	0
Deferred Income	0	0	0
Other liabilities - all other payables	0	0	0
Sub-total	0	0	0
Total	15,393	14,063	15,699

It is intended to pay all invoices within the 30 day period directed by the Welsh Assembly Government.

Following the reorganisation of the NHS in Wales on 1 October 2009, all but two of the former Welsh NHS Trusts were reorganised into Health Boards. This explains the change in analysis between these two categories as compared to the previous year above.

23. Borrowings

Current	31 March	31 March	1 April
	2010	2009	2008
	£000	£000	£000
Bank overdraft - OPG	0	0	0
Bank overdraft - Commercial bank	0	0	0
Loans from:			
Welsh Assembly Government	0	0	0
Other entities	0	0	0
PFI liabilities:			
Main liability	0	0	0
Lifecycle replacement received in advance	0	0	0
Finance lease liabilities	1,402	3,015	293
Other	0	0	0
Total	1,402	3,015	293
Non-current			
Bank overdraft - OPG	0	0	0
Bank overdraft - Commercial bank	0	0	0
Loans from:			
Welsh Assembly Government	8,141	8,141	3,500
Other entities	0	0	0
PFI liabilities:			
Main liability	0	0	0
Lifecycle replacement received in advance	0	0	0
Finance lease liabilities	12,241	13,379	15,137
Other	0	0	0
Total	20,382	21,520	18,637

The £8.141 million represents strategic cash assistance.

23.2 Loan advance/strategic assistance funding

Amounts falling due:	31 March	31 March	1 April
	2010	2009	2008
	£000	£000	£000
In one year or less	0	0	0
Between one and two years	0	0	0
Between two and five years	8,141	8,141	3,500
In five years or more	0	0	0
Sub-total	8,141	8,141	3,500
Wholly repayable within five years	8,141	8,141	3,500
Wholly repayable after five years, not by instalments	0	0	0
Wholly or partially repayable after five years by instalments	0	0	0
Sub-total	8,141	8,141	3,500
Total repayable after five years by instalments	0	0	0

24. Other financial liabilities

Current	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Financial liabilities carried at fair value through profit and loss	0	0	0
 Non-current			
Financial liabilities carried at fair value through profit and loss	0	0	0

25. Other liabilities

Current	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Lease incentives	0	0	0
PFI asset - deferred credit	0	0	0
Other	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>

Non-current

Lease incentives	0	0	0
PFI asset - deferred credit	0	0	0
Other	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>

26. Provisions

	At 31 March 2009	Structured settlement cases transferr-ed to Risk Pool	Transfer of provisions to creditors and/or current to non current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2010
	£000	£000	£000	£000	£000	£000	£000	£000
Current								
Clinical negligence	54	0	0	579	(201)	(201)	0	231
Personal injury	1,093	0	0	1,635	(697)	(1,052)	94	1,073
All other losses and special payments	0	0	0	235	(184)	(40)	0	11
Defence legal fees and other administration	133	0	0	169	(69)	(88)		145
Pensions relating to: former directors	0			0	0	0	0	0
Pensions relating to: other staff	19			17	(20)	0	4	20
Restructurings	0			0	0	0		0
Other	1,751			386	(507)	(463)		1,167
Total	3,050	0	0	3,021	(1,678)	(1,844)	98	2,647

Non Current

Clinical negligence	0	0	0	0	0	0	0	0
Personal injury	4,018	0	0	585	0	0	0	4,603
All other losses and special payments	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0		0
Pensions relating to: former directors	0			0	0	0	0	0
Pensions relating to: other staff	158			(6)	0	0	0	152
Restructurings	0			0	0	0		0
Other	0			0	0	0		0
Total	4,176	0	0	579	0	0	0	4,755

TOTAL

Clinical negligence	54	0	0	579	(201)	(201)	0	231
Personal injury	5,111	0	0	2,220	(697)	(1,052)	94	5,676
All other losses and special payments	0	0	0	235	(184)	(40)	0	11
Defence legal fees and other administration	133	0	0	169	(69)	(88)		145
Pensions relating to: former directors	0			0	0	0	0	0
Pensions relating to: other staff	177			11	(20)	0	4	172
Restructurings	0			0	0	0		0
Other	1,751			386	(507)	(463)		1,167
Total	7,226	0	0	3,600	(1,678)	(1,844)	98	7,402

Expected timing of cash flows:

	Within 1 year	2 and 5 years	6 and 10 years	After 10 years	After 50 years	After 75 years	Totals
	£000	£000	£000	£000	£000	£000	£000
Clinical negligence	231	0	0	0	0	0	231
Personal injury	1,073	1,080	1,272	2,251	0	0	5,676
All other losses and special payments	11	0	0	0	0	0	11
Defence legal fees and other administration	145	0	0	0	0	0	145
Pensions - former directors	0	0	0	0	0	0	0
Pensions - other staff	20	74	72	6	0	0	172
Restructuring	0	0	0	0	0	0	0
Other	1,167	0	0	0	0	0	1,167
Total	2,647	1,154	1,344	2,257	0	0	7,402

The expected timing of cashflows are based on best available information; but they could change on the basis of individual case changes.

"Other" Provisions include the following:-

£793k (2008-09 £820k) which relates to the provision of unpaid annual leave entitlement to staff in respect of frozen holiday leave entitlement agreed a number of years ago for a proportion of Trust's employees. The whole of this provision is included within 1 year as this could be paid out at any time.

£10k (2008-09 £334k) which relates to the expected costs relating to the Agenda for Change initiative.

£204k (2008-09 £0k) which relates to the provision for Voluntary Early Release.

£160k (2008-09 £576k) which relates to the provision in respect of the Trust's obligations as a tenant for building dilapidations (the cost of undertaking all work necessary to bring the building up to the required standard).

26. Provisions

	At 1 April 2008	Structured settlement cases transferr-ed to Risk Pool	Transfer of provisions to creditors and/or current to non current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2009
	£000	£000	£000	£000	£000	£000	£000	£000
Current								
Clinical negligence	4,734	0	0	588	(704)	(4,564)	0	54
Personal injury	1,441	0	0	1,779	(1,501)	(715)	89	1,093
All other losses and special payments	0	0	0	126	(119)	(7)	0	0
Defence legal fees and other administration	363	0	0	169	(137)	(262)		133
Pensions relating to: former directors	0			0	0	0	0	0
Pensions relating to: other staff	18			16	(19)	0	4	19
Restructurings	0			0	0	0		0
Other	2,370			1,310	(1,808)	(121)		1,751
Total	8,926	0	0	3,988	(4,288)	(5,669)	93	3,050
Non Current								
Clinical negligence	0	0	0	0	0	0	0	0
Personal injury	4,034	0	0	(16)	0	0	0	4,018
All other losses and special payments	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0		0
Pensions relating to: former directors	0			0	0	0	0	0
Pensions relating to: other staff	155			3	0	0	0	158
Restructurings	0			0	0	0		0
Other	0			0	0	0		0
Total	4,189	0	0	(13)	0	0	0	4,176
TOTAL								
Clinical negligence	4,734	0	0	588	(704)	(4,564)	0	54
Personal injury	5,475	0	0	1,763	(1,501)	(715)	89	5,111
All other losses and special payments	0	0	0	126	(119)	(7)	0	0
Defence legal fees and other administration	363	0	0	169	(137)	(262)		133
Pensions relating to: former directors	0			0	0	0	0	0
Pensions relating to: other staff	173			19	(19)	0	4	177
Restructurings	0			0	0	0		0
Other	2,370			1,310	(1,808)	(121)		1,751
Total	13,115	0	0	3,975	(4,288)	(5,669)	93	7,226

Expected timing of cash flows:

	Within 1 year	2 and 5 years	6 and 10 years	After 10 years	After 50 years	After 75 years	Totals
	£000	£000	£000	£000	£000	£000	£000
Clinical negligence	54	0	0	0	0	0	54
Personal injury	1,093	940	1,124	1,954	0	0	5,111
All other losses and special payments	0	0	0	0	0	0	0
Defence legal fees and other administration	133	0	0	0	0	0	133
Pensions - former directors	0	0	0	0	0	0	0
Pensions - other staff	19	71	74	13	0	0	177
Restructuring	0	0	0	0	0	0	0
Other	1,751	0	0	0	0	0	1,751
Total	3,050	1,011	1,198	1,967	0	0	7,226

The expected timing of cashflows are based on best available information; but they could change on the basis of individual case changes. "Other" Provisions include the following:-

£820k (2007-08 £714k) which relates to the provision of unpaid annual leave entitlement to staff in respect of frozen holiday leave entitlement agreed a number of years ago for a proportion of Trust's employees. The whole of this provision is included within 1 year as this could be paid out at any time.
 £21k (2007-08 £109k) relates to the provision for Excess Mileage which is the potential liability for mileage in excess of that anticipated within the lease agreements.
 £334k (2007-08 £1,432k) which relates to the expected costs relating to the Agenda for Change initiative.
 £0k (2007-08 £115k) which relates to the provision for the capitalised cost of the premature retirement benefits of a member of staff.
 £576k (2007-08 £679k, but disclosed as an accrual not a provision) which relates to the provision in respect of the Trust's obligations as a tenant for building dilapidations (the cost of undertaking all work necessary to bring the building up to the required standard)

27. Finance leases

27.1 Finance leases obligations (as lessee)

Buildings

A lease arrangement was entered into during 2007/08 in respect of Vantage Point House. In addition to the main building lease (that has been classified under IFRS as an operating lease) there was a separate agreement relating only to the fit-out costs of the project. This element has been classified separately as a finance lease. This is the only asset included within 'Buildings' below.

