

London Ambulance Service NHS Trust

Annual Accounts for Year 2011-12

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF LONDON AMBULANCE SERVICE NHS TRUST

I have audited the financial statements of London Ambulance Service NHS Trust for the year ended 31 March 2012 under the Audit Commission Act 1998. The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England. I have also audited the information in the Remuneration Report that is described as having been audited.

This report is made solely to the Board of Directors of London Ambulance Service NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on 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 the 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 the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trust; and the overall presentation of the financial statements. 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 financial position of London Ambulance Service NHS Trust as at 31 March 2012 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

in October 2011, as to whether the Trust has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for me to consider under the Code of Audit Practice in satisfying myself whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2012.

I planned my work in accordance with the Code of Audit Practice. Based on my risk assessment, I undertook such work as I considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of my work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2011, I am satisfied that, in all significant respects, London Ambulance Service NHS Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2012.

Certificate

I certify that I have completed the audit of the accounts of London Ambulance Service NHS Trust in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.



Philip Johnstone

District Auditor

Audit Commission
Millbank Tower
Millbank
London
SW1P 4HQ

1 June 2012

2011-12 Annual Accounts of London Ambulance Service NHS Trust


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

The Chief Executive of the NHS has designated that the Chief Executive should be the Accountable Officer to the trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Department of Health. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the trust;
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

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.

nb: sign and date in any colour ink except black

Signed..........Chief Executive

Date.....1/6/12.....

2011-12 Annual Accounts of London Ambulance Service NHS Trust

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, directors are required to:

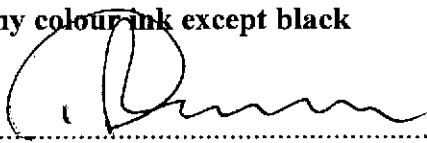
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and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

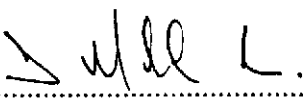
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the Board

nb: sign and date in any colour ink except black

1/6/12 Date  Chief Executive

1/6/12 Date  Finance Director

London Ambulance Service NHS Trust

Organisation Code: RRU

Governance Statement

Scope of responsibility

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

As Accountable Officer I have overall accountability for having a robust risk management system in place which is supported by a management structure, processes and monitoring arrangements, an assurance and risk management framework, and a programme of staff training and development. The Trust publishes bulletins on the intranet and uses the weekly information bulletin (the RIB) to communicate clinical and risk management issues. These arrangements are documented in the Risk Management Policy and Strategy which defines risk as anything threatening the achievement of our strategic objectives. It defines the ownership and subsequent management of the identified risks and the responsibilities of individuals and it describes the Trust Board's corporate responsibility for the system of internal control and robust risk management.

As part of London's local health economy we work with our partners to minimise the risks to patient care. To do so we meet routinely with our lead commissioners and with the performance team at NHS London, and strive to meet and maintain the key performance targets and clinical indicators set for ambulance services. In 2011/12 the London Ambulance Service has been ranked as the top performing ambulance trust for 7 performance indicators and has been placed in the upper quartile for 21 of the 23 indicators. We work in partnership with health and social care organisations in the development and provision of emergency and urgent healthcare across London. In 2011/2012 this has included the development of pathways for elderly people that fall and end of life care for patients across London, as well as developing pathways for urgent and emergency care in local areas. We have increased the number of calls we handle and resolve through hear and treat and we have worked with emergency departments and NHS London to improve the handover of patients from our service and into an acute healthcare setting. We continue to achieve good outcomes for some of our sickest patients through conveyance to cardiac centres, hyper acute stroke units and major trauma centres. We successfully implemented a new call taking and dispatch system in March 2012. We have been working with the London Olympic Games Organising Committee and associated partners to prepare for the 2012 London Olympic and Paralympic Games where we will be providing the emergency healthcare response as well as maintaining a safe and high quality service to the rest of London during that period. We engage with a wide range of stakeholders across London and we have undertaken approximately 900 patient and public involvement and education events during the year.

The governance framework of the organisation

The Trust implemented a new governance structure in April 2010 and then added the Finance and Investment Committee to this in early 2011. All board committees are chaired by a non-executive director and membership of the Remuneration and Nomination, and Audit committees is non-executive only with executives in attendance where relevant and required. The structure was fully reviewed in July 2011 along with the annual effectiveness review of the Trust Board, its reporting committees and the quality, safety and risk-related committees: Risk Compliance and Assurance, Clinical Quality Safety & Effectiveness, and Learning from Experience. No further changes were made to the governance structure and the Trust Board has continued to take assurance from this throughout 2011/12. The Trust Chair and Director of Corporate Services undertake a post-Board review each month to ensure the agenda has been covered, sufficient time allotted to agenda items and effective contribution and scrutiny given. The Board has been formally observed on at least one occasion during the year and feedback has been built into subsequent board meetings and taken up with individual board members where appropriate.

