

Welsh Ambulance Services NHS Trust

Foreword

These accounts for the period ended 31 March 2012 have been prepared to comply with International Financial Reporting Standards (IFRS) in accordance with HM Treasury's I-FReM 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.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2012

	Note	2011-12 £000	2010-11 £000
Revenue from patient care activities	2	131,502	131,661
Other operating revenue	3	17,892	18,856
Operating expenses	5	(148,890)	(149,954)
Operating surplus/(deficit)		504	563
Investment revenue	6	40	25
Other gains and losses	7	60	46
Finance costs	8	(550)	(608)
Retained surplus/(deficit)	32.1	54	26
Other Comprehensive Income			
Net gain on revaluation of property, plant and equipment		356	0
Net gain on revaluation of intangible assets		0	0
Net gain on revaluation of financial assets		0	0
Net gain on revaluation of assets held for sale		0	0
Impairments and reversals		0	0
Movements in other reserves		0	0
Transfers between reserves		0	0
Net gain/loss on Other Reserve		0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0
Total other comprehensive income for the year		356	0

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2012

	Note	31 March 2012	31 March 2011
		£000	£000
Non-current assets			
Property, plant and equipment	13	70,856	69,873
Intangible assets	14	1,025	81
Trade and other receivables	19	0	0
Other financial assets	20	0	0
Other assets	21	0	0
Total non-current assets		71,881	69,954
Current assets			
Inventories	18	1,302	1,069
Trade and other receivables	19	9,479	5,140
Other financial assets	20	0	0
Other assets	21	0	0
Cash and cash equivalents	22	14,126	15,326
		24,907	21,535
Non-current assets held for sale	13	170	175
Total current assets		25,077	21,710
Total assets		96,958	91,664
Current liabilities			
Trade and other payables	23	(16,983)	(17,911)
Borrowings	24	(1,526)	(1,436)
Other financial liabilities	25	0	0
Provisions	27	(6,009)	(2,639)
Other liabilities	26	0	0
Total current liabilities		(24,518)	(21,986)
Net current assets/(liabilities)		559	(276)
Total assets less current liabilities		72,440	69,678
Non-current liabilities			
Trade and other payables	23	0	0
Borrowings	24	(9,317)	(10,832)
Other financial liabilities	25	0	0
Provisions	27	(4,895)	(4,766)
Other liabilities	26	0	0
Total non-current liabilities		(14,212)	(15,598)
Total assets employed		58,228	54,080
Financed by Taxpayers' equity:			
Public dividend capital		59,807	56,069
Retained earnings		(10,711)	(12,059)
Revaluation reserve		9,132	10,070
Other reserves		0	0
Total taxpayers' equity		58,228	54,080

The financial statements were approved by the Audit Committee on behalf of the Board on 30th May 2012 and signed on behalf of the Board by:

Chief Executive - Elwyn Price-Morris

Date..... 1st June 2012

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2011-12	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	Total £000
Balance at 1 April 2011	56,069	(12,059)	10,070	0	54,080
Changes in taxpayers' equity for 2011-12					
Retained surplus/(deficit) for the year		54			54
Net gain on revaluation of property, plant and equipment		0	356	0	356
assets		0	0	0	0
Net gain on revaluation of financial assets		0	0	0	0
Net gain on revaluation of assets held for sale		0	0	0	0
Impairments and reversals		0	0	0	0
Movements in other reserves		0	0	0	0
Transfers between reserves		1,294	(1,294)	0	0
Net gain/loss on Other Reserve (specify)		0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0
Reserves eliminated on dissolution	0				0
New Public Dividend Capital received	3,738				3,738
Public Dividend Capital repaid in year	0				0
Public Dividend Capital extinguished/written off	0				0
Other movements in PDC in year	0				0
Balance at 31 March 2012	59,807	(10,711)	9,132	0	58,228

The notes on pages 6 to 60 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2010-11	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Donated asset reserve £000	Govern- ment Grant Reserve £000	Other reserves £000	Total £000
Balance at 31 March 2010							
As previously stated in 2009-10 accounts	45,425	(14,152)	12,030	0	0	0	43,303
Prior period adjustment for removal of donated and government granted asset reserves	0	0	0	0	0	0	0
Other prior period adjustment	0	107	0	0	0	0	107
Restated balance	45,425	(14,045)	12,030	0	0	0	43,410
Changes in taxpayers' equity for 2010-11							
Retained surplus/(deficit) for the year		26					26
Net gain on revaluation of property, plant and equipment		0	0			0	0
assets		0	0			0	0
Net gain on revaluation of financial assets		0	0			0	0
Net gain on revaluation of assets held for sale		0	0			0	0
Impairments and reversals		0	0			0	0
Movements in other reserves		0	0			0	0
Transfers between reserves		1,960	(1,960)			0	0
Net gain/loss on Other Reserve (specify)		0	0			0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0				0
Reserves eliminated on dissolution	0						0
New Public Dividend Capital received	2,503						2,503
Public Dividend Capital repaid in year	0						0
Public Dividend Capital extinguished/written off	0						0
Other movements in PDC in year	8,141						8,141
Restated balance at 31 March 2011	56,069	(12,059)	10,070			0	54,080

The notes on pages 6 to 60 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2012

	Note	2011-12 £000	2010-11 £000
Cash flows from operating activities			
Operating surplus/(deficit)	SOCI	504	563
Depreciation and amortisation	5	10,618	10,260
Impairments and reversals	5	2,207	3,490
Release of PFI deferred credits		0	0
Donated Assets received credited to revenue but non-cash	3	0	0
Government Granted Assets received credited to revenue but non-cash	3	0	0
Interest paid		(438)	(497)
(Increase)/decrease in inventories		(233)	(824)
(Increase)/decrease in trade and other receivables		(4,339)	1,462
(Increase)/decrease in other current assets		0	0
Increase/(decrease) in trade and other payables		(2,362)	1,770
Increase/(decrease) in other current liabilities		0	0
Increase/(decrease) in provisions		3,499	3
Net cash inflow/(outflow) from operating activities		<u>9,456</u>	<u>16,227</u>
Cash flows from investing activities			
Interest received		40	25
(Payments) for property, plant and equipment		(12,803)	(11,180)
Proceeds from disposal of property, plant and equipment		86	300
(Payments) for intangible assets		(292)	0
Proceeds from disposal of intangible assets		0	0
(Payments) for investments with Welsh Government		0	0
Proceeds from disposal of investments with Welsh Government		0	0
(Payments) for financial assets.		0	0
Proceeds from disposal of financial assets.		0	0
Rental proceeds		0	0
Net cash inflow/(outflow) from investing activities		<u>(12,969)</u>	<u>(10,855)</u>
Net cash inflow/(outflow) before financing		<u>(3,513)</u>	<u>5,372</u>
Cash flows from financing activities			
Public Dividend Capital received		3,738	2,503
Public Dividend Capital repaid		0	0
Loans received from Welsh Government		0	0
Other loans received		0	0
Loans repaid to Welsh Government		0	0
Other loans repaid		0	0
Other capital receipts		0	0
Capital elements of finance leases and on-SOFP PFI		(1,425)	(1,375)
Cash transferred (to)/from other NHS Wales bodies		0	0
Net cash inflow/(outflow) from financing activities		<u>2,313</u>	<u>1,128</u>
Net increase/(decrease) in cash and cash equivalents		<u>(1,200)</u>	<u>6,500</u>
Cash [and] cash equivalents [and bank overdrafts] at the beginning of the financial year	22	15,326	8,826
Cash [and] cash equivalents [and bank overdrafts] at the end of the financial year	22	<u>14,126</u>	<u>15,326</u>

The notes on pages 6 to 60 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 2011/12 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 and inventories.

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

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of revenue for the trust is from the Welsh Government and the Health Boards. This 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. The cost of leave earned but not yet 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.

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

Recognition

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.

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.

Land and buildings used for the trust's services or for administrative purposes are stated in the balance sheet at their revalued amounts 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

From 1 April 2009 the depreciated replacement cost valuation applies the Modern Equivalent Asset (MEA) cost basis of estimation to arrive at the cost of replacing the capacity and utility of a building rather than a like for like replacement cost..

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 2011-12 indexation has been applied to the Land and Properties of NHS Wales Trusts based on indices for NHS Wales Land and Buildings obtained from the District Valuation Office. Bodies must consider annually whether indexation using an appropriate basis is required. 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 that does not result from a loss of economic value or service potential 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. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. This is a change in accounting policy from previous years where all impairments were taken to the revaluation reserve to the extent that a balance was held for that asset and thereafter to expenditure. However, to ensure that the outcome as reflected in the reserves figure on the Statement of Financial Position is consistent with the requirements of IAS 36 had this adaptation not been applied, the balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 is transferred to Retained earnings.

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**Recognition**

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 £5,000.

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 Research and development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SOCI on a systematic basis over the period expected to benefit from the project.