Other

As part of a National agreement, a contract was entered into with Airwave during 2007/08 in respect of the Ambulance Radio Re-procurement Project. National guidance in respect of this contract recommended that all 'non-baseline' services and equipment should be treated as on-balance sheet items. These include:-

- Incremental radio terminals
- Radio terminal accessory costs
- Other baseline changes i.e. non-baseline call loggers, control room interfaces
- Mobile data provision outside of the original scope and incremental terminals

This is the only asset included with 'Other' below

Amounts payable under finance leases:

LAND	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Minimum lease payments			
Within one year	0	0	0
Between one and five years	0	0	0
After five years	0	0	0
Less finance charges allocated to future periods	0	0	0
Minimum lease payments	<u>0</u>	<u>0</u>	<u>0</u>
Included in:			
Current borrowings	0	0	0
Non-current borrowings	<u>0</u>	<u>0</u>	<u>0</u>
Present value of minimum lease payments			
Within one year	0	0	0
Between one and five years	0	0	0
After five years	0	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>	<u>0</u>
Included in:			
Current borrowings	0	0	0
Non-current borrowings	<u>0</u>	<u>0</u>	<u>0</u>

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27.1 Finance leases obligations (as lessee) continued

Amounts payable under finance leases:

BUILDINGS	31 March	31 March	1 April
	2010	2009	2008
	£000	£000	£000
Minimum lease payments			
Within one year	391	390	175
Between one and five years	880	1,270	934
After five years	0	0	58
Less finance charges allocated to future periods	(145)	(195)	(161)
Minimum lease payments	1,126	1,465	1,006
Included in:			
Current borrowings	331	310	156
Non-current borrowings	795	1,155	850
	1,126	1,465	1,006
Present value of minimum lease payments			
Within one year	331	310	155
Between one and five years	795	1,155	851
After five years	0	0	0
Present value of minimum lease payments	1,126	1,465	1,006
Included in:			
Current borrowings	331	310	155
Non-current borrowings	795	1,155	851
	1,126	1,465	1,006
OTHER	31 March	31 March	1 April
	2010	2009	2008
	£000	£000	£000
Minimum lease payments			
Within one year	1,508	3,227	0
Between one and five years	6,119	6,052	7,450
After five years	7,351	8,522	10,471
Less finance charges allocated to future periods	(2,461)	(2,872)	(3,497)
Minimum lease payments	12,517	14,929	14,424
Included in:			
Current borrowings	1,071	2,705	0
Non-current borrowings	11,446	12,224	14,424
	12,517	14,929	14,424
Present value of minimum lease payments			
Within one year	1,071	2,705	
Between one and five years	4,755	4,570	5,222
After five years	6,691	7,654	9,202
Present value of minimum lease payments	12,517	14,929	14,424
Included in:			
Current borrowings	1,071	2,705	0
Non-current borrowings	11,446	12,224	14,424
	12,517	14,929	14,424

27.2 Finance lease receivables (as lessor)

There are no finance lease receivables.

Amounts receivable under finance leases:

	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Gross investment in leases			
Within one year	0	0	0
Between one and five years	0	0	0
After five years	0	0	0
Less finance charges allocated to future periods	0	0	0
Gross lease payments	<u>0</u>	<u>0</u>	<u>0</u>
Included in:			
Current borrowings	0	0	0
Non-current borrowings	<u>0</u>	<u>0</u>	<u>0</u>
Present value of minimum lease payments			
Within one year	0	0	0
Between one and five years	0	0	0
After five years	0	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>	<u>0</u>
Included in:			
Current borrowings	0	0	0
Non-current borrowings	<u>0</u>	<u>0</u>	<u>0</u>

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	31 March	31 March	1 April
27.3 Rental Revenue	2010	2009	2008
	£000	£000	£000
Contingent rent	0	0	0
Other	0	0	0
Total rental revenue	0	0	0

28. Finance lease commitments

Welsh Ambulance Services NHS Trust has not entered into any new contracts under finance leases during 2009-10.

29. Private finance transactions

Private Finance Initiatives (PFI) / Public Private Partnerships (PPP)

The Trust has no PFI or PPP schemes deemed to be "on or off balance sheet."

30. Financial risk

IFRS 7, 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 continuing service provider relationships that the NHS Trust has previously had with Health Authorities and now with Health Commission Wales and Local Health Boards, and the way those Health bodies are financed, NHS Trusts are not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. NHS Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing NHS Trusts in undertaking its activities.

The NHS Trust's treasury management operations are carried out by the finance department within parameters defined formally within the NHS Trust's standing financial instructions and policies agreed by the board of directors. NHS Trust treasury activity is subject to review by the NHS Trust's internal auditors.

Liquidity risk

NHS Trust's net operating costs are incurred under annual service agreements with various Health bodies, which are financed from resources voted annually by parliament. NHS Trusts also largely finance their capital expenditure from funds made available from Government under agreed borrowing limits. NHS Trusts are not, therefore, exposed to significant liquidity risks.

Interest-rate risks

The great majority of NHS Trust's financial assets and financial liabilities carry nil or fixed rates of interest. NHS Trusts are not, therefore, exposed to significant interest-rate risk.

Foreign currency risk

NHS Trusts have no or negligible foreign currency income or expenditure and therefore are not exposed to significant foreign currency risk.

Credit Risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 30 Sept 2009 are in receivables from customers as disclosed in the Trade and other receivables note.

General

The powers of the NHS Trust to invest and borrow are limited. The Board has determined that in order to maximise income from cash balances held, any balance of cash which is not required will be invested. The Trust does not borrow from the private sector. All other financial instruments are held for the sole purpose of managing the cash flow of the Trust on a day to day basis or arise from the operating activities of the Trust. The management of risks around these financial instruments therefore relates primarily to the Trust's overall arrangements for managing risks to their financial position, rather than the Trust's treasury management procedures.

31. Financial Instruments

Financial assets	At "fair value" through I&E £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0	0	0	0
NHS receivables	0	0	0	0
Cash at bank and in hand	8,826	0	0	8,826
Other financial assets	0	0	0	0
Total at 31 March 2010	8,826	0	0	8,826

Financial liabilities	At "fair value" through I&E £000	Other £000	Total £000
Embedded derivatives	0	0	0
PFI and finance lease obligations	13,643	0	13,643
Other financial liabilities	0	0	0
Total at 31 March 2010	13,643	0	13,643

Financial assets	At "fair value" through I&E £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0	0	0	0
NHS receivables	0	0	0	0
Cash at bank and in hand	8,176	0	0	8,176
Other financial assets	0	0	0	0
Total at 31 March 2009	8,176	0	0	8,176

Financial liabilities	At "fair value" through I&E £000	Other £000	Total £000
Embedded derivatives	0	0	0
PFI and finance lease obligations	16,394	0	16,394
Other financial liabilities	0	0	0
Total at 31 March 2009	16,394	0	16,394

Financial assets	At "fair value" through I&E £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0	0	0	0
NHS receivables	0	0	0	0
Cash at bank and in hand	2,476	0	0	2,476
Other financial assets	0	0	0	0
Total at 1 April 2008	2,476	0	0	2,476

Financial liabilities	At "fair value" through I&E £000	Other £000	Total £000
Embedded derivatives	0	0	0
PFI and finance lease obligations	15,430	0	15,430
Other financial liabilities	0	0	0
Total at 1 April 2008	15,430	0	15,430

Financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies. The NHS 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 NHS Trust in undertaking its activities.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair value.

32. Financial performance targets

The Trust has met 3 out of its 3 of its financial targets. Details are given below:

32.1 Breakeven	£'000
Target retained surplus	0
Actual retained surplus	<u>59</u>
Variance	(59)

The NHS Director of Resources confirmed during the year that the Trust's previous Strategic Change and Efficiency Programme (SCEP) target of achieving a surplus of £2.9million would be waived for 2009/10 and therefore the Trust's statutory financial target was to achieve breakeven.