Attendance by Board members at Trust Board meetings is recorded in the minutes and included in the annual effectiveness review. From 2011/12 attendance at key board committees will also be monitored.

The Chair of the Audit Committee provides a report to the next meeting of the Trust Board. This report includes a summary of the business discussed and the assurances received from the executive, the internal and external auditors and from counter fraud. The role of the Audit Committee is to focus on the controls and related assurance that underpin the achievement of the Trust's objectives and the processes by which the risks to achieving these objectives are managed. At the Trust Board meeting on 27th March 2012 the Audit Committee chair provided assurance to the Board of the effectiveness of the Trust's systems of integrated governance, risk management and internal control, based on the key sources of assurance identified in the board assurance framework. The committee undertakes a detailed review of the corporate risk register annually. The committee meets 5 times during the year with one meeting held without the internal or external auditors present.

The Chair of the Quality Committee provides a report to the next meeting of the Trust Board. This report includes a summary of the committee's assessment of quality and risk as taken from the reports and evidence presented to the committee, and from quarterly review of the board assurance framework and corporate risk register. The committee also reviews the cost improvement programme to seek assurance that there is no detrimental impact on patient and staff safety and the quality of services provided as a result of the programme. At the Trust Board meeting on 27th March 2012 the Quality Committee chair provided assurance on the quality and safety of service provision, including the supporting clinical, information and corporate governance framework. The committee meets 6 times during the year.

The Chair of the Finance and Investment Committee provides a report to the next meeting of the Trust Board. The committee provides assurance on the scrutiny of current finance and investment issues based on the reports and evidence presented to it throughout the year. The committee meets 5 times during the year.

The Trust Board works within the remit of the Standing Orders and Standing Financial

Instructions and Scheme of Delegation and each of these has been reviewed and updated during 2011/12. The Trust has prepared its constitution, governance rationale and standing orders in readiness for foundation trust status and will update these prior to application. The governance rationale meets the requirements of Monitor's Code of Governance.

Risk assessment

The Risk Management Policy and Strategy defines the risk management process which specifies the way risk (or change in risk) is identified, assessed and managed through controls. We are compliant with level one of the NHSLA risk management standards for ambulance trusts.

The Risk Management Policy and Strategy describes the process for embedding risk management throughout the Trust and during 2011/12 we have made further progress with developing and managing local risk register processes. Risks can be escalated to the Risk Compliance and Assurance Group for discussion and addition to the corporate risk register if required. Further progress has been made to align project management risks with the corporate risk register.

Incidents are reported in accordance with the incident reporting procedure and are then scored, either by local managers or by the risk and safety team, using the NPSA risk severity matrix. Action is then taken to control, manage or mitigate the risk and depending upon the score the risk may be added to the corporate register for review by the Risk Compliance and Assurance Group or monitored at a local level. An integrated risk report is produced quarterly for review by Learning from Experience, the Senior Management Group, and the Quality Committee.

We received unconditional registration from the Care Quality Commission (CQC) in March 2010 to provide the following regulated activities:

- Transport services, triage and medical advice provided remotely
- Treatment of disease, disorder or injury
- Diagnostic and screening procedures

The CQC undertook a routine compliance visit to the Trust on 29th March 2012 and identified one minor concern for Outcome 9 – Management of Medicines. The Trust has implemented new processes that will ensure compliance with this outcome.

The risk and control framework

Systems are in place to monitor compliance throughout the year and to address any emerging gaps or risks. The board assurance framework shows the linkages between the strategic goals for the next 5 years and the most significant strategic risks to the achievement of these. This is mapped to the key risks the Trust Board chose to focus on during the year as well as the top risks on the corporate risk register. A review in the 4th quarter of 2011/12 showed that through this focus the Trust has been able to mitigate and reduce the level of risk for all but two of the risk focus areas. The board assurance framework is mapped to the CQC outcomes and requirements. The Quality Committee reviews the board assurance framework and corporate risk register quarterly as does the Trust Board. The Risk Compliance and Assurance Group review the corporate risk register in detail at each meeting. The Audit Committee reviews the corporate risk register annually.

Risks with a net severity rating of High >15 are added to the corporate risk register and the board assurance framework.

The Trust Board, Quality Committee and Senior Management Group receive a Quality dashboard showing monthly performance and any identified risks, from which they seek improvements and mitigations.

The local counter fraud specialist (LCFS) attends four meetings of the Audit Committee per year and monthly executive counter fraud meetings. In 2011/12 the LCFS undertook 93 days of proactive work including designing and publishing fraud literature; developing an e-learning package; and reviews into agency staff usage and Trust purchasing cards. The LCFS undertook 191.35 days of reactive counter fraud work. The Trust was awarded level 3 in its Qualitative Assessment which is an indication that the Trust has performed well in relation to counter fraud.