1.10 Depreciation, amortisation and impairments

Freehold land and properties under construction and assets held for sale 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.

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the Statement of Comprehensive Net Expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to the Statement of Comprehensive Net Expenditure. The balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 are transferred to retained earnings.

1.11 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.12 Donated assets

Following the accounting policy change outlined in the Treasury FREM for 2011-12, a donated asset reserve is no longer maintained. Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

Although this accounting policy change has been applied retrospectively across the Welsh NHS, as this trust had no donated assets on its balance sheet at 1 April 2011 no restatement of prior years was required.

1.13 Government grants

Following the accounting policy change outlined in the Treasury FREM for 2011-12, a government grant reserve is no longer maintained. The value of assets received by means of a government grant are credited directly to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

Although this accounting policy change has been applied retrospectively across the Welsh NHS, as this trust did not have a government grant reserve on its balance sheet at 1 April 2011 no restatement of prior years was required.

1.14 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 Statement of Comprehensive Income. 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.

1.15 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 and individually 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.

1.16 Private Finance Initiative (PFI) transactions

The Trust has no PFI arrangements.

1.17 Inventories

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

1.18 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.

1.19 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 2.8% 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.

1.20 Clinical Negligence Costs

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

1.21 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.

1.22 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.

1.23 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 SOCI

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 SOCI. 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.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

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.

1.24 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 Government are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are subsequently measured at the higher of:

- the premium received (or imputed) for entering into the guarantee less cumulative amortisation;
- the amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Financial liabilities at fair value through SOCI

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.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from the Welsh 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.

1.25 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.

1.26 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. Resulting exchange gains and losses for either of these are recognised in the trust's surplus/deficit in the period in which they arise.

1.27 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.

1.28 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.

From 1 April 2010 the requirement to pay a public dividend over to the Welsh Government ceased. In 2009-10 a charge, reflecting the cost of capital utilised by the NHS Trust, was paid over as public dividend capital dividend. The charge was calculated at the real rate set by HM Treasury (3.5%) on the average carrying amount of all assets less liabilities, except for donated assets and cash with the Government Banking Service and the National Loans Fund. The average carrying amount of assets was calculated as a simple average of opening and closing relevant net assets.

1.29 Losses and Special Payments

Losses and special payments are items that the Welsh Government 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.

1.30 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 and 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.

1.31 Critical Judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

1.32 Key sources of estimation uncertainty

There are no sources of estimation.

1.33 Subsidiaries

Material entities over which the trust has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. Their income and expenses; gains and losses; assets, liabilities and reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the trust's or where the subsidiary's accounting date is before 1 January or after 30 June.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'

For 2011/12 the Trust has not consolidated the NHS charitable funds for which it is the corporate trustee.

1.34 Associates

There are no associates.

1.35 Joint ventures

There are no joint ventures.

1.36 Joint operations

There are no joint operations.

1.37 Accounting standards that have been issued but have not yet been adopted

None to report.

1.38 Accounting standards issued that have been adopted early

None to report.

Welsh Ambulances Services NHS Trust Annual Accounts 2011-12

2. Revenue from patient care activities	2011-12	2010-11
	£000	£000
Welsh Government	0	165
Welsh Health Specialised Services Committee (WHSSC)	109,563	107,901
Local health boards	19,195	21,046
Welsh NHS Trusts	606	550
Other NHS trusts	153	180
Strategic health authorities and primary care trusts	62	0
Foundation Trusts	229	321
Welsh Local Authorities	0	0
Local authorities	0	0
Non NHS:		
Private patient income	3	3
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	637	488
Other revenue from activities	1,054	1,007
Total	131,502	131,661

ICR income is subject to a provision for impairment of 10.5% to reflect expected rates of collection.

3. Other operating revenue	2011-12	2010-11
	£000	£000
Patient transport services	0	0
Education, training and research	571	702
Charitable and other contributions to expenditure	0	0
Receipt of donations for capital acquisitions	0	0
Receipt of government grants for capital acquisitions	0	0
Non-patient care services to other bodies	0	0
Income generation	85	75
Rental revenue from finance leases	0	0
Rental revenue from operating leases	88	175
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	201	199
Business unit	0	0
Other	16,947	17,705
Total	17,892	18,856

Other revenue of £16,947k (2010-11 £17,705k) comprises

Non-ambulance transport for other NHS bodies	3,861	3,783
Personal injury benefit scheme (PIBS)	2,000	2,000
Air Ambulance paramedic funding	597	522
Hazardous Area Response Team (HART)	2,385	519
Other minor services income	2,503	2,079
Ambulance Radio Replacement Programme (ARRP)	3,394	3,312
Funding for impairments (as funds flow monies)	2,207	3,490
Hospital Handover Times	0	2,000
Total	16,947	17,705

4. Income generation activities

The trust undertakes income generation activities with an aim of achieving profit, which is then used in patient care. No income generation activities whose full cost exceeded £1m or was otherwise material were undertaken.

Welsh Ambulances Services NHS Trust Annual Accounts 2011-12

5. Operating expenses	2011-12	2010-11
5.1 Operating expenses	£000	£000
Welsh Government	0	0
WHSSC	0	0
Local Health Boards	0	0
Welsh NHS Trusts	0	0
Other NHS Trusts	0	0
Goods and services from other NHS bodies	1,156	1,169
Purchase of healthcare from non-NHS bodies	133	1,201
Welsh Local Authorities	0	0
Other Local Authorities	0	0
Directors' costs	1,204	861
Staff costs	102,645	102,888
Supplies and services - clinical	2,228	1,435
Supplies and services - general	941	473
Consultancy Services	92	98
Establishment	4,378	4,543
Transport	14,607	13,360
Premises	4,919	5,391
Provision for impairment of receivables	0	0
Depreciation	10,237	10,211
Amortisation	381	49
Impairments and reversals of property, plant and equipment	2,207	3,490
Impairments and reversals of intangible assets	0	0
Impairments and reversals of financial assets	0	0
Impairments and reversals of non current assets held for sale	0	0
Audit fees	141	137
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	1,235	777
Research and development	0	0
Other operating expenses	2,386	3,871
Total	148,890	149,954

Welsh Ambulances Services NHS Trust Annual Accounts 2011-12

5. Operating expenses (continued)

5.2 Losses, special payments and irrecoverable debts:

charges to operating expenses	2011-12	2010-11
Increase/(decrease) in provision for future payments:	£000	£000
Clinical negligence	3,557	(30)
Personal injury	1,319	1,021
All other losses and special payments	118	196
Defence legal fees and other administrative costs	145	65
Gross increase/(decrease) in provision for future payments	5,139	1,252
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	29	(50)
Less: income received/ due from Welsh Risk Pool	(3,933)	(425)
Total charge	1,235	777

Clinical Negligence includes £0 in respect of payments made under Redress.

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6. Investment revenue	2011-12	2010-11
	£000	£000
Rental revenue :		
PFI finance lease revenue:		
Planned	0	0
Contingent	0	0
Other finance lease revenue	0	0
Interest revenue:		
Bank accounts	40	25
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	40	25

7. Other gains and losses	2011-12	2010-11
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	60	46
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 income statement	0	0
Change in fair value of financial liabilities at fair value through income statement	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	60	46

8. Finance costs	2011-12	2010-11
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	438	497
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	438	497
Other finance costs	112	111
Total	550	608

9. Operating leases

As lessee

The operating leases shown below mainly relate to buildings.

	2011-12	2010-11
	£000	£000
Minimum lease payments	1,785	2,022
Contingent rents	0	0
Sub-lease payments	0	0
Total	1,785	2,022

Total future minimum lease payments	2011-12	2010-11
Payable:	£000	£000
Not later than one year	1,413	1,270
Between one and five years	3,715	3,278
After 5 years	4,885	6,911
Total	10,013	11,459
Total future sublease payments expected to be received	0	0

As lessor

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

	2011-12	2010-11
Rental revenue	£000	£000
Rent	0	0
Contingent rent	0	0
Other	88	121
Total rental revenue	88	121

Total future minimum lease payments	2011-12	2010-11
Receivable:	£000	£000
Not later than one year	73	73
Between one and five years	292	292
After 5 years	232	305
Total	597	670

10. Employee costs and numbers

10.1 Employee costs	Permanently employed staff	Agency Staff	Staff on Inward Secondment	2011-12	2010-11
				£000	£000
	£000	£000	£000	£000	£000
Salaries and wages	86,362	736	0	87,098	87,326
Social security costs	6,848	0	0	6,848	6,655
Employer contributions to NHS Pensions Scheme	10,593	0	0	10,593	10,485
Other pension costs	170	0	0	170	165
Other post-employment benefits	0	0	0	0	0
Termination benefits	0	0	0	0	0
Total	103,973	736	0	104,709	104,631
Of the total above:					
Charged to capital				970	996
Charged to revenue				103,739	103,635
				104,709	104,631

10.2 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	2,191	0	0	2,191	2,173
Administrative and estates	367	6	0	373	387
Healthcare assistants and other support staff	110	16	0	126	110
Nursing, midwifery and health visiting staff	96	0	0	96	104
Nursing, midwifery and health visiting learners	0	0	0	0	0
Scientific, therapeutic and technical staff	9	0	0	9	9
Social care staff	0	0	0	0	0
Other	0	0	0	0	0
Total	2,773	22	0	2,795	2,783

10.3 Employee benefits

The Trust does not have an employee benefit scheme.