Trust has met the breakeven duty in full.

The Trust has broken even in 2009-10.

32.2 External financing	31 March	31 March
The Trust is given an external financing limit which it is permitted to undershoot	2,010	2009
	£000	£000
External financing limit set by the Assembly	(636)	3,993
Cash flow financing	(636)	3,160
Finance leases taken out in the year	0	833
Other capital receipts	<u>0</u>	<u>0</u>
External financing requirement	(636)	3,993
Undershoot (overshoot)	<u>0</u>	<u>0</u>

The Trust has achieved its external financing limit by reducing its net indebtedness by £636k.

32.3 Creditor payment

The Trust is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The Trust has achieved the following results:

Total number of non-NHS bills paid 2009-10	2009-10
	36,795
Total number of non-NHS bills paid within target	36,117
Percentage of non-NHS bills paid within target	98.2%

The Trust has met the target.

33. Contingencies

33.1 Contingent liabilities

	31 March
	2010
	£000
Provision has not been made in these accounts for the following amounts:	
Legal claims for alleged medical or employer negligence	8,114
Doubtful debts	0
Equal pay cases	0
Defence costs	0
Other	0
Total value of disputed claims	<u>8,114</u>
Amount recovered under insurance arrangements in the event of these claims being successful	<u>(7,454)</u>
Net contingent liability	<u>660</u>

From an original total of 218 Equal Pay claims lodged with the Tribunal, there remain 44 live claims. Additionally, Thompsons (Solicitors) have advised that they are no longer representing a further 14 individuals - the Trust is hopeful that they will decide not to pursue their claims.

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them.

33.2 Contingent assets

The Trust has no contingent assets.

34. Third party assets

The Trust has no Third Party Assets.

35. Events after reporting period

The Trust's Chief Executive Mr Alan Murray terminated his employment with the Trust on 30 April 2010 under the Trust's Voluntary Early Release programme.

Mr Elwyn Price-Morris was appointed as interim Chief Executive with effect from 1 April 2010.

36. Related Party transactions

The Trust is a body corporate established by order of the Welsh Minister for Health and Social Services.

During the year none of the board members or members of the key management staff or parties related to them has undertaken any material transactions with the Trust.

The Welsh Assembly Government is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Welsh Assembly Government and with other entities for which the Welsh Assembly Government is regarded as the parent body, namely namely,

	Payments to related party	Receipts from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Welsh Assembly Government	1,550	9,726	197	544
Health Commission Wales	0	116,047	0	614
Abertawe Bro Morgannwg University LHB	745	5,789	43	558
Aneurin Bevan LHB	340	4,164	26	30
Betsi Cadwaladr University LHB	1,281	5,772	110	264
Cardiff and Vale University LHB	135	4,958	26	1,565
Cwm Taf LHB	86	1,451	7	86
Hywel Dda LHB	74	2,459	6	218
Powys LHB	376	521	135	6
Public Health Wales	0	0	0	11
Velindre NHS Trust	17	588	1	149
TOTAL	4,604	151,475	551	4,045

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with HM Revenue and Customs.

37. Intra Government balances

	Receivables:	Receivables:	Payables:	Payables:
	Current £000	Non-current £000	Current £000	Non-current £000
2009-10				
Welsh Assembly Government	544	0	197	0
Welsh Local Health Boards	2,727	0	353	0
Welsh NHS Trusts	158	0	0	0
Health Commission Wales	614	0	0	0
All English Health Bodies	384	0	59	0
All N. Ireland Health Bodies	0	0	0	0
All Scottish Health Bodies	0	0	0	0
Miscellaneous	0	0	0	0
Credit note provision	(657)	0	0	0
Sub total	3,770	0	609	0
Other Central Government Bodies				
Other Government Departments	629	0	1,213	0
Revenue & Customs	214	0	1,872	0
Local Authorities	0	0	0	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	1,989	0	11,699	0
TOTAL	6,602	0	15,393	0
	Receivables:	Receivables:	Payables:	Payables:
	Current £000	Non-current £000	Current £000	Non-current £000
2008-09:				
Welsh Assembly Government	422	0	231	0
Welsh Local Health Boards	194	0	29	0
Welsh NHS Trusts	1,823	0	571	0
Health Commission Wales	4	0	0	0
All English Health Bodies	304	0	0	0
All N. Ireland Health Bodies	0	0	0	0
All Scottish Health Bodies	0	0	0	0
Miscellaneous	0	0	628	0
Credit note provision	(153)	0	0	0
Sub total	2,594	0	1,459	0
Other Central Government Bodies				
Other Government Departments	569	0	1,154	0
Revenue & Customs	144	0	1,850	0
Local Authorities	0	0	0	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	3,016	0	9,600	0
TOTAL	6,323	0	14,063	0

38. Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during year to 31 march 2010		Approved to write-off to 31 march 2010	
	Number	£	Number	£
Clinical negligence	3	200,555	2	40,620
Personal injury	99	697,030	11	76,498
All other losses and special payments	115	184,173	0	0
Total	217	1,081,758	13	117,118

Analysis of cases which exceed £250,000 and all other cases

		Amounts paid out in year £	Cumulative amount £	Approved to write-off in year £
Cases exceeding £250,000				
Case reference	Case type			
02RT4PI0015	Personal injury	0	2,609,401	
03RT4PI0058	Personal injury	65,000	495,000	
07RT4MN0003	Medical negligence	0	257,000	
99RT4MN0001	Medical negligence	188,055	1,112,365	
Sub-total		253,055	4,473,766	0
All other cases		828,703	3,694,616	117,118
Total cases		1,081,758	8,168,382	117,118

39. Pooled budgets

Welsh Ambulance Services NHS Trust has no pooled budgets.

40. Transition to IFRS

The previous financial statements were presented under UKGAAP and the following table sets out the adjustments made to restate the position in accordance with International Financial Reporting Standards

	Retained earnings	Revaluation reserve	Donated asset reserve	Govt grant reserve
	£'000	£'000	£'000	£'000
Taxpayers' equity at 31/03/09 under UK GAAP	(8,573)	15,198	0	0
Adjustment to remove negative revaluation reserve balances	(1,474)	1,474	0	0
Adjusted taxpayers' equity at 31/03/09	(10,047)	16,672	0	0
Adjustments for IFRS changes:				
PFI	0	0	0	0
Leases	(3,090)	141	0	0
Employee Holiday pay accrual	(1,074)	0	0	0
Additional funding	0			
Taxpayers' equity at 31/03/09 under IFRS	(14,211)	16,813	0	0
Surplus/(deficit) for 2008-09 under UK GAAP	52	0	0	0
Adjustments for:				
PFI	0	0	0	0
Leases	(1,678)	0	0	0
Employee Holiday pay accrual	459	0	0	0
Reduction in PDC charge	121			
Surplus/(deficit) for 2008-09 under IFRS	(1,046)	0	0	0

41. Operating segments

The Trust's primary remit is the provision of Ambulance and Unscheduled Care services throughout Wales and this is viewed as the only segment that is recognisable under this legislation.

The Chief Operating Decision Maker (CODM) is considered to be the Trust Board. The CODM receives a variety of information in a variety of formats dealing with various aspects of ambulance service and NHS Direct Wales performance. The Trust however considers the provision of Unscheduled Care services to be ultimately generic, in terms of geography and service.

The Trust therefore is deemed to operate as one segment.

**STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES
AS ACCOUNTABLE OFFICER OF THE TRUST**

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the Welsh Assembly Government.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Date 23 June 2010 B. Price-Thomas Chief Executive

THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

NHS TRUSTS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2010 and subsequent financial years in respect of the NHS Wales Trusts¹ in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the NHS Wales Trusts shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year for which the accounts are being prepared, as detailed in the NHS Wales Trust Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Assembly Government.

FORM AND CONTENT

3. The account of the Trust for the year ended 31 March 2010 and subsequent years shall comprise a foreword, an income statement, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied to the NHS Wales Manual for Accounts, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2010 and subsequent years, the account of the Trust shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive.

MISCELLANEOUS

6. The direction shall be reproduced as an appendix to the published accounts.
7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated : 17.06.2010

1 Please see regulation 3 of the 2009 No 1558(W.153); NATIONAL HEALTH SERVICE, WALES; The National Health Service Trusts (Transfer of Staff, Property Rights and Liabilities) (Wales) Order 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF
THE ACCOUNTS

The directors are required under the National Health Service (Wales) Act 2006 to prepare accounts for each financial year. The Welsh Ministers, with the approval of the Treasury, direct that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Welsh Ministers with the approval of the Treasury;
- make judgements and estimates which are responsible and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account.