Risks identified in 2011/12 and added to the corporate risk register (with a gross and net rating of >15) are as follows:

There is a risk that:

- Problems arising during the development and testing of CommandPoint result in the system not being ready to go live as planned by the end of March 2012. This risk is due for formal review at the end of Quarter 1 2012/13 however this risk was not realised and the system has been fully implemented.
- Staff do not receive clinical and non-clinical mandatory training. This risk is due for review at the end of Quarter 1 2012/13.
- The clinical co-ordination desk will not be able to operate effectively due to a lack of suitable trained staff. Action has been taken to train additional staff and this risk will be reviewed in Quarter 1 2012/13.

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

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

The Trust 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 projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The system of internal control has been in place in the London Ambulance Service NHS Trust for the year ended 31st March 2012 and up to the date of approval of the annual report and accounts. The system of internal control is designed to manage risk to a reasonable

level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives: and to
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Review of the effectiveness of risk management and internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the senior management team within the NHS Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the content of the Quality Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of the effectiveness of the system of internal control by the Board, the Audit Committee and the Quality Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Trust has made significant progress against the Information Governance toolkit in-year achieving the required Level 2 standards. There has also been a focus on the management and reporting of serious incidents during 2011/12 and progress is reported as follows:

Significant Issues

Serious Incidents

24 Serious Incidents were declared to NHS London during 2011/12 including the unsuccessful implementation of CommandPoint on 8th June 2011 leading to delays in responding to patients, and the impact on the Trust's capacity to maintain normal service provision due to industrial action related to the national public sector pensions dispute on 30th November 2011, both of which are described more fully below. The remaining serious incidents are broadly categorised as: Loss of Information (5), Delayed Response (13), Equipment & Software (2), Staff & Patient Behaviour (2). Of the 5 information governance/security serious incidents, 1 met the threshold for notification to the Information Commissioner. Actions have been taken to address the root causes. The investigation reports for serious incidents include recommendations and actions to be implemented to reduce the likelihood of recurrence. The successful introduction of CommandPoint in March 2012 is evidence of robust investigation techniques, organisational learning and actions implemented. There is no evidence to suggest that the declared serious incidents prevented the successful achievement of the Business Plan in 2011-12.

- **CommandPoint**

On Wednesday 8th June 2011 the Trust began to implement the new electronic call taking and dispatch software system – CommandPoint. Following the technical cut-over the system initially operated for several hours before slowing and ultimately failing. The Control Room reverted to operating on paper until transferring to the old computer aided system CTAK some hours later. This failure delayed responses to patients representing a serious risk. A Serious Incident was declared and a full investigation was undertaken. The Trust Board was

kept fully aware of the risks and issues during the subsequent months. The root causes were identified and resolved and a new phased approach to implementation was agreed by the Trust Board. CommandPoint was successfully implemented and the new system brought live on Wednesday 28th March 2012.

- **National Public Sector Pensions Dispute – 30th November 2011**

On Wednesday 30th November 2011 the LAS experienced one of its most difficult days in many years. A combination of higher staff shortages associated with industrial action as part of a national public sector pensions dispute, and an unexpected increase in demand meant that the LAS was unable to respond to hundreds of patients either at all or in line with agreed response times standards. National planning assumptions were that between 10% and 30% of staff would opt to take full industrial action during the national day of action. On the day, 50% of LAS frontline staff decided to withdraw their labour entirely. Of the remaining frontline staff, 15% chose to work normally and 35% provided emergency cover. Assurances were given by the Trade Unions at national, regional and local level that patient care was at the top of the agenda during the industrial action and that staff would commit to the provision of emergency cover within the arrangements agreed. The Trust therefore planned that 75% of staff would be available for normal working or as part of the agreed emergency cover arrangements. This ultimately was not the case.

The Trust declared a Serious Incident and a full investigation was undertaken by the LAS Chief Executive. The outcome report was presented to the LAS Trust Board with 19 recommendations which have all been accepted and are now being developed and implemented. A separate investigation and report by NHS North West London on behalf of NHS London was completed and published on 27th March 2012.

Head of Internal Audit Opinion

Based on the work undertaken in 2011/12 to date, significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Conclusion

As Accountable Officer and based on the review process outline above, the Trust has identified and taken action to address control issues arising in the year which have been disclosed in the body of this report.

Accountable Officer :

Peter Bradley CBE

Chief Executive

Organisation:

London Ambulance Service NHS Trust

Signature: 

Date:

1/6/12

**Statement of Comprehensive Income for year ended
31 March 2012**

	NOTE	2011-12 £000	2010-11 £000 (restated)
Employee benefits	10.1	(205,248)	(210,895)
Other costs	8	(68,774)	(69,208)
Revenue from patient care activities	5	278,267	280,284
Other Operating revenue	6	3,464	3,946
Operating surplus/(deficit)		7,709	4,127
Investment revenue	12	281	823
Other gains and (losses)	13	(715)	1,068
Finance costs	14	(864)	(1,508)
Surplus/(deficit) for the financial year		6,411	4,510
Public dividend capital dividends payable		(3,884)	(3,772)
Retained surplus/(deficit) for the year		2,527	738
Other Comprehensive Income			
Impairments and reversals		(956)	414
Net gain/(loss) on revaluation of property, plant & equipment		922	510
Net gain/(loss) on revaluation of intangibles		0	0
Net gain/(loss) on revaluation of financial assets		0	0
Net gain/(loss) on other reserves		0	0
Net gain/(loss) on available for sale financial assets		0	0
Net actuarial gain/(loss) on pension schemes		0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0
Total comprehensive Income for the year		2,493	1,662
Financial performance for the year			
Retained surplus/(deficit) for the year		2,527	
Prior period adjustment to correct errors		0	
IFRIC 12 adjustment		0	
Impairments		247	
Adjustments to/from donated asset		(23)	
Adjusted retained surplus/(deficit)		2,751	

A Trust's Reported NHS financial performance position is derived from its Retained surplus/(Deficit), but adjusted for the following:-

a) Impairments to Fixed Assets 2009-10 was the final year for organisations to revalue their assets to a Modern Equivalent Asset (MEA) valuation. An impairment charge is not considered part of the organisation's operating position.

b) The 2011-12 Treasury FReM changed the treatment of donated assets. Donated Assets are now shown as income and are not cons part of the organisation's operating position.

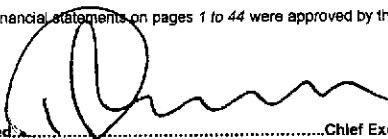
Note that prior year performance is not re-assessed following accounting restatements

**Statement of Financial Position as at
31 March 2012**

	NOTE	31 March 2012 £000	1 April 2011 (restated) £000	Merger adjustments £000	31 March 2011 (restated) £000	31 March 2010 (restated) £000
Non-current assets:						
Property, plant and equipment	15	123,055	128,044	0	128,044	131,434
Intangible assets	16	16,033	14,479	0	14,479	12,639
Investment property		0	0	0	0	0
Other financial assets	24	0	0	0	0	0
Trade and other receivables	22.1	1,770	7,736	0	7,736	10,526
Total non-current assets		139,858	150,259	0	150,259	154,599
Current assets:						
Inventories	21	2,812	2,571	0	2,571	2,783
Trade and other receivables	22.1	11,940	19,246	0	19,246	16,448
Other financial assets	24	0	0	0	0	0
Other current assets	25	0	0	0	0	0
Cash and cash equivalents		5,250	872	0	872	5,141
Total current assets		20,002	22,689	0	22,689	24,372
Non-current assets held for sale	27	0	650	0	650	650
Total current assets		20,002	23,339	0	23,339	25,022
Total assets		159,860	173,598	0	173,598	179,621
Current liabilities						
Trade and other payables	28	(21,364)	(21,827)	0	(21,827)	(25,026)
Other liabilities	29	0	0	0	0	0
Provisions	35	(1,411)	(1,418)	0	(1,418)	(1,938)
Borrowings	30	(1,268)	(3,603)	0	(3,603)	(3,504)
Other financial liabilities		0	0	0	0	0
Working capital loan from Department		0	0	0	0	0
Capital loan from Department		(1,244)	(1,244)	0	(1,244)	(1,244)
Total current liabilities		(25,287)	(28,092)	0	(28,092)	(31,712)
Non-current assets plus/less net current assets/liabilities		134,573	145,506	0	145,506	147,909
Non-current liabilities						
Trade and other payables	28	0	0	0	0	0
Other Liabilities	31	0	0	0	0	0
Provisions	35	(7,743)	(7,955)	0	(7,955)	(8,949)
Borrowings	30	(6,130)	(18,100)	0	(18,100)	(21,558)
Other financial liabilities		0	0	0	0	0
Working capital loan from Department		0	0	0	0	0
Capital loan from Department		(5,587)	(6,831)	0	(6,831)	(8,075)
Total non-current liabilities		(19,460)	(32,886)	0	(32,886)	(38,582)
Total Assets Employed:		115,113	112,620	0	112,620	109,327
FINANCED BY:						
TAXPAYERS' EQUITY						
Public Dividend Capital		62,516	62,516	0	62,516	60,885
Retained earnings		19,304	14,851	0	14,851	12,947
Revaluation reserve		33,712	35,672	0	35,672	35,914
Other reserves		(419)	(419)	0	(419)	(419)
Total Taxpayers' Equity:		115,113	112,620	0	112,620	109,327

The notes on pages 5 to 44 form part of this account.