10.4 Reporting of other compensation schemes - exit packages

	Total number of exit packages by cost band Number 2011-12	Total number of exit packages by cost band Number 2010-11
Exit package cost band		
<£10,000	0	0
£10,000 to £25,000	0	0
£25,000 to £50,000	3	5
£50,000 to £100,000	1	0
£100,000 to £150,000	0	0
£150,000 to £200,000	0	0
£200,000+	0	0
Total number of exit packages by type	4	5
Total resource cost £	191,395	194,421

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

This disclosure reports the number and value of exit packages taken by staff leaving in the year. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

10.5 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the Welsh Ambulance Services NHS Trust Chief Executive in the financial year 2011-12 was £122,500 (2010-11, £122,500). This was 5.62 times (2010/11, 5.62) the median remuneration of the workforce, which was £21,798 (2010/11, £21,798).

The banded remuneration of the highest-paid director in Welsh Ambulance Services NHS Trust in the financial year 2011-12 was £132,500, in respect of the Medical Director which was a new post in 2011/12. This was 6.08 times the median remuneration of the workforce, which was £21,798.

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include overtime, employer pension contributions and the cash equivalent transfer value of pensions.

The figures quoted above for highest-paid directors are annualised salaries based on 7 months salary in respect of the Medical Director and 2 months in respect of the Chief Executive for 2010/11.

11. Pensions

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.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP 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.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. 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.

The last formal actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes have been suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision. Employer and employee contribution rates are currently being determined under the new scheme design.

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. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data are accepted as providing suitably robust figures for financial reporting purposes. However, as the interval since the last formal valuation now exceeds four years, the valuation of the scheme liability as at 31 March 2012 is based on detailed membership data as at 31 March 2010 updated to 31 March 2012 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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) Pension Accounts, 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 NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained.

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

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. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

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 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 employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

11.1 Retirement costs due to ill-health

During 2011-12 there were seven (2010-11 six) early retirements from the trust agreed on the grounds of ill-health. The estimated additional pension costs of these ill-health retirements will be £382,259 (2010-11 £383,449). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

12. Public Sector Payment Policy

12.1 Prompt payment code - measure of compliance

The Welsh Government requires that trusts pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh 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.

	2011-12	2011-12	2010-11	2010-11
	Number	£000	Number	£000
NHS				
Total bills paid in year	806	2,446	811	2,006
Total bills paid within target	753	2,347	740	1,866
Percentage of bills paid within target	93.4%	96.0%	91.2%	93.0%
Non-NHS				
Total bills paid in year	32,724	43,610	37,140	45,023
Total bills paid within target	32,347	43,244	36,728	44,605
Percentage of bills paid within target	98.8%	99.2%	98.9%	99.1%
Total				
Total bills paid in year	33,530	46,056	37,951	47,029
Total bills paid within target	33,100	45,591	37,468	46,471
Percentage of bills paid within target	98.7%	99.0%	98.7%	98.8%

12.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2011-12	2010-11
	£	£
Amounts included within finance costs from claims made under legislation	0	0
Compensation paid to cover debt recovery costs under legislation	0	0
Total	0	0

13. Property, plant and equipment :

2011-12

	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 2011	7,523	22,153	0	13,338	20,130	41,113	29,276	844	134,377
Indexation	0	887	0	0	0	0	0	0	887
Revaluation	0	0	0	0	0	0	0	0	0
Additions - purchased	0	0	0	13,092	0	0	0	0	13,092
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	607	0	(12,568)	2,193	8,152	1,616	0	0
Reclassified as held for sale	0	0	0	0	0	(2,301)	0	0	(2,301)
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Impairments	(848)	0	0	0	0	0	0	0	(848)
At 31 March 2012	6,675	23,647	0	13,862	22,323	46,964	30,892	844	145,207
Depreciation									
At 1 April 2011	0	13,266	0	0	17,288	23,791	9,731	428	64,504
Indexation	0	531	0	0	0	0	0	0	531
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	(2,280)	0	0	(2,280)
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Impairments	0	1,359	0	0	0	0	0	0	1,359
Charged during the year	0	487	0	0	897	5,873	2,867	113	10,237
At 31 March 2012	0	15,643	0	0	18,185	27,384	12,598	541	74,351
Net book value									
At 1 April 2011	7,523	8,887	0	13,338	2,842	17,322	19,545	416	69,873
At 31 March 2012	6,675	8,004	0	13,862	4,138	19,580	18,294	303	70,856
Net book value at 31 March 2012 comprises :									
Purchased	6,675	8,004	0	13,862	4,138	19,580	18,294	303	70,856
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2012	6,675	8,004	0	13,862	4,138	19,580	18,294	303	70,856
Asset Financing:									
Owned	6,675	6,921	0	13,862	4,138	19,580	9,718	303	61,197
Held on finance lease	0	1,083	0	0	0	0	8,576	0	9,659
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
At 31 March 2012	6,675	8,004	0	13,862	4,138	19,580	18,294	303	70,856

The net book value of land, buildings and dwellings at 31 March 2012 comprises :

	£000
Freehold	13,596
Long Leasehold	1,083
Short Leasehold	0
	14,679

13. Property, plant and equipment :

2010-11

	Land	Buildings, excluding dwellings	Dwellings	Assets under construc-tion 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 2010	8,997	21,632	0	14,242	19,968	36,587	22,788	844	125,058
Indexation	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Additions - purchased	0	0	0	11,924	0	0	0	0	11,924
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	521	0	(12,828)	162	5,657	6,488	0	0
Reclassified as held for sale	(175)	0	0	0	0	0	0	0	(175)
Disposals	(200)	0	0	0	0	(1,131)	0	0	(1,331)
Impairments	(1,099)	0	0	0	0	0	0	0	(1,099)
At 31 March 2011	7,523	22,153	0	13,338	20,130	41,113	29,276	844	134,377
Depreciation									
At 1 April 2010	0	10,367	0	0	15,404	19,958	6,943	307	52,979
Indexation	0	0	0	0	0	0	0	0	0
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	(1,077)	0	0	(1,077)
Impairments	0	2,391	0	0	0	0	0	0	2,391
Charged during the year	0	508	0	0	1,884	4,910	2,788	121	10,211
At 31 March 2011	0	13,266	0	0	17,288	23,791	9,731	428	64,504
Net book value									
at 1 April 2010	8,997	11,265	0	14,242	4,564	16,629	15,845	537	72,079
Net book value									
at 31 March 2011	7,523	8,887	0	13,338	2,842	17,322	19,545	416	69,873
Net book value at 31 March 2011 comprises :									
Purchased	7,523	8,887	0	13,338	2,842	17,322	19,545	416	69,873
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
Total 31 March 2011	7,523	8,887	0	13,338	2,842	17,322	19,545	416	69,873
Asset Financing:									
Owned	7,523	7,726	0	13,338	2,842	17,322	9,897	416	59,064
Held on finance lease	0	1,161	0	0	0	0	9,648	0	10,809
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 2011	7,523	8,887	0	13,338	2,842	17,322	19,545	416	69,873

The net book value of land, buildings and dwellings at 31 March 2011 comprises :

	£000
Freehold	15,249
Long Leasehold	1,161
Short Leasehold	0
	16,410

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. No depreciation is provided on freehold land, assets in the course of construction and assets surplus to requirements.

iv) £2.207million 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 are shown in Note 13.2. Those sold in the period are

Asset description	Reason for sale	Gain/(Loss) on sale £000
Land	Surplus to operational requirements	18
Vehicles	No longer serviceable	42
		<u>60</u>

13.2 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 2011	175	0	0	0	0	175
Plus assets classified as held for sale in year	0	0	21	0	0	21
Less assets sold in year	-5	0	-21	0	0	-26
Less impairment for 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 2012	170	0	0	0	0	170
Balance b/f 1 April 2010	0	0	0	0	0	0
Plus assets classified as held for sale in year	175	0	0	0	0	175
Less assets sold in year	0	0	0	0	0	0
Less impairment for 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 2011	175	0	0	0	0	175

The £170k above relates to two Ambulance Stations that have been identified as surplus to requirements and have received Board approval for disposal.

Disposals are anticipated within the next financial year.