The directors confirm they have complied with the above requirements in preparing the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction by the Welsh Ministers.

By Order of the Board

Signed:

Date: 25 June 2010

Chairman: S. B. F.W.

Date: 23 June 2010

Chief Executive: E. Rio-Thomas

Date: 2nd June 2010

Director of Finance: Wayne Harris

STATEMENT ON INTERNAL CONTROL

Scope of responsibility

The Board is accountable for internal control. As Accountable Officer and Chief Executive for this Board, I have the responsibility for maintaining a sound system of internal control that supports achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and this organisation's assets for which I am personally responsible, in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales.

The Trust's system of internal control is based on a continuous risk management process designed to identify the principal risks to the organisation's achieving its objectives, to assess the nature of those risks and to manage them effectively, efficiently and economically.

The organisation's responsibilities for internal control are also considered in the quarterly accountability reviews held with the Welsh Assembly Government.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of organisational policies, aims and objectives, 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 the organisation for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with Welsh Assembly Government guidance.

Capacity to handle risk

The Trust's Risk Management Policy and Strategy as endorsed by the Board sets out the role and responsibilities of the Chief Executive in relation to Risk Management. The Chief Executive has overall responsibility for risk management and following a review of the service management structure, the Director of Service Development has been designated the director with delegated responsibility for risk management. The appointment process is currently in progress and therefore interim management arrangements have operated during the course of the year.

During 2009/10 oversight of Risk Management and related Health and Safety processes remained the responsibility of the Risk Management and Modernisation Committee. This committee continues to liaise closely with the Board's Clinical Governance Committee to ensure a comprehensive integrated approach is maintained to all aspects of risk management.

Both the Risk Management and Modernisation Committee, and the Clinical Governance Committee are chaired by non executive Directors with membership comprising Executive Directors and other relevant senior managers and clinicians.

Day to day specialist advice on the management of risk at national and Regional levels is provided through the Risk Management Function.

In addition the programme management department (PMD) continues to support the development of projects under its Modernisation Strategy "Time to Make a Difference" (TTMD) which facilitates the identification and management of project risk.

Risk Management, Health and Safety and Adverse Incident Reporting are elements included within induction arrangements.

The Trust is an active part of networks with other Ambulance Services in England and Scotland, as well as all-Wales networking of Risk Managers and Health and Safety Managers, in order to "benchmark" and thereby maintain awareness of, and benefit from, information about best practice.

The risk and control framework

The Risk Management framework is set out in the Risk Management Policy and Strategy approved by the Board. The key elements of the Strategy include:

- A Policy Statement setting out the Trust's commitment and approach to risk management and confirming that risk management is everyone's responsibility within the Trust
- A general overview that describes the way in which the Risk Management Strategy is fully consistent with the strategies, aims and objectives of the Trust and confirms that a co-ordinated and holistic attitude and approach towards Risk Management is integral to Management of the Trust
- Designated responsibilities of Committees and individuals
- Risk Management processes that include arrangements for risk identification, classification, risk profiling and the Risk Register, risk control and monitoring
- Communications and dissemination to key stakeholders
- Disaster recovery and contingency planning
- Training arrangements
- Principal Committees for managing risks, including terms of reference
- Clinical Governance Framework
- An internal audit function with specialist audit management support from the Mersey Internal Audit Agency (MIAA)

Risk assessment processes are included within the following policies:

- Adverse Incident and Hazard Reporting Policy
- Health and Safety Policy
- Moving and Handling Policy
- Violence and Aggression Policy
- Control of Infection Policy
- Lone Working Policy

The Trust's Assurance Framework agreed by the Board covers the following:

Main activities of the Trust

Objectives and targets which the Trust is striving to achieve or meet

Identification of the risks to the achievement of objectives and achieving targets

Identification and examination of the system of internal control in place to manage the risks

2009-10 performance against the Healthcare Standards for Wales.

The Trust has completed its self-assessment of 2009-10 performance against the Healthcare Standards for Wales.

The process for undertaking the self assessment was achieved by identifying Executive leads for each of the Healthcare Standards who verified the self assessment submission for their lead areas. The Trust has established a 'Scrutiny Panel' whose role is to provide internal scrutiny of the draft submission ahead of its presentation to the Trust Board.

The Self assessment covered all standards other than the following, which were agreed with HIW as not being relevant to Ambulance Services:

Standard 9 Food and Nutrition

Standard 31 Disease Outbreaks

The Self assessment was shared with non executive directors prior to submission and formal sign off was agreed under Chairman's Actions.

The self assessment was then submitted to HIW by the required deadline of 10th May 2010.

Overall performance compared to the previous years assessment was as follows

The Trust assessed performance to have improved on 8 standards

The Trust assessed performance to have been maintained on 21 standards

The Trust assessed performance to have deteriorated on 1 standard

Assessed performance against the standards that underpin the management of risk across all Standards for 2008/09 and 2009/10 was as follows:

	2009/10	2008/09
Healthcare standard 14	Level 3, Developing	Level 3, Developing
Healthcare standard 16	Level 4, Practising	Level 4, Practising
Healthcare standard 27	Level 4, Practising	Level 4, Practising
Healthcare standard 28	Level 4, Practising	Level 3, Developing

Self-assessment will be validated by HIW in accordance with the agreed assessment timetable.

A healthcare standards improvement plan for the year has been developed and submitted to HIW. This will be further refined following the HIW report on the self assessment prior to submission to WAG Regional Office. The Board is assured of progress against it through the receipt of progress and exception reports to the Committees of the Board.

Healthcare standards are embedded in the activity of the organisation in the following key ways – each of the Improvement actions contained within the Healthcare Standards Improvement Plan are cross referenced to the Modernisation Programme to ensure alignment of organisational activity. An Executive lead has been identified for each of the Healthcare Standards and is responsible for driving the improvement actions.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive officers within the organisation 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, the Audit Committee and Risk Management and Modernisation Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit's opinion for the year reports Significant Assurance both in respect of the Healthcare Standards in Wales, and overall on the range of individual opinions arising from risk-based audit assignments, contained within risk based plans that have been reported throughout the year to date.

- The Board's role is to provide active leadership of the Trust within a framework of prudent and effective controls that enable risk to be assessed and managed.
- The Audit Committee, as part of an integrated committee structure, is pivotal in advising the Board on the effectiveness of the system of internal control.
- The Clinical Governance Committee and the Risk Management and Modernisation Committees are key components by which I am able to assess the effectiveness and assure the Board of risk management generally and clinical risk.
- The Internal Audit Department provides quarterly reports to the Audit Committee and full reports to the Director of Finance and Line Management. The Audit Committee also receives details of actions that remain outstanding following any follow-up of previous audit work. The Director of Finance also meets with the Audit Manager on a regular basis to discuss issues arising.
- The Trust's Executive and senior management team implement risk management policy as approved by the Board.
- The Trust also has procedures in place for the management of Health and Safety Executive Improvement Notices. These are regularly reviewed to ensure that the Trust complies with

the requirements of Improvement Notices as soon as practicably possible and that the Trust is not placed in breach of Health and Safety for lengthy periods of time.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Signed: _____

B. Price-Moynihan

Chief Executive

Date: 23 June 2010

(On behalf of the Board)

STATEMENT OF INCOME FOR THE YEAR ENDED 31 March 2010

	Note	2009-10 £000	2008-09 £000 Restated
Revenue from patient care activities	2	128,636	123,962
Other operating revenue	3	23,625	18,376
Operating expenses	4	(150,262)	(141,735)
Operating surplus/(deficit)		1,999	603
Investment revenue	5	26	357
Other gains and losses	6	9	142
Finance costs	7	(701)	(672)
Surplus/(deficit)		1,333	430
Dividends payable on Public Dividend Capital		(1,274)	(1,476)
Retained surplus/(deficit)	32.1	59	(1,046)

Notes on pages 6 to 55 form part of these accounts.

For 2008/09 the Trust reported under UK GAAP a small surplus of £52k having provided for Public Capital dividends of £1597k. The comparative figures for 2008/09 that are shown above have been restated under IFRS. This did not impact on the achievement of the Trust's financial duties for 2008/09. A reconciliation of the changes made are shown in Note 40.