The financial statements on pages 1 to 44 were approved by the Audit Committee on 1st June 2012 and signed on its behalf by

Signed:  Chief Executive:

Date: 1/6/12

Signed:  Audit Committee Chair

Date: 1/6/12

**Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2012**

	Public Dividend capital £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	Total reserves £000
Balance at 1 April 2011	62,516	14,851	35,672	(419)	112,620
Opening balance adjustments		0	0	0	0
Adjustments for Transforming Community Services transactions		0	0	0	0
Restated balance at 1 April 2011	62,516	14,851	35,672	(419)	112,620
Changes in taxpayers' equity for 2011-12					
Retained surplus/(deficit) for the year		2,527			2,527
Net gain / (loss) on revaluation of property, plant, equipment			922		922
Net gain / (loss) on revaluation of intangible assets			0		0
Net gain / (loss) on revaluation of financial assets			0		0
Net gain / (loss) on revaluation of assets held for sale			0		0
Impairments and reversals			(956)		(956)
Movements in other reserves				0	0
Transfers between reserves		1,926	(1,926)	0	0
Release of reserves to SOCI			0		0
Transfers to/(from) other bodies within the Resource Account boundary	0	0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets			0		0
Reserves eliminated on dissolution	0	0	0	0	0
Originating capital for Trust established in year	0				0
New PDC Received	0				0
PDC Repaid In Year	0				0
PDC Written Off	0				0
Transferred to NHS Foundation Trust	0	0	0	0	0
Other Movements in PDC In Year	0				0
Net Actuarial Gain/(Loss) on Pension	0			0	0
Net recognised revenue/(expense) for the year	0	4,453	(1,960)	0	2,493
Balance at 31 March 2012	62,516	19,304	33,712	(419)	115,113
Included above:					
Transfer from revaluation reserve to retained earnings in respect of impairments		0	0		0
Changes in taxpayers' equity for 2010-11					
Balance at 1 April 2010	60,885	12,947	35,914	(419)	109,327
Retained surplus/(deficit) for the year		738			738
Net gain / (loss) on revaluation of property, plant, equipment			510		510
Net gain / (loss) on revaluation of intangible assets			0		0
Net gain / (loss) on revaluation of financial assets			0		0
Net gain / (loss) on revaluation of assets held for sale			0		0
Impairments and reversals			414		414
Movements in other reserves				0	0
Transfers between reserves		1,166	(1,166)	0	0
Reclassification adjustment on disposal of available for sale financial assets			0		0
Reserves eliminated on dissolution		0	0	0	0
Originating capital for Trust established in year	0				0
New PDC Received	1,631				1,631
PDC Repaid In Year	0				0
PDC Written Off	0				0
Transferred to NHS Foundation Trust	0	0	0	0	0
Other Movements in PDC In Year	0				0
Net Actuarial Gain/(Loss) on Pension	0			0	0
Net recognised revenue/(expense) for the year	1,631	1,904	(242)	0	3,293
Balance at 31 March 2011	62,516	14,851	35,672	(419)	112,620

**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		7,709	4,127
Depreciation and Amortisation		11,430	11,713
Impairments and Reversals		248	262
Other Gains / (Losses) on foreign exchange		0	0
Donated Assets received credited to revenue but non-cash		(23)	0
Government Granted Assets received credited to revenue but non-cash		0	0
Interest Paid		(670)	(1,341)
Dividend paid		(3,832)	(3,972)
Release of PFI/deferred credit		0	0
(Increase)/Decrease in Inventories		(241)	212
(Increase)/Decrease in Trade and Other Receivables		13,495	499
(Increase)/Decrease in Other Current Assets		0	0
Increase/(Decrease) in Trade and Other Payables		(13,976)	2,497
(Increase)/Decrease in Other Current Liabilities		0	0
Provisions Utilised		(1,047)	(727)
Increase/(Decrease) in Provisions		636	(953)
Net Cash Inflow/(Outflow) from Operating Activities		13,729	12,317
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received		59	61
(Payments) for Property, Plant and Equipment		(13,987)	(15,006)
(Payments) for Intangible Assets		(1,600)	(5,686)
(Payments) for Investments with DH		0	0
(Payments) for Other Financial Assets		0	0
(Payments) for Financial Assets (LIFT)		0	0
Proceeds of disposal of assets held for sale (PPE)		8,868	7,018
Proceeds of disposal of assets held for sale (Intangible)		0	0
Proceeds from Disposal of Investment with DH		0	0
Proceeds from Disposal of Other Financial Assets		0	0
Proceeds from the disposal of Financial Assets (LIFT)		0	0
Loans Made in Respect of LIFT		0	0
Loans Repaid in Respect of LIFT		0	0
Rental Revenue		0	0
Net Cash Inflow/(Outflow) from Investing Activities		(6,660)	(13,613)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		7,069	(1,296)
CASH FLOWS FROM FINANCING ACTIVITIES			
Public Dividend Capital Received		0	1,631
Public Dividend Capital Repaid		0	0
Loans received from DH - New Capital Investment Loans		0	0
Loans received from DH - New Working Capital Loans		0	0
Other Loans Received		0	107
Loans repaid to DH - Capital Investment Loans Repayment of Principal		(1,244)	(1,244)
Loans repaid to DH - Working Capital Loans Repayment of Principal		0	0
Other Loans Repaid		0	0
Cash transferred to NHS Foundation Trusts		0	0
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		(1,411)	(3,443)
Capital grants and other capital receipts		0	0
Net Cash Inflow/(Outflow) from Financing Activities		(2,655)	(2,949)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,414	(4,245)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		836	5,081
Opening balance adjustment - TCS transactions		0	0
Restated Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		836	5,081
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies		0	0
Cash and Cash Equivalents (and Bank Overdraft) at year end		5,250	836