14. Intangible assets

2011-12	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	EU Emission Trading Scheme	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000
At 1 April 2011	227	0	0	0	0	0	227
Revaluation		0			0	0	0
Additions							
- purchased	1,325	0	0	0	0	0	1,325
- 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
Impairments	0	0	0	0	0	0	0
Gross cost at 31 March 2012	1,552	0	0	0	0	0	1,552
Amortisation							
Accumulated amortisation at 1 April 2011	146	0	0	0	0	0	146
Revaluation		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
Impairments	0	0	0	0	0	0	0
Charged during the year	381	0	0	0	0	0	381
Accumulated amortisation at 31 March 2012	527	0	0	0	0	0	527
Net book value at 1 April 2011	81	0	0	0	0	0	81
Net book value at 31 March 2012	1,025	0	0	0	0	0	1,025
Net book value							
Purchased	1,025	0	0	0	0	0	1,025
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
Total at 31 March 2012	1,025	0	0	0	0	0	1,025

14. Intangible assets

2010-11	Computer software purchased	Computer software internally developed	Licenses and trademarks	Patents	Development expenditure internally generated	EU Emission Trading Scheme	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000
At 1 April 2010	227	0	0	0	0	0	227
Revaluation		0			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
Impairments	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Gross cost at 31 March 2011	227	0	0	0	0	0	227
Amortisation							
Accumulated amortisation at 1 April 2010	97	0	0	0	0	0	97
Revaluation		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
Impairments	0	0	0	0	0	0	0
Reversals of impairments	0	0	0	0	0	0	0
Charged during the year	49	0	0	0	0	0	49
Accumulated amortisation at 31 March 2011	146	0	0	0	0	0	146
Net book value at 1 April 2010	130	0	0	0	0	0	130
Net book value at 31 March 2011	81	0	0	0	0	0	81
Net book value							
Purchased	81	0	0	0	0	0	81
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
Total at 31 March 2011	81	0	0	0	0	0	81

14. Intangible 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.
- iv) A useful life of 2 years has been attributed to a computer license acquired during this financial year. This is in line with the term of the license.

15. Revaluation reserve balance for intangible assets

	2011-12	2010-11
	£000	£000
At 1 April	0	0
Changes (itemised)	0	0
At 31 March	<u>0</u>	<u>0</u>

16. Impairments

Impairments in the period arose from:	2011-12		2010-11	
	Property, plant & equipment	Intangible assets	Property, plant & equipment	Intangible assets
	£000	£000	£000	£000
Loss or damage from normal operations	0	0	0	0
Abandonment of assets in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	0	0	0	0
Write down of specialised property (future disposal)	2,207	0	3,490	0
Impairments charged to operating expenses	2,207	0	3,490	0

Impairments charged in the year to

Operating expenses in Statement of Comprehensive Income	2,207	0	3,490	0
Revaluation reserve	0	0	0	0

17. Capital commitments

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

	31 March	31 March
	2012	2011
	£000	£000
Property, plant and equipment	524	85
Intangible assets	0	0
Total	524	85

18. Inventories

18.1 Inventories

	31 March	31 March
	2012	2011
	£000	£000
Drugs	284	271
Consumables	926	738
Energy	0	1
Work in progress	0	0
Other	92	59
Total	<u>1,302</u>	<u>1,069</u>
Of which held at net realisable value:	<u>0</u>	<u>0</u>

18.2 Inventories recognised in expenses

	31 March	31 March
	2012	2011
	£000	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	<u>0</u>	<u>0</u>

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19. Trade and other receivables

19.1 Trade and other receivables

	31 March 2012	31 March 2011
	£000	£000
Current		
Welsh Government	625	110
Welsh Health Specialised Services Committee	28	269
Welsh Health Boards	1,754	917
Welsh NHS Trusts	97	91
Non - Welsh Trusts	149	202
Other NHS	22	0
Welsh Risk Pool	4,194	693
Welsh Local Authorities	0	0
Other Local Authorities	0	0
Capital debtors	0	0
Other debtors	1,887	1,855
Provision for impairment of trade receivables	(230)	(226)
Pension Prepayments	0	0
Other prepayments and accrued income	953	1,229
Sub-total	<u>9,479</u>	<u>5,140</u>
Non-current		
Welsh Government	0	0
Welsh Health Specialised Services Committee	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
Welsh Risk Pool	0	0
Welsh Local Authorities	0	0
Other Local Authorities	0	0
Capital debtors	0	0
Other debtors	0	0
Provision for impairment of trade receivables	0	0
Pension Prepayments	0	0
Other prepayments and accrued income	0	0
Sub-total	<u>0</u>	<u>0</u>
Total trade and other receivables	<u><u>9,479</u></u>	<u><u>5,140</u></u>

Other debtors includes £1018k re Compensation Recovery Unit (2010/11 £882k), £8k re Local Authorities (2010/11 £429k) and £188k re VAT recovery (2010/11 £299k).

19.2 Receivables past their due date but not impaired

	31 March	31 March
	2012	2011
	£000	£000
By up to 3 months	1,021	561
By 3 to 6 months	0	1
By more than 6 months	0	0
Balance at end of financial year/period	<u>1,021</u>	<u>562</u>

19.3 Provision for the impairment of receivables

	31 March	31 March
	2012	2011
	£000	£000
Balance at beginning of the year	(226)	(355)
Transfer to other NHS Wales body	0	0
Amount written off during the year	29	50
Amount recovered during the year	0	66
Increase/(decrease) in receivables impaired	(33)	13
Balance at 31 March	<u>(230)</u>	<u>(226)</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.

20. Other financial assets

	31 March 2012	31 March 2011
	£000	£000
Non-current		
Finance lease receivables	0	0
Financial assets carried at fair value through income statement	0	0
Held to maturity investments carried at amortised cost	0	0
Available for sale financial assets carried at fair value	0	0
Loans carried at amortised cost	0	0
Total	<u>0</u>	<u>0</u>
Current		
Finance lease receivables	0	0
Financial assets carried at fair value through income statement	0	0
Held to maturity investments carried at amortised cost	0	0
Available for sale financial assets carried at fair value	0	0
Loans carried at amortised cost	0	0
Total	<u>0</u>	<u>0</u>

21. Other assets

	31 March 2012	31 March 2011
	£000	£000
Non-current		
Other assets	0	0
Total	<u>0</u>	<u>0</u>
Current		
EU Emissions trading scheme allowances	0	0
Other assets	0	0
Total	<u>0</u>	<u>0</u>

22. Cash and cash equivalents

	31 March	31 March
	2012	2011
	£000	£000
Opening Balance	15,326	8,826
Net change in year	(1,200)	6,500
Closing Balance	<u>14,126</u>	<u>15,326</u>
Made up of:		
Cash with Government Banking Service (GBS)	270	258
Commercial banks	52	64
Cash in hand	4	4
Current investments	<u>13,800</u>	<u>15,000</u>
Cash and cash equivalents as in SoFP	<u>14,126</u>	<u>15,326</u>
Bank overdraft - GBS	0	0
Bank overdraft - Commercial	<u>0</u>	<u>0</u>
Cash & cash equivalents as in Statement of Cash Flows	<u><u>14,126</u></u>	<u><u>15,326</u></u>

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23. Trade and other payables at the SoFP Date	31 March	31 March
	2012	2011
	£000	£000
Current		
Welsh Government	0	2,073
Welsh Health Specialised Services Committee	0	0
Welsh Health Boards	876	471
Welsh NHS Trusts	28	46
Other NHS	6	6
Welsh Local Authorities	26	108
Other Local Authorities	0	6
Income tax and social security	1,751	2,237
Non-NHS trade payables - revenue	1,432	1,201
Non-NHS trade payables - capital	7,368	6,046
Rentals due under operating leases	0	0
Pensions: staff	1,275	1,342
Accruals	3,405	3,499
Deferred Income	0	0
Other liabilities - all other payables	816	876
Sub-total	16,983	17,911
Non-current		
Welsh Government	0	0
Welsh Health Specialised Services Committee	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Other NHS	0	0
Welsh Local Authorities	0	0
Other Local Authorities	0	0
Income tax and social security	0	0
Non-NHS trade payables - revenue	0	0
Non-NHS trade payables - capital	0	0
Rentals due under operating leases	0	0
Pensions: staff	0	0
Accruals	0	0
Deferred Income	0	0
Other liabilities - all other payables	0	0
Sub-total	0	0
Total	16,983	17,911

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

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24. Borrowings	31 March	31 March
Current	2012	2011
	£000	£000
Bank overdraft - GBS	0	0
Bank overdraft - Commercial bank	0	0
Loans from:		
Welsh Government	0	0
Other entities	0	0
PFI liabilities:		
Main liability	0	0
Lifecycle replacement received in advance	0	0
Finance lease liabilities	1,526	1,436
Other	0	0
Total	1,526	1,436
Non-current		
Bank overdraft - GBS	0	0
Bank overdraft - Commercial bank	0	0
Loans from:		
Welsh Government	0	0
Other entities	0	0
PFI liabilities:		
Main liability	0	0
Lifecycle replacement received in advance	0	0
Finance lease liabilities	9,317	10,832
Other	0	0
Total	9,317	10,832

24.2 Loan advance/strategic assistance funding

The NHS trust has received no loan advance or strategic funding from the Welsh Government.