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2010

	Note	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Non-current assets				
Property, plant and equipment	12	72,079	76,899	80,287
Intangible assets	13	130	166	211
Trade and other receivables	20	0	0	0
Other financial assets	17	0	0	0
Other assets	18	0	0	0
Total non-current assets		72,209	77,065	80,498
Current assets				
Inventories	19	245	172	242
Trade and other receivables	20	6,602	6,323	13,030
Other financial assets	17	8,500	7,850	2,150
Other assets	18	0	0	0
Cash and cash equivalents	21	326	326	326
		15,673	14,671	15,748
Non-current assets held for sale	12	0	0	0
Total current assets		15,673	14,671	15,748
Total assets		87,882	91,736	96,246
Current liabilities				
Trade and other payables	22	(15,393)	(14,063)	(15,699)
Borrowings	23	(1,402)	(3,015)	(293)
Other financial liabilities	24	0	0	0
Provisions	26	(2,647)	(3,050)	(8,926)
Other liabilities	25	0	0	0
Total current liabilities		(19,442)	(20,128)	(24,918)
Net current assets/(liabilities)		(3,769)	(5,457)	(9,170)
Total assets less current liabilities		68,440	71,608	71,328
Non-current liabilities				
Trade and other payables	22	0	0	0
Borrowings	23	(20,382)	(21,520)	(18,637)
Other financial liabilities	24	0	0	0
Provisions	26	(4,755)	(4,176)	(4,189)
Other liabilities	25	0	0	0
Total non-current liabilities		(25,137)	(25,696)	(22,826)
Total assets employed		43,303	45,912	48,502
Financed by:				
Taxpayers' equity				
Public dividend capital		45,425	43,310	44,221
Retained earnings		(14,152)	(14,211)	(12,711)
Revaluation reserve		12,030	16,813	16,992
Donated asset reserve		0	0	0
Government grant reserve		0	0	0
Other reserves		0	0	0
Total taxpayers' equity		43,303	45,912	48,502

The financial statements on pages 1 to 55 were approved by the Board on 23 June 2010 and signed on its behalf by:

Chief Executive B. Rice-Holmes Date 23 June 2010

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Donated asset reserve £000	Government Grant Reserve £000	Other reserves £000	Total £000
Balance at 31 March 2009							
As previously stated	43,310	(14,211)	16,813	0	0	0	45,912
Prior Period Adjustment	0	0	0	0	0	0	0
Restated balance	43,310	(14,211)	16,813	0	0	0	45,912
Changes in taxpayers' equity for 2009-10							
Net gain/(loss) on revaluation of property, plant and equipment		0	(4,783)	0	0	0	(4,783)
Net gain/(loss) on revaluation of intangible assets		0	0	0	0	0	0
Net gain/(loss) on revaluation of available for sale financial assets		0	0	0	0	0	0
Receipt/(disposal) of donated/government granted assets		0	0	0	0	0	0
Release of reserves to the income statement		0	0	0	0	0	0
Movements on other reserves (specify)		0	0	0	0	0	0
Transfers between reserves		0	0	0	0	0	0
Retained surplus/(deficit) for the year		59	0	0	0	0	59
Reserves eliminated on dissolution		0	0	0	0	0	0
New Public Dividend Capital received	2,115						2,115
Public Dividend Capital repaid in year	0						0
Public Dividend Capital written off	0						0
Other movements in PDC in year	0						0
Balance at 31 March 2010	45,425	(14,152)	12,030	0	0	0	43,303

The notes on pages 6 to 55 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Donated asset reserve £000	Government Grant Reserve £000	Other reserves £000	Total £000
Balance at 31 March 2008							
As previously stated	44,221	(12,711)	16,992	0	0	0	48,502
Prior Period Adjustment	0	0	0	0	0	0	0
Restated balance at 1 April 2008	44,221	(12,711)	16,992	0	0	0	48,502
Changes in taxpayers' equity for 2008							
Impairments and reversals		0	0	0	0	0	0
Net gain/(loss) on revaluation of property, plant and equipment		0	(593)	0	0	0	(593)
revaluation of intangible assets		0	0	0	0	0	0
Net gain/(loss) on revaluation of available for sale financial assets		0	0	0	0	0	0
Receipt/(disposal) of donated/government granted assets		0	0	0	0	0	0
Release of reserves to the income statement		0	0	0	0	0	0
Movements on other reserves (specify)		(40)	0	0	0	0	(40)
Transfers between reserves		(414)	414	0	0	0	0
Retained surplus/(deficit) for the year		(1,046)	0	0	0	0	(1,046)
Reserves eliminated on dissolution		0	0	0	0	0	0
New Public Dividend Capital received	1,714						1,714
Public Dividend Capital repaid in year	(2,625)						(2,625)
Public Dividend Capital written off	0						0
Other movements in PDC in year	0						0
Balance at 31 March 2009	43,310	(14,211)	16,813	0	0	0	45,912

The notes on pages 6 to 55 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2010

	Note	2009-10 £000	2008-09 £000
Cash flows from operating activities			
Operating surplus/(deficit)		1,999	603
Depreciation and amortisation		8,262	9,700
Impairments and reversals		5,226	2,282
Release of PFI deferred credits		0	0
Transfer from donated asset reserve		0	0
Transfer from government grant reserve		0	0
Interest paid		(603)	(579)
Dividend paid		(1,339)	(1,269)
(Increase)/decrease in inventories		(73)	70
(Increase)/decrease in trade and other receivables		(279)	6,551
(Increase)/decrease in other current assets		0	0
Increase/(decrease) in trade and other payables		(734)	(40)
Increase/(decrease) in other current liabilities		0	0
Increase/(decrease) in provisions		176	(5,889)
Net cash inflow/(outflow) from operating activities		12,635	11,429
Cash flows from investing activities			
Interest received		26	357
(Payments) for property, plant and equipment		(11,445)	(10,284)
Proceeds from disposal of property, plant and equipment		70	183
(Payments) for intangible assets		0	0
Proceeds from disposal of intangible assets		0	0
(Payments) for investments with WAG		0	0
(Payments) for financial assets.		(8,500)	(7,850)
Proceeds from disposal of investments with WAG		0	0
Proceeds from disposal of financial assets.		7,850	2,150
Rental proceeds		0	0
Net cash inflow/(outflow) from investing activities		(11,999)	(15,444)
Net cash inflow/(outflow) before financing		636	(4,015)
Cash flows from financing activities			
Public Dividend Capital received		2,115	1,714
Public Dividend Capital repaid		0	(2,625)
Loans received from WAG		0	4,641
Other loans received		0	0
Loans repaid to WAG		0	0
Other loans repaid		0	0
Other capital receipts		0	0
Capital elements of finance leases and on-balance sheet PFI		(2,751)	285
Cash transferred (to)/from other NHS Wales bodies		0	0
Net cash inflow/(outflow) from financing activities		(636)	4,015
Net increase/(decrease) in cash and cash equivalents		0	0
Cash and cash equivalents at the beginning of the financial year	21	326	326
Cash and cash equivalents at the end of the financial year	21	326	326

The notes on pages 6 to 55 form part of these accounts.

Notes to the Accounts

Accounting policies

1. The Welsh Minister for Health and Social Services has directed that the financial statements of NHS Trusts in Wales shall meet the accounting requirements of the NHS Trust Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2009/10 NHS Trusts Manual for Accounts. The accounting policies contained in that manual follow the European Union version of the International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the NHS Trusts Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Pooled budgets

The trust has not entered into any pooled budget arrangements with Local Authorities.

1.4 Revenue

The main source of revenue for the trust is from the Welsh Assembly Government. Revenue is recognised in the period in which services are provided.

Where income is received from Non NHS bodies for a specific activity that is to be delivered in the following year, that income is deferred.

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and interest rate applicable.

1.5 Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. Where material the cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the trust's accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the period is recognised within operating expenses. The expected gain during the period from scheme assets is recognised within finance income. The interest cost for the period arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs. Actuarial gains and losses for the period are recognised in the pensions reserve and reported as an item of other comprehensive income.

1.6 Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.7 Property, plant and equipment

Property, plant and equipment is capitalised if:

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

- Items form part of the initial equipping and setting-up cost of a new building, vehicle or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are depreciated over their own useful economic lives, where they are significant in relation to the whole.

Valuation

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

Land and buildings used for the trust's services or for administrative purposes are stated in the balance sheet at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the balance sheet date. Fair values are determined as follows:

- Land and non specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. The Welsh Assembly Government has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales Trusts have applied these new valuation requirements from 1 April 2009.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

For 2009-10 no indexation is applied to the Land and Properties of NHS Wales Trusts because they have been subject to a Modern Equivalent Asset (MEA) revaluation exercise. The equipment of NHS Wales Trusts is subject to indexation. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.8 Intangible assets

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the trust; where the cost of the asset can be measured reliably, and where the cost is at least £5000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.9 Depreciation, amortisation and impairments

Freehold land and properties under construction are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself.

Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives

At each reporting period end, the trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

If there has been an impairment loss, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.10 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.11 Donated assets

Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to the donated asset reserve. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations and impairments are 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 offset the expenditure. On sale of donated assets, the net book value is transferred from the donated asset reserve to retained earnings.

1.12 Government grants

Government grants are grants from government bodies other than revenue from NHS bodies for the provision of services. Revenue grants are treated as deferred income initially and credited to income to match the expenditure to which they relate. Capital grants are credited to the government grant reserve and released to operating revenue over the life of the asset in a manner consistent with the depreciation and impairment charges for that asset. Assets purchased from government grants are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations and impairments are taken to the government grant reserve and, each year, an amount equal to the depreciation charge on the asset is released from the government grant reserve to the offset the expenditure.

1.13 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Income Statement. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings. For donated and government-granted assets, a transfer is made to or from the relevant reserve to the profit/loss on disposal account so that no profit or loss is recognised in income or expenses. The remaining surplus or deficit in the donated asset or government grant reserve is then transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.14 Leases

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

The trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

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

Where a lease is for land and buildings, the land and building components are separated. Leased land is treated as an operating lease. Leased buildings are assessed as to whether they are operating or finance leases.

The trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.15 Private Finance Initiative (PFI) transactions

The Trust has no PFI arrangements.

1.16 Inventories

Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.17 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management.

1.18 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.2% in real terms.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the amount receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.19 Clinical Negligence Costs

The Welsh Risk Pool operates a risk pooling scheme which is currently funded by the Welsh Assembly Government. The WRP is hosted by Betsi Cadwaladr University LHB.

1.20 EU Emissions Trading Scheme

EU Emission Trading Scheme allowances are accounted for as government grant funded intangible assets if they are not expected to be realised within twelve months, and otherwise as other current assets. They are valued at open market value. As the NHS body makes emissions, a provision is recognised with an offsetting transfer from the government grant reserve. The provision is settled on surrender of the allowances. The asset, provision and government grant reserve are valued at fair value at the end of the reporting period.

1.21 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.22 Financial assets

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

Financial assets are initially recognised at fair value.

Financial assets are classified into the following categories: financial assets 'at fair value through profit and loss'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in calculating the trust's surplus or deficit for the accounting period. The net gain or loss incorporates any interest earned on the financial asset.

The Trust has no embedded derivatives.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the income statement on de-recognition. The Trust does not have any available for sale financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

1.23 Financial liabilities

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

Loans from the Welsh Assembly Government are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

The Trust does not have any financial guarantee contract liabilities nor any financial derivatives requiring to be stated at fair value through profit and loss.

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from the Welsh Assembly Government, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.24 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.25 Foreign currencies

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March 2010. Resulting exchange gains and losses for either of these are recognised in the trust's surplus/deficit in the period in which they arise.

1.26 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.

1.27 Public Dividend Capital (PDC) and PDC dividend

Public Dividend Capital represents taxpayers equity in the NHS Trust. At any time the Welsh Minister for Health and Social Services with the approval of HM Treasury can issue new PDC to, and require repayments of, PDC from the NHS Trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

A charge, reflecting the cost of capital utilised by the NHS Trust, is paid over as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except for donated assets and cash with the Office of the Paymaster General and the National Loans Fund. The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

1.28 Losses and Special Payments

Losses and special payments are items that the National Assembly for Wales would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the income statement on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which is prepared on a cash basis.

The Trust accounts for all losses and special payments gross (including assistance from the Welsh Risk Pool). The Trust accrues or provides for the best estimate of its future payouts for certain or probable liabilities and discloses all other potential payments as contingent liabilities, unless the probability of the liabilities becoming payable is remote.

All claims for losses and special payments are provided for, where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the Welsh Risk Pool are included in debtors. For those claims where the probability of settlement is below 50%, the liability is disclosed as a contingent liability.

1.29 Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.30 Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. Revenue from patient care activities	2009-10	2008-09
	£000	£000
Local health boards	2,610	2,570
Health Commission Wales	103,131	101,620
NHS trusts	18,837	17,475
Strategic health authorities and primary care trusts	0	0
Foundation Trusts	327	165
Local authorities	0	0
Welsh Assembly Government	2,332	836
Non NHS:		
Private patient income	0	4
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	529	845
Other revenue from activities	870	447
Total	128,636	123,962

ICR income is subject to a provision for impairment of 7.8% to reflect expected rates of collection.

3. Other operating revenue	2009-10	2008-09
	£000	£000
Patient transport services	0	0
Education, training and research	1,190	1,497
Charitable and other contributions to expenditure	2,532	2,487
Transfer from the donated asset reserve	0	0
Transfer from the government grant reserve	0	0
Non-patient care services to other bodies	0	109
Income generation	58	0
Rental revenue	174	0
Other revenue:		
Provision of laundry, pathology, payroll services	0	0
Accommodation and catering charges	0	0
Mortuary fees	0	0
Staff payments for use of cars	272	275
Buisness unit (Please specify)	0	0
Other	19,399	14,008
Total	23,625	18,376

Other revenue of £19,399k (2008-09 £14,008k) comprises

Non-ambulance transport for other NHS Trusts	3,611	2,896
Other minor services income	2,709	1,220
Ambulance Radio Replacement Programme (ARRP)	7,853	7,606
Funding for impairments	5,226	2,286
Total	19,399	14,008

4. Operating expenses

	2009-10	2008-09
4.1 Operating expenses	£000	£000
Goods and services from other NHS Wales bodies	1,409	1,299
Goods and services from other NHS bodies	0	0
Purchase of healthcare from non-NHS bodies	1,407	557
Directors' costs	1,010	781
Staff costs	99,777	94,936
Supplies and services - clinical	2,621	2,407
Supplies and services - general	567	645
Consultancy Services	226	359
External Contractors	0	0
Establishment	5,786	5,736
Transport	14,876	15,450
Premises	6,173	6,570
Depreciation	8,226	9,655
Amortisation	36	45
Impairments and reversals of property, plant and equipment	5,226	2,282
Impairments and reversals of intangible assets	0	0
Impairments and reversals of financial assets	0	0
Audit fees	133	135
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	1,954	831
Research and development	0	0
Other operating expenses	835	47
Total	150,262	141,735

Purchase of healthcare from non-NHS bodies above mainly relates to services from St John Ambulance.

4.2 Losses, special payments and irrecoverable debts: charges to operating expenses

	2009-10	2008-09
Increase/(decrease) in provision for future payments:	£000	£000
Clinical negligence	378	(3,976)
Personal injury	1,168	1,048
All other losses and special payments	195	119
Defence legal fees and other administrative costs	81	(93)
Gross increase/(decrease) in provision for future payments	1,822	(2,902)
Premium for other insurance arrangements	0	0
Irrecoverable debts	(40)	(5)
Less: income received/ due from Welsh Risk Pool	172	3,738
Total charge	1,954	831

5. Investment revenue	2009-10	2008-09
	£000	£000
Rental revenue :		
PFI finance lease revenue:		
Planned	0	0
Contingent	0	0
Other finance lease revenue	0	0
Interest revenue:		
Bank accounts	26	357
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	26	357

6. Other gains and losses	2009-10	2008-09
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	9	142
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of financial assets	0	0
Gains/(loss) on foreign exchange	0	0
Change in fair value of financial assets at fair value through profit and loss	0	0
Change in fair value of financial liabilities at fair value through profit and loss	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	9	142

7. Finance costs	2009-10	2008-09
	£000	£000
Interest on loans	0	0
Interest on obligations under finance leases	603	579
Interest on obligations under PFI contracts:		
Main finance cost	0	0
Contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	603	579
Other finance costs	98	93
Total	701	672

8. Operating leases

As lessee

Up to 31 December 2009, this Trust contracted with Bond Air Services in respect of the supply of Air Ambulances for Wales. The present contract has just been renewed and is of a material size, in excess of £2.5 million per annum. Just over £1.5 million of this relates to a standing fixed charge the balance being contingent on the actual number of flying hours undertaken. The whole of this contract is funded by the Welsh Air Ambulance Charity. When the new contract commenced on 1 January 2010, the Welsh Air Ambulance Charity took over the lease directly.

The other operating leases shown below relate mainly to buildings and some residual leased ambulance vehicles.

Payments recognised as an expense	2009-10	2008-09
	£000	£000
Minimum lease payments	3,815	4,399
Contingent rents	816	1,002
Sub-lease payments	0	0
Total	4,631	5,401

Total future minimum lease payments	2009-10	2008-09
	£000	£000
Payable:		
Not later than one year	1,170	2,382
Between one and five years	803	7,079
After 5 years	7,384	15,892
Total	9,357	25,353

Total future sublease payments expected to be received	0	0
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As lessor

The Trust leases part of Vantage Point House to Aneurin Bevan LHB in respect of their Out Of Hours Service.