NOTES TO THE ACCOUNTS

1. Accounting Policies

The Secretary of State for Health has directed that the financial statements of NHS trusts shall meet the accounting requirements of the NHS Trusts Manual for Accounts, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2011-12 NHS Trusts Manual for Accounts issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the NHS Trusts Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

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

1.2 Acquisitions and discontinued operations

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

1.3 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 in the period of the revision and future periods if the revision affects both current and future periods.

1.3.1 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.

Various leases in respect of transport equipment have been classified as finance leases as it is considered that the Trust has substantially all the risks and rewards incidental to ownership of these vehicles. The primary reason for this judgement is that the lease term is for the major part of the economic life of the asset.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.3.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Asset Valuations

All land and buildings are restated to fair value by way of professional valuations. Full revaluation will be provided every five years. In the intervening years the fair values are updated by way of annual desktop revaluations. For the desktop revaluation the specialised operational values are updated in line with the current Tender Price Index published by the building cost information service (BCIS). The value of the land, non specialised assets and market values are reviewed by the valuer in line with analysis of market movements during the period.

The reported amounts for depreciation of property, plant and equipment and amortisation of non-current intangible assets can be materially affected by the judgements exercised in determining their estimated economic lives.

The estimated economic lives are disclosed in note 1.9 and the carrying values of property, plant and equipment and intangible assets in notes 15.1 and 16.1 respectively.

Provisions

Provisions are made for liabilities that are uncertain in amount. These include provisions for the cost of pensions relating to other staff, legal claims, restructuring and other provisions.

Calculations of these provisions are based on estimated cash flows relating to these costs, discounted at an appropriate rate where significant. The costs and timings of cash flows relating to these liabilities are based on management estimates supported by external advisors.

The carrying values of provisions are shown in note 35.

Annual Leave Accrual

The Trust's annual leave year for crew staff and emergency operational centre staff has changed since 2009/10. It no longer runs from 1 Apr to 31 March, but runs from the date an employee starts employment. The accrual is based on management's estimation of untaken leave as at 31 March 2012. The carrying value of the accrual is £3.46m shown in note 28 under accruals and deferred income.

Injury Cost Recovery Scheme Accrual

The Trust receives income from the NHS injury cost recovery scheme for the recovery of ambulance journey costs relating to road traffic accidents. Accruals are made for receivables that are uncertain in amount. The receivables are based on "management estimates supported by the number of cases" supplied by hospitals. The carrying value of the receivable is £2.8m shown in note 22.1 other receivables.

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 commissioners for healthcare services.

Where income is received 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.

1.5 Employee Benefits

Short-term 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 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.

Notes to the Accounts - 1. Accounting Policies (Continued)

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 are recognised when, and to the extent that, the goods or services 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, ward 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 treated as separate assets and 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. All assets are measured subsequently at fair value.

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

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

Notes to the Accounts - 1. Accounting Policies (Continued)

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

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.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation has ceased. 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 should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

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 £5000.

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

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it

Notes to the Accounts - 1. Accounting Policies (Continued)

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

Measurement

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

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

1.9 Depreciation, amortisation and impairments

Freehold land, 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 their estimated useful lives

The estimated useful lives are as follows:

	Years
Medical equipment & engineering plant & equipment	5 to 10
Furniture	10
Set up costs in new buildings	10
A&E Ambulances	9
PTS Ambulances & Other Vehicles	7
Defibrillator Lifepak 15	7
Defibrillator Lifepak 12	5
Rapid Response Vehicles	5
Office Equipment	5
Information Technology Equipment	3
Intangible Assets	3

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.

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 should be taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.10 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.

This accounting policy change has been applied retrospectively and consequently the 2010-11 results have been restated.

1.11 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.

This accounting policy change has been applied retrospectively and consequently the 2010-11 results have been restated.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.12 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.

1.13 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.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.14 Inventories

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

1.15 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.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.16 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.2% in real terms (2.8% for employee early departure obligations).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the 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.

1.17 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the trust is disclosed at note 35.

1.18 Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

1.19 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.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.20 Financial assets

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

Financial assets are initially recognised at fair value.

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

Financial assets at fair value through profit and loss

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

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 surplus/deficit on de-recognition.

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.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset is reduced through a provision for impairment of receivables

Notes to the Accounts - 1. Accounting Policies (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.21 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 Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

Other financial liabilities

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

1.22 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.

1.23 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.