25. Other financial liabilities

Current	31 March 2012 £000	31 March 2011 £000
Financial liabilities carried at fair value through income statement.	0	0
Non-current		
Financial liabilities carried at fair value through income statement.	0	0

26. Other liabilities

Current	31 March 2012 £000	31 March 2011 £000
Lease incentives	0	0
PFI asset - deferred credit	0	0
Other	0	0
	<u>0</u>	<u>0</u>
Non-current		
Lease incentives	0	0
PFI asset - deferred credit	0	0
Other	0	0
	<u>0</u>	<u>0</u>

27. Provisions
2011-12

	At 1 April 2011	Structured settlement cases transferr-ed to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2012
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence	138	0	0	0	0	4,345	(237)	(788)	0	3,458
Personal injury	1,059	0	0	0	0	1,793	(765)	(609)	108	1,586
All other losses and special payments	15	0	0	0	0	225	(133)	(107)	0	0
Defence legal fees and other administration	138	0	0	0	0	245	(58)	(100)		225
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	19		0	0	0	16	(20)	0	4	19
Restructurings	0		0	0	0	0	0	0		0
Other	1,270		0	0	0	95	(644)	0		721
Total	2,639	0	0	0	0	6,719	(1,857)	(1,604)	112	6,009
Non Current										
Clinical negligence	0	0	0	0	0	0	0	0	0	0
Personal injury	4,620	0	0	0	0	135	0	0	0	4,755
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0		0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	146		0	0	0	0	0	(6)	0	140
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	4,766	0	0	0	0	135	0	(6)	0	4,895
TOTAL										
Clinical negligence	138	0	0	0	0	4,345	(237)	(788)	0	3,458
Personal injury	5,679	0	0	0	0	1,928	(765)	(609)	108	6,341
All other losses and special payments	15	0	0	0	0	225	(133)	(107)	0	0
Defence legal fees and other administration	138	0	0	0	0	245	(58)	(100)		225
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	165		0	0	0	16	(20)	(6)	4	159
Restructurings	0		0	0	0	0	0	0		0
Other	1,270		0	0	0	95	(644)	0		721
Total	7,405	0	0	0	0	6,854	(1,857)	(1,610)	112	10,904

Expected timing of cash flows:

Timing period yet to be confirmed	In the remainder of spending review to 31 March 2015		Between 1 April 2015 and 31 March 2020	Thereafter	Totals
	£000		£000	£000	£000
Clinical negligence	3,458		0	0	3,458
Personal injury	2,216		1,458	2,667	6,341
All other losses and special payments	0		0	0	0
Defence legal fees and other administration	225		0	0	225
Pensions - former directors	0		0	0	0
Pensions - other staff	58		80	21	159
Restructuring	0		0	0	0
Other	721		0	0	721
Total	6,678		1,538	2,688	10,904

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:

* £626k (10-11 £712k) 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 it could be paid out at any time)

* £0k (10-11 £558k) this relates to Annex U entitlement, in respect of trainees Agenda for Change arrears, which was agreed in 2010/11 for a proportion of Trust's employees .

£95k (10-11 £0k) 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. Provisions (continued)

2010-11

	At 31 March 2010	Structured settlement cases transferr-ed to Risk Pool	Transfer to creditors	Transfer between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2011
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence	231	0	0	0	0	51	(63)	(81)	0	138
Personal injury	1,073	0	0	0	0	1,513	(1,125)	(509)	107	1,059
All other losses and special payments	11	0	0	0	0	249	(192)	(53)	0	15
Defence legal fees and other administration	145	0	0	0	0	171	(72)	(106)		138
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	20		0	0	0	14	(19)	0	4	19
Restructurings	0		0	0	0	0	0	0		0
Other	1,167		0	0	0	1,058	(947)	(8)		1,270
Total	2,647	0	0	0	0	3,056	(2,418)	(757)	111	2,639
Non Current										
Clinical negligence	0	0	0	0	0	0	0	0	0	0
Personal injury	4,603	0	0	0	0	17	0	0	0	4,620
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0		0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	152		0	0	0	(6)	0	0	0	146
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	4,755	0	0	0	0	11	0	0	0	4,766
TOTAL										
Clinical negligence	231	0	0	0	0	51	(63)	(81)	0	138
Personal injury	5,676	0	0	0	0	1,530	(1,125)	(509)	107	5,679
All other losses and special payments	11	0	0	0	0	249	(192)	(53)	0	15
Defence legal fees and other administration	145	0	0	0	0	171	(72)	(106)		138
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	172		0	0	0	8	(19)	0	4	165
Restructurings	0		0	0	0	0	0	0		0
Other	1,167		0	0	0	1,058	(947)	(8)		1,270
Total	7,402	0	0	0	0	3,067	(2,418)	(757)	111	7,405

"Other" provisions include the following:

* £712k (09-10 £793k) 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 it could be paid out at any time)

* £558k (09-10 £0) this relates to Annex U entitlement, in respect of trainees Agenda for Change arrears, which was agreed in 2010/11 for a proportion of Trust's employees (the whole of this provision is included within 1 year as it could be paid out at any time)

28. Finance leases

28.1 Finance leases obligations (as lessee)

Buildings

A lease arrangement was entered into during 2007/08 in respect of Vantage Point House. This is the only asset included within 'Buildings' below.

Other

A contract was entered into with Airwave during 2007/08 in respect of the National Ambulance Radio Re-procurement Project.

Amounts payable under finance leases:

LAND	31 March 2012 £000	31 March 2011 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Total present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	<u>0</u>	<u>0</u>

28.1 Finance leases obligations (as lessee) continued

	31 March 2012 £000	31 March 2011 £000
Amounts payable under finance leases:		
BUILDINGS		
Minimum lease payments		
Within one year	391	391
Between one and five years	98	489
After five years	0	0
Less finance charges allocated to future periods	(48)	(105)
Total minimum lease payments	441	775
Current borrowings	374	352
Non-current borrowings	67	423
Total	441	775
Present value of minimum lease payments		
Within one year	374	352
Between one and five years	67	423
After five years	0	0
Total present value of minimum lease payments	441	775
Included in: Current borrowings	374	352
Non-current borrowings	67	423
Total	441	775
OTHER		
	31 March 2012 £000	31 March 2011 £000
Minimum lease payments		
Within one year	1,515	1,485
Between one and five years	6,366	6,242
After five years	4,105	5,744
Less finance charges allocated to future periods	(1,584)	(1,977)
Total minimum lease payments	10,402	11,494
Included in: Current borrowings	1,152	1,085
Non-current borrowings	9,250	10,409
Total	10,402	11,494
Present value of minimum lease payments		
Within one year	1,152	1,085
Between one and five years	5,345	5,044
After five years	3,905	5,365
Total present value of minimum lease payments	10,402	11,494
Included in: Current borrowings	1,152	1,085
Non-current borrowings	9,250	10,409
Total	10,402	11,494

28.2 Finance lease receivables (as lessor)

There are no finance lease receivables.

Amounts receivable under finance leases:

	31 March 2012 £000	31 March 2011 £000
Gross investment in leases		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Gross lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Total present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	<u>0</u>	<u>0</u>

28.3 Rental Revenue	31 March	31 March
	2012	2011
	£000	£000
Contingent rent	0	0
Other	0	0
Total rental revenue	0	0

Welsh Ambulance Services NHS Trust has not entered into any new contracts under finance leases during 2011/12.

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.

NHS trusts are not exposed to the degree of financial risk faced by business entities. 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 the Welsh 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 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.

Maturity of financial liabilities	31 March	31 March
	2012	2011
	£000	£000
In one year	0	0
In more than one year but not more than two years	0	0
In more than two years but not more than five years	0	0
In more than five years	0	0
Total	0	0

31. Financial Instruments

Financial assets	At "fair value" through I&E	Loans and receivables	Available for sale	Total
	£000	£000	£000	£000
Embedded derivatives	0	0	0	0
NHS receivables	0	2,675	0	2,675
Cash at bank and in hand	14,126	0	0	14,126
Other financial assets	0	0	0	0
Total at 31 March 2012	14,126	2,675	0	16,801

Financial liabilities	At "fair value" through I&E	Other	Total
	£000	£000	£000
Embedded derivatives	0	0	0
PFI and finance lease obligations	10,843	0	10,843
Other financial liabilities	0	0	0
Total at 31 March 2012	10,843	0	10,843

Financial assets	At "fair value" through I&E	Loans and receivables	Available for sale	Total
	£000	£000	£000	£000
Embedded derivatives	0	0	0	0
NHS receivables	0	1,589	0	1,589
Cash at bank and in hand	15,326	0	0	15,326
Other financial assets	0	0	0	0
Total at 31 March 2011	15,326	1,589	0	16,915

Financial liabilities	At "fair value" through I&E	Other	Total
	£000	£000	£000
Embedded derivatives	0	0	0
PFI and finance lease obligations	12,268	0	12,268
Other financial liabilities	0	0	0
Total at 31 March 2011	12,268	0	12,268

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 3 of its financial targets. Details are given below:

32.1 Breakeven	2011-12
	£000
Target retained surplus	0
Actual retained surplus	54
Variance	(54)

The Trust has met the breakeven duty in full.