Rental revenue	2009-10	2008-09
	£000	£000
Contingent rent	0	0
Other	174	0
Total rental revenue	174	0

Total future minimum lease payments	2009-10	2008-09
	£000	£000
Receivable:		
Not later than one year	80	0
Between one and five years	320	0
After 5 years	420	0
Total	820	0

9. Employee costs and numbers

9.1 Employee costs	Permanently Employed	Agency Staff	Staff on Inward Secondment	2009-10	2008-09
				£000	£000
	£000	£000	£000	£000	£000
Salaries and wages	83,766	714	0	84,480	79,413
Social security costs	6,440	0	0	6,440	6,168
Employer contributions to Pensions Schemes	10,103	0	0	10,103	9,864
Other pension costs	172	0	0	172	177
Other post-employment benefits	0	0	0	0	0
Termination benefits	192	0	0	192	0
Total	100,673	714	0	101,387	95,622
Of the total above:					
Charged to capital				917	1,122
Charged to revenue				100,470	94,500
				101,387	95,622

Included within the Termination benefits figure of £192k above is £142k relating to the former Trust Chief Executive who left the Trust during April 2010.

9.2 Average number of employees

	Permanently Employed	Agency Staff	Staff on Inward Secondment	Total	Total
				Number	Number
Medical and dental	0	0	0	0	0
Ambulance staff	2,148	0	0	2,148	2,157
Administrative and estates	353	0	0	353	350
Healthcare assistants and other support staff	113	0	0	113	102
Nursing, midwifery and health visiting staff	108	0	0	108	113
Nursing, midwifery and health visiting learners	0	0	0	0	0
Scientific, therapeutic and technical staff	10	0	0	10	10
Social care staff	0	0	0	0	0
Other	0	0	0	0	0
Total	2,732	0	0	2,732	2,732

9.3 Employee benefits

The trust does not have an employee benefit scheme.

9.3 Pension Costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.pensions.nhsbsa.nhs.uk. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The scheme is subject to a full actuarial valuation every four years (until 2004, every five years) and an accounting valuation every year. An outline of these follows:

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date.

The conclusion from the 2004 valuation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay. On advice from the scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities. Up to 31 March 2008, the vast majority of employees paid contributions at the rate of 6% of pensionable pay. From 1 April 2008, employees contributions are on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

b) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the scheme actuary. At this point the assumptions regarding the composition of the scheme membership are updated to allow the scheme liability to be valued.

The valuation of the scheme liability as at 31 March 2008, is based on detailed membership data as at 31 March 2006 (the latest midpoint) updated to 31 March 2008 with summary global member and accounting data.

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

c) Scheme provisions

The scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th of the best of the last 3 years pensionable pay for each year of service. A lump sum normally equivalent to 3 years pension is payable on retirement. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

9.3 Pension Costs (continued)

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement, less pension already paid, subject to a maximum amount equal to twice the member's final year's pensionable pay less their retirement lump sum for those who die after retirement, is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the statement of comprehensive income at the time the Trust commits itself to the retirement, regardless of the method of payment.

The scheme provides the opportunity to members to increase their benefits through money purchase additional voluntary contributions (AVCs) provided by an approved panel of life companies. Under the arrangement the employee/member can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made.

10. Pension costs

10.1 Retirement costs due to ill-health

During 2009-10 there were 10 (2008-09 4) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension costs of these ill-health retirements will be £668,200 (2008-09 £637,830). This information has been supplied by NHS Pensions.

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

11. Public Sector Payment Policy - Measure of Compliance

11.1 Prompt payment code - measure of compliance

The Welsh Assembly Government requires that Trusts pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Assembly Government has set as part of the Trust financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery or receipt of a valid invoice, whichever is the later.

	Number	£000	2008-09 £000
NHS			
Total bills paid in year	864	3,319	2,356
Total bills paid within target	777	3,139	2,157
Percentage of bills paid within target	89.9%	94.6%	91.6%
Non-NHS			
Total bills paid in year	36,795	45,239	41,463
Total bills paid within target	36,117	44,410	40,866
Percentage of bills paid within target	98.2%	98.2%	98.6%
Total			
Total bills paid in year	37,659	48,558	43,819
Total bills paid within target	36,894	47,549	43,023
Percentage of bills paid within target	98.0%	97.9%	98.2%

11.2 The Late Payment of Commercial Debts (Interest) Act 1998	2009-10	2008-09
	£	£
Amounts included within finance costs from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	0	0

12. Property, plant and equipment :

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2009	11,608	23,980	0	3,327	19,587	35,448	21,263	828	116,041
Indexation	0	0	0	64	381	688	0	16	1,149
Revaluation	125	574	0	0	0	0	0	0	699
Additions - purchased	0	0	0	13,237	0	0	0	0	13,237
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	60	178	0	0	0	0	0	0	238
Reclassifications	0	193	0	(2,356)	0	638	1,525	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	(30)	0	(187)	0	0	(217)
Other in-year revaluations	0	0	0	0	0	0	0	0	0
Impairments	(2,763)	(3,293)	0	0	0	0	0	0	(6,056)
Reversal of impairments	0	0	0	0	0	0	0	0	0
At 31 March 2010	9,030	21,632	0	14,242	19,968	36,587	22,788	844	125,091
Depreciation									
At 1 April 2009	0	4,654	0	0	14,024	15,355	4,928	181	39,142
Indexation	0	0	0	0	272	298	0	4	574
Revaluation	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	(156)	0	0	(156)
Other in-year revaluations	0	0	0	0	0	0	0	0	0
Impairments	33	5,193	0	0	0	0	0	0	5,226
Reversal of impairments	0	0	0	0	0	0	0	0	0
Charged during the year	0	520	0	0	1,108	4,461	2,015	122	8,226
At 31 March 2010	33	10,367	0	0	15,404	19,958	6,943	307	53,012
Net book value									
at 1 April 2009	11,608	19,326	0	3,327	5,563	20,093	16,335	647	76,899
Net book value at 31 March 2010	8,997	11,265	0	14,242	4,564	16,629	15,845	537	72,079
Net book value at 31 March 2010 comprises :									
Purchased	8,997	11,265	0	14,242	4,564	16,629	15,845	537	72,079
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
Total 31 March 2010	8,997	11,265	0	14,242	4,564	16,629	15,845	537	72,079
Asset Financing:									
Owned	8,997	9,856	0	14,242	4,564	16,629	5,125	537	59,950
Held on finance lease	0	1,409	0	0	0	0	10,720	0	12,129
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0
Total 31 March 2010	8,997	11,265	0	14,242	4,564	16,629	15,845	537	72,079

The net book value of land, buildings and dwellings at 31 March 2010 comprises :

	£'000
Freehold	18,853
Long Leasehold	1,409
Short Leasehold	0
	20,262

12. Property, plant and equipment :

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2008	14,237	18,816	0	8,646	18,648	33,643	17,921	170	112,081
Indexation	(2,135)	558	0	259	559	1,009	0	5	255
Revaluation	0	0	0	0	0	0	0	0	0
Additions - purchased	0	0	0	9,102	0	0	0	0	9,102
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	7,007	0	(14,600)	688	2,910	3,342	653	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	(26)	0	0	0	(308)	(2,114)	0	0	(2,448)
Other in-year revaluations	0	0	0	0	0	0	0	0	0
Impairments	(468)	(2,401)	0	(80)	0	0	0	0	(2,949)
Reversal of impairments	0	0	0	0	0	0	0	0	0
At 31 March 2009	11,608	23,980	0	3,327	19,587	35,448	21,263	828	116,041
Depreciation									
At 1 April 2008	0	4,414	0	0	12,581	11,291	3,307	120	31,713
Indexation	0	129	0	0	377	339	0	3	848
Revaluation	0	0	0	0	0	0	0	0	0
Transfers from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(308)	(2,099)	0	0	(2,407)
Other in-year revaluations	0	0	0	0	0	0	0	0	0
Impairments	0	(667)	0	0	0	0	0	0	(667)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Charged during the year	0	778	0	0	1,374	5,824	1,621	58	9,655
At 31 March 2009	0	4,654	0	0	14,024	15,355	4,928	181	39,142
Net book value at 1 April 2008	14,237	14,402	0	8,646	6,067	22,352	14,614	50	80,368
Net book value at 31 March 2009	11,608	19,326	0	3,327	5,563	20,093	16,335	647	76,899
Net book value at 31 March 2009 comprises :									
Purchased	11,608	19,326	0	3,327	5,563	20,093	16,335	647	76,899
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
	11,608	19,326	0	3,327	5,563	20,093	16,335	647	76,899
Asset Financing									
Owned	11,608	17,632	0	3,327	5,563	20,093	4,543	647	63,413
Held on finance lease	0	1,694	0	0	0	0	11,792	0	13,486
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0
	11,608	19,326	0	3,327	5,563	20,093	16,335	647	76,899

The net book value of land, buildings and dwellings at 31 March 2009 comprises :

	£'000
Freehold	29,240
Long Leasehold	1,694
Short Leasehold	0
	30,934

Disclosures:

i) No assets were donated to the Trust during this financial year.

ii) Assets held at revalued amounts

Land and buildings are restated to current value using professional valuations in accordance with IAS16 every five years and in the intervening years by the use of indices provided from the District Valuer via the Assembly.