1.24 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the trust has no beneficial interest in them. Details of third party assets are given in Note 44 to the accounts.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.25 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital represents taxpayers' equity in the NHS trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the 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.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except for donated assets and cash balances with the Office of the Paymaster General. The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

1.26 Losses and Special Payments

Losses and special payments are items that Parliament 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 that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure 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).

1.27 Subsidiaries

For 2010-11 and 2011-12 in accordance with the directed accounting policy from the Secretary of State, the Trust does not consolidate the NHS charitable funds for which it is the corporate trustee.

1.28 Other Reserve

This reserve was created when London Ambulance Service became an NHS Trust. The negative reserve balance was caused by the legal title of the property not being properly transferred from NHS Estates when the Trust was created. Once the error had been identified the London Ambulance Service NHS Trust purchased the property from the NHS estates and thereby created a negative reserve.

1.29 Heritage Assets

The London Ambulance Service NHS Trust Museum has a collection of vintage radio equipment, memorabilia from both World Wars and a photographic and document archive. There is also a collection of more than 20 vintage vehicles. The museum, which is located at Aldborough Road South, Ilford, is currently closed to members of the public. The value of these assets cannot be obtained at a cost commensurate with the benefits to the users of the financial statements and therefore have not been included in the Statement of Financial Position.

1.30 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the Operating Cost Statement on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.31 Accounting Standards that have been issued but have not yet been adopted

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2011-12. The application of the Standards as revised would not have a material impact on the accounts for 2011-12, were they applied in that year:

IAS 1 Presentation of financial statements (Other Comprehensive Income) - subject to consultation

IAS 12 - Income Taxes (amendment) - subject to consultation

IAS 19 Post-employment benefits (pensions) - subject to consultation

IAS 27 Separate Financial Statements - subject to consultation

IAS 28 Investments in Associates and Joint Ventures - subject to consultation

IFRS 7 - Financial Instruments: Disclosures (annual improvements) - effective 2012-13

IFRS 9 Financial Instruments - subject to consultation - subject to consultation

IFRS 10 Consolidated Financial Statements - subject to consultation

IFRS 11 Joint Arrangements - subject to consultation

IFRS 12 Disclosure of Interests in Other Entities - subject to consultation

IFRS 13 Fair Value Measurement - subject to consultation

IPSAS 32 - Service Concession Arrangement - subject to consultation

2. Pooled Budgets

The Trust does not have any pooled budgets

3. Operating Segements

The Trust Board considers that the Trust has only one segment which is the provision of accident and eme

4. Income generation activities

The Trust does not undertake any income generation activities.

5. Revenue from patient care activities	2011-12	2010-11
	£000	£000
Strategic health authorities	0	36
NHS trusts	4,577	6,070
Primary care trusts - tariff	0	0
Primary care trusts - non-tariff	267,610	262,609
Primary care trusts - market forces factor	0	0
Foundation trusts	1,649	900
Local authorities	32	15
Department of Health	1,046	7,001
NHS other	0	0
Non-NHS:		
Private patients	0	0
Overseas patients (non-reciprocal)	0	0
Injury costs recovery	1,253	2,144
Other	2,100	1,509
	<u>278,267</u>	<u>280,284</u>

6. Other operating revenue	2011-12	2010-11
	£000	£000
Recoveries in respect of employee benefits	0	498
Patient transport services	0	0
Education, training and research	1,445	3,043
Charitable and other contributions to expenditure	3	3
Receipt of donations for capital acquisitions	23	0
Receipt of Government grants for capital acquisitions	0	0
Non-patient care services to other bodies	0	0
Income generation	0	0
Rental revenue from finance leases	0	0
Rental revenue from operating leases	0	0
Other revenue	1,993	402
	<u>3,464</u>	<u>3,946</u>
Total operating revenue	<u>281,731</u>	<u>284,230</u>

7. Revenue	2011-12	2010-11
	£000	£000
From rendering of services	281,731	284,230
From sale of goods	0	0

Revenue is almost totally from the supply of services. Revenue from the sale of goods is immaterial.

8. Operating expenses (excluding employee benefits)	2011-12	2010-11
	£000	£000
Services from other NHS trusts	0	0
Services from PCTs	0	0
Services from other NHS bodies	0	0
Services from foundation trusts	0	0
Purchase of healthcare from non NHS bodies	0	0
Trust chair and non executive directors	57	60
Supplies and services - clinical	5,598	6,839
Supplies and services - general	1,531	2,694
Consultancy services	1,394	2,171
Establishment	7,587	7,801
Transport	23,551	20,648
Premises	13,555	11,889
Impairments and Reversals of Receivables	20	174
Inventories write down	0	0
Depreciation	10,967	10,822
Amortisation	463	891
Impairments and reversals of property, plant and equipment	248	262
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
Impairments and reversals of investment properties	0	0
Audit fees	139	158
Other auditor's remuneration (National Fraud Initiative)	1	1
Clinical negligence	682	522
Research and development (excluding staff costs)	0	0
Education and Training	634	1,964
Other	2,347	2,312
	68,774	69,208
Employee benefits		
Employee benefits excluding Board members	204,463	210,247
Board members	842	648
Total employee benefits	205,305	210,895
Total operating expenses	274,079	280,103

9 Operating Leases

9.1 Trust as lessee

The Trust rents various properties in London which are used as either ambulance stations or administrative offices. The Trust leases cars and ambulances on a 3 year and 5 to 6 year terms respectively.