The in year breakeven target is £0 and actual surplus is £54k.

Welsh Ambulance Services NHS Trust has achieved on-going breakeven requirement.

32.2 External financing	31 March	31 March
The Trust is given an external financing limit which it is permitted to undershoot	2012	2011
	£000	£000
External financing limit set by the Welsh Government	2,313	1,128
Cash flow financing	2,313	1,128
Finance leases taken out in the year	0	0
Other capital receipts	0	0
External financing requirement	2,313	1,128
Undershoot (overshoot)	0	0

The Trust has achieved its external financing limit.

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 2011-12	32,724
Total number of non-NHS bills paid within target	32,347
Percentage of non-NHS bills paid within target	98.8%

The Trust has met the target.

33. Contingencies

33.1 Contingent liabilities

Provision has not been made in these accounts for the following amounts:	31 March 2012 £000	31 March 2011 £000
Legal claims for alleged medical or employer negligence	3,979	9,602
Doubtful debts	0	0
Equal pay cases	0	0
Defence costs	0	0
Other (Please specify)	0	0
Total value of disputed claims	<u>3,979</u>	<u>9,602</u>
Amount recovered under insurance arrangements in the event of these claims being successful	<u>(3,391)</u>	<u>(8,937)</u>
Net contingent liability	<u>588</u>	<u>665</u>

Legal claims are provided in the accounts on the basis of settlement probability assessed by the Trust's independent legal advisors. The amount disclosed in respect of contingent liabilities relates to outstanding cases with a probability of settlement that has been classified as either 'possible' or 'remote'.

In respect of ongoing equal pay claims, indications from the Trust's HR department are that settlement negotiations are being entered into by the Trust's legal representatives. This does not commit the Trust to resolving the claims and if reasonable terms cannot be agreed the Trust will be able to withdraw from discussions and proceedings recommenced.

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.

Liability for Permanent Injury Benefit under the NHS Injury Benefit Scheme lies with the employer. Individual claims to the NHS Pensions Agency could arise due to known incidents.

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

On 1 June 2012 the Internal Audit function and its associated assets and liabilities is being transferred from Welsh Ambulance Services NHS Trust to Velindre NHS Trust to form NHS Wales Shared Services. In accordance with the HM Treasury Financial Reporting Manual (FRoM), the transfer of functions will be treated as a merger, and all transactions and balances related to those functions will be shown in future years in Velindre NHS Trust's financial statements.

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

	Payments to related party	Receipts from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Welsh Government	126	12,277	0	625
WHSSC	0	113,506	0	28
Abertawe Bro Morgannwg University LHB	841	4,972	189	47
Aneurin Bevan LHB	231	4,238	15	39
Betsi Cadwaladr University LHB	1,092	5,497	289	128
Cardiff and Vale University LHB	106	5,072	283	1,346
Cwm Taf LHB	117	1,651	7	108
Hywel Dda LHB	89	2,341	9	40
Powys LHB	69	502	58	45
Public Health Wales	0	0	0	0
Velindre NHS Trust	172	686	28	97
University of Wales College of Medicine	0	0	0	0
TOTAL	2,843	150,742	878	2,503

37. Intra Government balances

	Receivables: Current £000	Receivables: Non-current £000	Payables: Current £000	Payables: Non-current £000
2011-12:				
Welsh Government	625	0	0	0
Welsh Local Health Boards	1,754	0	876	0
Welsh NHS Trusts	97	0	28	0
WHSSC	28	0	0	0
All English Health Bodies	172	0	6	0
All N. Ireland Health Bodies	-	0	0	0
All Scottish Health Bodies	-	0	0	0
Miscellaneous	-	0	0	0
Credit note provision	-	0	0	0
Sub total	2,676	0	910	0
Other Central Government Bodies				
Other Government Departments	4,194	0	1,275	0
Revenue & Customs	188	0	1,751	0
Local Authorities	0	0	26	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	2,421	0	13,021	0
TOTAL	9,479	0	16,983	0

	Receivables: Current £000	Receivables: Non-current £000	Payables: Current £000	Payables: Non-current £000
2010-11:				
Welsh Government	110	0	2,073	0
Welsh Local Health Boards	917	0	472	0
Welsh NHS Trusts	91	0	46	0
WHSSC	269	0	0	0
All English Health Bodies	202	0	6	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	0	0	0	0
Sub total	1,589	0	2,597	0
Other Central Government Bodies				
Other Government Departments	693	0	1,342	0
Revenue & Customs	300	0	2,237	0
Local Authorities	0	0	0	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	2,558	0	11,735	0
TOTAL	5,140	0	17,911	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 2012		Amounts paid out during year to 31 March 2011		Approved to write-off to 31 March 2012	
	Number	£	Number	£	Number	£
Clinical negligence	5	236,702	6	62,775	0	0
Personal injury	106	765,128	124	1,124,676	34	546,883
All other losses and special payments	113	133,202	122	192,169	2	6,265
Total	224	1,135,032	252	1,379,620	36	553,148

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	0
03RT4PI0058	Personal injury	0	495,000	0
07RT4MN003	Medical negligence	0	257,000	0
99RT4MN0001	Medical negligence	0	1,147,365	0
Sub-total		0	4,508,766	0
All other cases		1,135,032	5,233,552	553,148
Total cases		1,135,032	9,742,318	553,148

Approved to write-off in the above context means the cash amount paid out during the year relating to cases closed during the year.

39. Pooled budgets

Welsh Ambulance Services NHS Trust has no pooled budgets.

40. 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 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: 1st June 2012

Elwyn Price-Morris - Chief Executive

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF

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: 1st June 2012

Chairman: Stuart Fletcher

Date: 1st June 2012

Chief Executive: Eelyn Price-Morris

Date: 1st June 2012

Director of Finance: John Jones

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 Trusts 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 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

Governance Statement

1. Scope of Responsibility

The Welsh Ambulance Services NHS Trust is a statutory body that came into existence on 1 April 1998 under the Welsh Ambulance Services NHS (Establishment) Order 1998, with NHS Direct Wales joining the Trust in 2007.

The Trust's role is to manage emergency and urgent care services and planned patient care services, including the functions of NHS Direct Wales. It also manages such other services (including communications and training) relating to the provision of care as can reasonably be carried out in conjunction with the management of ambulance and associated transport services.

The Board is accountable for Governance and Internal Control. As Accountable Officer and Chief Executive of the Board, I have responsibility for maintaining appropriate governance structures and procedures as well as a sound system of internal control that supports the 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. These are carried out in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales.

In discharging this overall responsibility I, together with the Board, am responsible for putting in place proper arrangements for the governance of the affairs of the Trust, facilitating the effective exercise of the functions of the Trust and the management of risk.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks; it can, therefore, only provide reasonable and not absolute assurances.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the aims, objectives, and policies 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 for the year ended 31 March 2012 and up to the date of approval of the annual report and accounts.

2. Governing the Trust – compliance with the Code of Good Practice

The principal role of the Trust Board is to:

- Set the Trust's strategic direction;
- Establish and uphold the Trust's governance and accountability framework, including its values and standards of behaviour; and

- Ensure delivery of the Trust's goals through effective challenge and scrutiny of performance across all areas of activity.

The Board functions as a corporate decision-making body, Executive Directors and Non Executive Directors being full and equal members and sharing corporate responsibility for all the decisions of the Board.

The Board is supported by the Corporate Secretary, who acts as principal adviser on all aspects of non-clinical governance within the Trust. The Board is also supported by a number of Committees of Non Executives that fulfil specific elements of the Boards duties and responsibilities.

The Board has been constituted to comply with the NHS (Wales) Act 2006 and the National Health Service Trusts (Membership and Procedure) Regulations 1990 (1990/2024).

In addition to responsibilities and accountabilities set out in the terms and conditions of appointment, Board Members also have clear job roles and fulfil a number of 'Champion' roles where they act as ambassadors for these matters.