Professional valuations are carried out by the District Valuers of the Inland Revenue at 5 yearly intervals. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Assembly and HM Treasury. The last asset valuations were carried out as at 1 April 2009 and are reflected in the 2009-10 balance sheet values.

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, subsequent disposal and taken out of operational use.

Assets in the course of construction are valued at current cost as for land and buildings, as above. These assets include any existing land or buildings under the control of a contractor.

Operational equipment is carried at current value. Where assets are of low value, and/or have short useful economic lives, these are carried at depreciated historic cost as a proxy for current value. Equipment surplus to requirements is valued at net recoverable amount.

iii) 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. A review of estimated useful lives was undertaken during the year and as a result of this the useful lives of vehicles and other equipment held was increased by one year. This change resulted in a decrease in depreciation charged to income and expenditure for the year of just over £2million. No depreciation is provided on freehold land, assets in the course of construction and assets surplus to requirements.

iv) £5.226 million was received from the Welsh Assembly Government in respect of compensation for assets impaired during the year. This is included within Other operating income.

v) Assets becoming classified as held for sale, or sold in the period:-

Asset description	Reason for sale	Gain/Loss on sale £000
Equipment	No longer serviceable	2
Land	Right of access granted	2
Vehicles	No longer serviceable	6
Vehicles	Written off following accident	-1
		<u>9</u>

vi) Gross carrying amount of any fully depreciated assets still in use.

The gross carrying amount of fully depreciated assets still in use within this Trust is £18.2 million, details are as follows:-

	£000
Buildings	1,360
Vehicles	4,569
Control Assets	6,703
IT equipment	1,652
Defibrillators	1,463
Stretchers	1,007
Furniture	71
Other equipment	1,387
Total	<u>18,212</u>

12.2 Non-current assets held for sale

	Land	Buildings, including dwellings	Other property plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance b/f 1 April 2009	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0
Balance c/f 31 March 2010	0	0	0	0	0	0
Balance b/f 1 April 2008	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0
Balance c/f 31 March 2009	0	0	0	0	0	0

13. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	EU Emissions trading scheme allowances	Total
Cost or valuation	£000	£000	£000	£000	£000		£000
At 1 April 2009	227	0	0	0	0	0	227
Revaluation					0	0	0
Additions							
- purchased	0	0	0	0	0	0	0
- internally generated	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Other in-year revaluations	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Gross cost at 31 March 2010	227	0	0	0	0	0	227
Amortisation							
Accumulated amortisation at 1 April 2009	61	0	0	0	0	0	61
Revaluation					0	0	0
Reclassifications	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Other in-year revaluations	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Reversals of impairments	0	0	0	0	0	0	0
Charged during the year	36	0	0	0	0	0	36
Accumulated amortisation at 31 March 2010	97	0	0	0	0	0	97
Net book value at 1 April 2009	166	0	0	0	0	0	166
Net book value at 31 March 2010	130	0	0	0	0	0	130
Net book value							
Purchased	0	0	0	0	0	0	0
Donated	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0
Total at 31 March 2010	0	0	0	0	0	0	0

13. Intangible fixed assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	EU Emissions trading scheme allowances	Total
Cost or valuation	£000	£000	£000	£000	£000		£000
At 1 April 2008	227	0	0	0	0	0	227
Revaluation					0	0	0
Additions							0
- purchased	0	0	0	0	0	0	0
- internally generated	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Other in-year revaluations	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Gross cost at 31 March 2009	227	0	0	0	0	0	227
Amortisation							
Accumulated amortisation at 1 April 2008	16	0	0	0	0	0	16
Revaluation					0	0	0
Reclassifications	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Other in-year revaluations	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Reversals of impairments	0	0	0	0	0	0	0
Charged during the year	45	0	0	0	0	0	45
Accumulated amortisation at 31 March 2009	61	0	0	0	0	0	61
Net book value at 1 April 2008	211	0	0	0	0	0	211
Net book value at 31 March 2009	166	0	0	0	0	0	166
Net book value							
Purchased	166	0	0	0	0	0	166
Donated	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0
Total at 31 March 2009	166	0	0	0	0	0	166

13. Intangible fixed assets

- i) All intangible fixed assets are stated at original cost.
- ii) The useful lives of all intangible fixed assets held are finite.
- iii) A useful life of 5 years has been attributed to all of the computer software purchased.

14. Revaluation reserve balance for intangible assets

	£000	£000
At 1 April 2009	0	0
Changes (itemised)	0	0
At 31 March 2010	<u>0</u>	<u>0</u>

15. Impairments

Impairments in the period arose from:	2009-10		2008-09	
	Property, plant & equipment	Intangible assets	Property, plant & equipment	Intangible assets
	£000	£000	£000	£000
Loss or damage from normal operations	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Abandonment of assets in the course of construction	0	0	0	0
Unforeseen obsolescence	0	0	80	0
Over specification of assets (Gold Plating)	0	0	0	0
Changes in market price	4,670	0	0	0
Write down of specialised property (future disposal)	556	0	2,202	0
Total	5,226	0	2,282	0

Impairments charged in the year to the revaluation reserve

Charged to revaluation reserve	5,357	0	1,009	0
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As part of the overall valuation exercise undertaken by the District Valuer during the year a valuation was obtained in respect of the fit out of Vantage Point House.

The main 'office' fit out of Vantage Point House was acquired by way of a finance lease, additional costs were incurred by the Trust on this building in respect of the specialised/bespoke fit out elements required to create a control centre.

Impairments totalling £2.505 million have been included in the above figures as follows:-

Finance Lease impairment	£344k
Bespoke Fit out cost impairment	£2,161k

16. Capital commitments

Commitments under capital expenditure contracts at the statement of financial position sheet date were:

	31 March	31 March	01 April
	2010	2009	2008
	£000	£000	£000
Property, plant and equipment	836	18	370
Intangible assets	0	0	0
Total	836	18	370

The Certificate and Report of the Auditor General for Wales to the National Assembly for Wales

I certify that I have audited the financial statements of the Welsh Ambulance Service NHS Trust for the year ended 31 March 2010 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Income Statement, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Taxpayers Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the remuneration report that is required to be audited.

Respective responsibilities of Directors, the Chief Executive and the Auditor

The Directors and the Chief Executive are responsible for preparing the annual report, the remuneration report and the financial statements in accordance with paragraph 3 of schedule 9 to the National Health Service (Wales) Act 2006 and Welsh Ministers' directions made there under and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statements of Directors' and Chief Executive's Responsibilities.

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

I report my opinion to you as to whether the financial statements give a true and fair view and whether the financial statements and the part of the remuneration report to be audited have been properly prepared in accordance with paragraph 3 of schedule 9 of the National Health Service (Wales) Act 2006 and Welsh Ministers' directions made there under. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition I report to you if in my opinion, the Welsh Ambulance Service NHS Trust has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Welsh Ambulance Service NHS Trust's compliance with HM Treasury's and Welsh Ministers' guidance and report if it does not. I am not required to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Welsh Ambulance Service NHS Trust's corporate governance procedures or its risk and control procedures.

I have been unable to read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements as it was not available at the time of my audit. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with the Public Audit Wales Act 2004 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and that part of remuneration report to be audited. It also includes an assessment of the significant estimates and judgements made by the Directors and the Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to

the Welsh Ambulance Service NHS Trust's circumstances, and are 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 fraud or error and that in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and that part of remuneration report to be audited.

Opinion

In my opinion:

- the financial statements give a true and fair view in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers of the state of the affairs of the Welsh Ambulance Service NHS Trust as at 31 March 2010 and of its surplus/deficit, its recognised gains and losses and cash flows for the year then ended; and
- the financial statements and that part of the remuneration report to be audited have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on Regularity

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

Report

I have no observations to make on these financial statements.

My conclusion on the Welsh Ambulance Service NHS Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2010 will be reported separately in the published Annual Audit Letter.

Gillian Body
Auditor General for Wales
28 June 2010

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