The Board members in post during the financial year 2011/2012 are:

Name	Position	Area of expertise/ Representative Role	Champion Roles
Stuart Fletcher	Chairman and Non Executive Director Chair of Remuneration Committee	Chair	Corporate Health Standards
Mike Cassidy	Deputy Chief Executive and Director of Patient Care Services	Patient Care Services	
Stuart Castledine	Non Executive Director	Finance	Community First Responders/Ambulance Trust Olympic Group/Military Veterans Liaison Meeting
Dilwyn Evans	Non Executive Director/ Chair of Strategic Planning Committee	Strategic Planning	Development of "Healthy Sustainable Wales"
Kevin Fitzpatrick	Non Executive Director/ Chair of Quality, Safety and Governance	Patient Outcomes/ Quality & Safety	Equality and Diversity / Children and Young People's Services (Children Act 2004)/ /Improving

	Committee		Health in Wales.
Paul Hughes (from 1.9.2011)	Medical Director	Medical/Clinical Governance	
Philip James	Non Executive Director/Chair of Audit Committee	Finance/Audit	Welsh Language/EMS Operations/PCS Operations
Sara Jones	Clinical Director	Nursing/Clinical Governance	Caldicott Guardian
John Morgan	Non Executive Director/ Chair of Charitable Funds Committee	Information/ICT	Infection Management/ Concerns/1000 Lives Plus
Nina Park	Non Executive Director	Workforce and OD	Violence and Aggression/Older People
Elwyn Price-Morris	Chief Executive	Accountable Officer	
Peter Price	Non Executive Director and Vice Chairman of the Board.	Legal	Design
Tim Woodhead	Director of Finance	Finance	

As Chief Executive and Accountable Officer, I have personal responsibility for the overall organisation, management and staffing of the Trust. I am required to assure myself, and therefore the Board, that the Trust's Executive Level Management arrangements are fit for the purpose of providing effective whole-system Executive level leadership.

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review 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 external auditors in their audit letter and other reports.

I am supported by Directors who provide clinical and operational leadership in the planning and delivery of services across the Trust. Corporate functions including Finance, Workforce & Organisational Development, IM&T, Estates, Planning and Performance and others, assist managers and myself by providing advice and support in their specialist areas.

3. Vision and Values

The Board has agreed the following five strategic aims which guide its work:-

Our aims are to:-

- Build the Welsh Ambulance Service to be the most efficient and cost effective provider of health services in Wales
- Recruit the best people and empower them to improve their working lives through education, negotiation and representation
- Ensure patients and staff work in partnership
- Celebrate diversity and act together on behalf of patients and their families
- Strive to make staff proud to be part of the Welsh Ambulance Service

These aims underpin the strong governance ethos that is being embedded throughout the Trust through its Governance Framework.

4. Governance Framework

The Welsh Government requires that the Trust operate within the wider governance framework set for the NHS in Wales and incorporate the standards of good governance set for the NHS in Wales (as defined within the Citizen Centred Governance principles and Standards for Health Services in Wales), together with its planning and performance management frameworks.

The Trust has agreed Standing Orders for the regulation of proceedings and business. They are designed to translate the statutory requirements set out in the NHS Trusts' Regulations 1990 into day-to-day operating practice and, together with the adoption of a Scheme of Delegation to officers and others, and Standing Financial Instructions, they provide the regulatory framework for the conduct of business of the Trust and define its 'ways of working'.

These documents, together with the range of policies set by the Board, and the adoption of the Values and Standards of Behaviour framework, make up the Trust's Governance Framework.

In December 2010, the Trust introduced a revised committee structure. Board and committee agenda and papers are published seven calendar days in advance, demonstrating the Board's commitment to openness and transparency in the conduct of its business.

There are five Board Committees, plus the Partnership Forum, which are supported by panels/working groups in the discharge of functions:

- Quality, Safety and Governance Committee

- Audit Committee
- Charitable Funds Committee
- Strategic Planning Committee
- Remuneration Committee
- Partnership Forum

The Trust Chairman brings together all Non-Executive Directors of the Board on a regular basis which, although not a formal Committee, has routine oversight of the key issues from each Committee across the Trust.

Each main Board Committee produces an annual report which is received by the Board, detailing the business, activities and main issues dealt with by the Committee in the reporting year.

Board Members attendance at Board meetings is generally very good averaging 87% over the last 18 months with all Board and main Committee meetings during that period being quorate.

In addition to Board and Committee meetings, the Board holds regular development sessions covering all aspects of corporate responsibility. During 2011/12, the Board held sessions on the following topics:-

- Standards for Health Services – Governance and Accountability Module
- Welsh Language Awareness
- Contest – Civil Contingency Plan – Implications for the Trust
- ICT and Informatics Strategy
- Estates Strategy – Strategic Outline Case
- Ambulance Resource Centres (ARCs) and Make Ready Depots (MRDs)
- Financial Governance arrangements and overview of the Bribery Act 2010
- Electronic Clinical Report (ECR) – Supporting Clinical Transformation
- Process and Behaviour in a High Performing Board
- Annual Delivery Plan for 2012/13
- New Clinical Response Model
- Role of Multi-disciplinary team (Paramedic, GP, Nurse) within the Clinical Contact Centre
- Maintaining Performance over the Winter
- Workforce and Organisation Development Strategy
- Safeguarding Children – Organisational responsibilities and those of the Board
- Strategic Equality Plan
- Capital Prioritisation
- Board development linked to culture, values and behaviours, including Clinical Simulation day.

During the course of the year the Board has also undertaken a self-assessment of its performance, the results of which are being taken forward via the Trust's Quality, Safety and Governance Committee who in turn will make appropriate recommendations to the Trust Board.

5. Gaining Assurance

The Board has a cycle of business that supports the Governance Framework. This cycle of business ensures appropriate sequencing of meetings to schedule business satisfactorily throughout the year. The Trust has developed an electronic Forward Plan of business which is reviewed by the Management Team and Board/Committee Chairs on a regular basis and, in particular, at diarised pre-agenda meetings which are programmed annually and held six weeks prior to each Board/Committee meeting. In addition, this year, the Trust has incorporated Annual Plans as a forward-looking element in the Annual Report for each Committee. The Board's cycle of business includes, amongst other things:-

- The Trust's Risk Register;
- Committee Annual Reports;
- External & Internal Audit Reports;
- Standards for Health Services;
- Standing Orders and Standing Financial Instructions; and
- Annual Business Plan.

The Board uses this assurance in the following ways:-

- Undertaking an assessment of assurance against objectives and Standards for Health Services;
- Informing Board and Committee business and ensuring appropriate scrutiny across the breadth of Standards for Health Services and objectives; and
- Informing the work of internal audit and clinical audit.

The Board uses the 'Doing Well, Doing Better: Standards for Health Services' and its overall business planning process as its framework for gaining assurance on its ability to fulfil its aims and objectives for the delivery of safe, high quality health services. This involves self-assessment of performance against the standards across all activities and at all levels throughout the organisation.

As part of this process, the Board has completed the Governance and Accountability assessment module and has:

- Openly assessed its performance using the maturity matrix
- Responded to feedback from Healthcare Inspectorate Wales in relation to its 2010-2011 self-assessment
- Put in place plans to achieve the improvement actions identified within clearly defined timescales proportionate to the risk.

This process has been subject to independent internal assurance by the organisation's Head of Internal Audit who has made the following opinion:

“The Board can take reasonable assurance that the arrangements upon which the organisation relies to manage risk, control and governance within those areas under review, and the operational compliance noted, are suitably designed and applied effectively. However, some issues have been identified that, if not addressed, increase the likelihood of risks materialising.”

During the course of the year no 'limited assurance' or 'no assurance' reports were issued by Internal Audit.

The Trust's External auditors and regulators undertake performance work and financial audit work in the year and action plans to address recommendations are put in place and regularly reviewed.

Governance and Accountability Module – Self Assessment

Governance and Accountability Module	We do not yet have a clear, agreed understanding of where we are (or how we are doing) and what/where we need to improve.	We are aware of the improvements that need to be made and have prioritised them, but are not yet able to demonstrate meaningful action.	We are developing plans and processes and can demonstrate progress with some of our key areas for improvement	We have well developed plans and processes and can demonstrate sustainable improvement throughout the organisation / business	We can demonstrate sustained good practice and innovation that is shared throughout the organisation / business and which others can learn from
Setting the direction			3+		
Enabling delivery			3+		
Delivering results achieving excellence			3+		
OVERALL MATURITY LEVEL			3+		

Whilst the maturity scores appear to suggest that there have been no improvements since last year, Non Executive Directors concurred that improvements had been made in a number of important areas such as the Trust's overall business planning and performance framework, further development of the integration of full risk profiling and risk management process with the Trust's Strategic Objective setting and planning processes, implementation of 'Putting Things Right' and Redress, improvements in partnership working with staff, together with the introduction of the new Clinical Model to name but a few but there remain a number of actions yet to be implemented and these are being taken forward as part of the Trust's Annual Delivery Plan and Directorate Business Plans during 2012/13. In respect of Redress, the Trust made no payments in year.

As + is not included within the scoring for the Module, Internal Audit has assessed the Overall Maturity Level for the Trust as 3 = “We are developing plans and processes and can demonstrate progress with some of our key areas for improvement”.

Internal Audit’s overall findings in relation to Standards for Health concluded that the Standards are embedded in the Trust, across the four distinct services of Emergency Medical Services; Patient Care Service; NHS Direct Wales/Clinical Service and Support Services.

Three Standards were subject to scrutiny by the Non-Executive Directors (recognised as good practice) and the self assessment scoring, corroborated by Internal Audit is detailed as follows:-

- Standard 1: Governance and Accountability Framework = 4
- Standard 22: Managing Risk and Health and Safety = 3
- Standard 22: Dealing with Concerns and Managing Incidents = 3

Appropriate improvement plans have been identified and have been mapped across to Directorate Business Plans and will be monitored via that process.

6. Engagement with the 1000 Lives Plus Programme

The Trust has committed to progressing improvement work under the 1000 Lives Plus banner via mini collaboratives, which are aimed at improving patient safety. The following reflects current progress:

(a) The use of an early warning scoring system (PhEWS) in the pre-hospital setting has commenced via a Plan Do Study Act (PDSA) cycle involving crews from six ambulance stations who convey patients to Wrexham Maelor Hospital. Data for the first 30 patient episodes is currently being collected and analysed to inform the next stage of the PDSA.

(b) The Trust continues to work with Health Board colleagues to increase the numbers of referrals made into established and newly developed falls pathways across Wales. Plans are being progressed with both Pembrokeshire and Gwynedd falls teams to commence referrals in the near future. The data capture and recording methods to improve the timeliness and accuracy of information remain under review and are being supported by NLIAH.

In addition to referrals from paramedics, the nurse triage service has recently developed a Falls Screening Tool. Effectively this is a falls referral process for callers who have fallen and are at risk of falling again. The PDSA cycle for referral of this patient group to two falls teams has commenced and small numbers of referrals have been

made. The process will be evaluated ahead of being incrementally rolled out across Wales.

(c) Further discussions are being held with regard to the Reducing Healthcare Associated Infection collaborative to ensure that work focuses on outcome measures and not just processes.

(d) Improving survival rates for acute stroke patients is being progressed by ensuring the rapid recognition of presenting conditions and the timely transfer to definitive care. A trial for the use of ROSIER test for stroke patients has been completed with ABMU East. Data is currently being collected and analysed to inform next steps.

The Trust continues to meet its target for undertaking two Executive Walkrounds per month with any emerging actions for change being progressed by my Management Team.

7. Other Standards and Regulatory Requirements

In addition to the need to report on delivery against Standards for Health Services, the Trust is also required to report that arrangements are in place to manage and respond to the following governance issues:

- **Climate Change Act and Adaptation Reporting Requirements**

The organisation has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements as based on UKCIP 2009 weather projections to ensure that the organisation's obligation under the Climate Change Act 2008 and the adaptation reporting requirements are complied with.

- **Equality, Diversity & Human Rights**

Control Measures are in place to ensure that the Trust's obligations under equality, diversity and human rights legislation are complied with.

- **NHS Pension Scheme**

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 into 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.

- **Serious Untoward Incidents**

In accordance with the IFRS NHS Wales 2011/12 Manual for Accounts, the Trust is required to disclose any “Serious Untoward Incidents” involving data loss or confidentiality breaches. I can confirm that the Trust has not had any Serious Untoward Incidents of this nature during 2011/12.

- **Welsh Risk Pool Assessment**

Independently of the Trust, the Welsh Risk Pool is currently undertaking one assessment against the Concerns and Compensation Standard which is a mock assessment this year. The intention is that it will be used as a baseline to inform next year’s assessment. The timeline for completion of the mock assessment is the end of May 2012 and, therefore, it is not possible to report the results of that assessment within this governance statement.

- **Health and Safety Executive**

The Health and Safety Executive (HSE), as part of its review of the arrangements for the management of Violence and Aggression within NHS Wales, conducted an inspection of the Trust’s arrangements in October 2010. The Report received in December 2010 expressed particular concern over the levels of Violence and Aggression training that had been provided to individuals identified by the Trust as being at most risk. In September 2011 the HSE confirmed the outcome of several meetings with Trust Officers and made nine recommendations for further action. The Trust has prepared a detailed Health and Safety Action plan to address these recommendations and during 2011/2012 the priorities for action have been agreed by the relevant committees of the Trust and due progress has been made with regard to addressing the HSE recommendations.

8. Risk Management

The Trust is committed to improving safety and the quality of patient care whilst ensuring the management of risk in its widest sense.

Risk Management is defined within the Trust as the process of identifying hazards or threats to the achievement of objectives, assessing risk, taking action to eliminate or reduce the risk to the lowest reasonably practicable level, monitoring and reviewing the process.

It is the policy of the Board to manage the Trust in such a way as to minimise the risks to patients, staff and anyone else likely to be affected by the Trust’s activities. The Board also manages the operations of the Trust in such a way as to protect the organisation from avoidable losses or damage to its reputation. The Trust’s Chief

Executive has overall responsibility for risk management and the Corporate Secretary has been designated, under the Scheme of Delegation, as the Officer with delegated responsibility for risk management and health and safety and co-ordinating the Board Assurance Framework.

Risk Management techniques and programmes are systematically applied to identify and control risks in order to ensure the continuing provision of high quality services to patients, clients and the public. Across the full range of activities within the Trust, whether governed by legislation and regulations, by protocols and guidelines, or simply by best practice and common sense, the Trust seeks to maintain good risk management by all managers, staff and volunteers to ensure that harm, damage and potential losses of all sorts are avoided or minimized.

The Trust has a Risk Management Policy and Strategy that describes the arrangements for the management of risks within the Trust and clarifies the roles and responsibilities of individuals and committees. The risk assessment and risk register procedure provides for the identification and assessment of all categories of risks including clinical, financial and corporate risks. The Trust Board has a Quality, Safety and Governance Committee and a Risk Management and Health and Safety Panel both of which regularly review the Directorate and Corporate Risk Registers.

The Trust regards Risk Management as an integral part of its Strategy Development and Business Planning Processes ensuring that the identified risks are appropriately addressed. The Board has a Strategic Planning, Finance and Performance Committee and a Planning, Performance and Development Panel both of which review the planning process and the extent to which risks are adequately addressed.

The Board Committees and the Panels have strong staff representation to further promote engagement and involvement in the risk management process.

The Trust's current profile of risks is summarized in the most recent version of the Corporate Risk Register. Formal Risk Management is conducted at all levels within the Trust, at Board level, Management Team level, Directorate level and Locality level. Risk Registers are maintained at Directorate and Management Team levels. The Corporate Risk Register is maintained and owned by the Management Team and the Board periodically reviews the Registers and the mitigation action being taken. There is a process of escalation that ensures that risks are identified and managed at the appropriate level authorised to take mitigation action.

10. Audit Committee

The Audit Committee operates to the requirements and standards set out in the Audit Committee Handbook and the Trust's Standing Orders.

In October 2011, the Audit Committee undertook a self-assessment of its effectiveness that was then used to inform development sessions for the Board and will be further progressed during 2012/13.

11. Conclusion

As Accountable Officer, I wish to highlight following matters that are considered significant governance issues and have presented challenges during the course of the year:-

- Fleet Procurement – a number of issues regarding a specific fleet procurement exercise arose which I requested be reviewed by my External Auditors KPMG. Significant progress has been made in terms of implementation of their recommendations and will continue to be progressed and refined into 2012/13 to ensure robust governance arrangements are in place going forward.
- Concerns Handling – a number of issues relating to the Trust's process and procedures for handling concerns were identified during the year culminating in some critical Ombudsman's reports. I together with my Management Team have put in place a comprehensive action plan to address the issues and this is being vigorously progressed into 2012/13 to ensure that there is a strong governance framework in place going forward.
- Financial allocation – Whilst the Trust achieved all of its statutory financial responsibilities for 2011/12 the Trust was placed in a vulnerable position by virtue of the financial allocation to the Trust not being settled by its Commissioner's in a timely manner.

Elwyn Price-Morris

Chief Executive:

Date: 1st June 2012

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 Welsh Ambulance Services NHS Trust for the year ended 31 March 2012 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement and the Statement of Changes in Tax Payers Equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs). I have also audited the information in the Remuneration Report that is described as having been audited.

Respective responsibilities of Directors, the Chief Executive and the Auditor

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities set out on pages 61 and 62, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view.

My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Welsh Ambulance Services NHS Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors and Chief Executive; and the overall presentation of the financial statements.

I am also required to obtain sufficient evidence to give reasonable assurance that 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 read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Welsh Ambulance Services NHS Trust as at 31 March 2012 and of its surplus, its recognised gains and losses and cash flows for the year then ended; and
- 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.

Opinion on other matters

In my opinion:

- the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers;
- 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.

Matters on which I report by exception

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- the Annual Governance Statement does not reflect compliance with HM Treasury's and Welsh Ministers' guidance;
- proper accounting records have not been kept;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all the information and explanations I require for my audit.

Report

- I have no observations to make on these financial statements.

Huw Vaughan Thomas
Auditor General for Wales
27 June 2012

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