	Land £000	Buildings £000	Other £000	Total £000	2010-11 £000
Payments recognised as an expense					
Minimum lease payments	17	2,318	3,206	5,541	4,308
Contingent rents	0	0	0	0	0
Sub-lease payments	0	0	0	0	0
Total	17	2,318	3,206	5,541	4,308
Payable:					
No later than one year	17	2,413	3,559	5,989	4,618
Between one and five years	68	6,648	8,794	15,510	11,980
After five years	208	9,070	0	9,278	8,179
Total	293	18,131	12,353	30,777	24,777

There is no total future sublease payments expected to be received.

10 Employee benefits and staff numbers

10.1 Employee benefits

	Total £000	Permanently employed £000	Other £000
Employee Benefits 2011-12 - gross expenditure			
Salaries and wages	171,417	169,270	2,147
Social security costs	13,719	13,719	0
Employer contributions to NHS Pensions scheme	21,210	21,210	0
Other pension costs	-70	-70	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	0	0	0
Total employee benefits	206,276	204,129	2,147
Less recoveries in respect of employee benefits (table below)	0	0	0
Total - Gross Employee Benefits including capitalised costs	206,276	204,129	2,147
Employee costs capitalised	1,028	1,028	0
Gross Employee Benefits excluding capitalised costs	205,248	203,101	2,147

Employee Benefits 2011-12 - income

Salaries and wages	0	0	0
Social Security costs	0	0	0
Employer Contributions to NHS BSA - Pensions Division	0	0	0
Other pension costs	0	0	0
Other Post Employment Benefits	0	0	0
Other Employment Benefits	0	0	0
Termination Benefits	0	0	0
TOTAL excluding capitalised costs	0	0	0

	Total £000	Permanently employed £000	Other £000
Employee Benefits 2010-11 - net expenditure			
Salaries and wages	177,202	171,924	5,278
Social security costs	13,090	13,090	0
Employer contributions to NHS Pensions scheme	21,325	21,325	0
Other pension costs	697	697	0
Other post-employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	263	263	0
Total employee benefits	212,577	207,299	5,278
Employee costs capitalised	1,682		
Net Employee Benefits excluding capitalised costs	210,895		

10.2 Staff Numbers

	2011-12			2010-11
	Total Number	Permanently employed Number	Other Number	Total Number
Average Staff Numbers				
Medical and dental	0	0	0	0
Ambulance staff	3,629	3,629	0	3,666
Administration and estates	1,135	1,082	53	1,235
Healthcare assistants and other support staff	0	0	0	0
Nursing, midwifery and health visiting staff	0	0	0	0
Nursing, midwifery and health visiting learners	0	0	0	0
Scientific, therapeutic and technical staff	0	0	0	0
Social Care Staff	0	0	0	0
Other	0	0	0	0
TOTAL	4,764	4,711	53	4,901
Of the above - staff engaged on capital projects	23	20	3	24

10.3 Staff Sickness absence and ill health retirements

	2011-12 Number	2010-11 Number
Total Days Lost	55,048	55,363
Total Staff Years	4,650	4,745
Average working Days Lost	11.81	11.67

	2011-12 Number	2010-11 Number
Number of persons retired early on ill health grounds	8	2
Total additional pensions liabilities accrued in the year	£000s 888	£000s 402

10.4 Exit Packages agreed in 2011-12

Exit package cost band (including any special payment element)	2011-12			2010-11		Total number of exit packages by cost band
	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band	*Number of compulsory redundancies	*Number of other departures agreed	
	Number	Number	Number	Number	Number	
Less than £10,000	0	0	0	0	0	0
£10,001-£25,000	0	0	0	0	0	0
£25,001-£50,000	0	0	0	0	1	1
£50,001-£100,000	0	0	0	1	0	1
£100,001 - £150,000	0	0	0	1	0	1
£150,001 - £200,000	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0
Total number of exit packages by type (total cost)	0	0	0	2	1	3
Total resource cost (£000s)	0	0	0	223	40	263

This note provides an analysis of Exit Packages agreed during the year. Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Scheme. 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 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.

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

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. The conclusion from the 2004 valuation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004.

In order to defray the costs of benefits, employers pay contributions at 14% of pensionable pay and most employees had up to April 2008 paid 6%, with manual staff paying 5%.

Following the full actuarial review by the Government Actuary undertaken as at 31 March 2004, and after consideration of changes to the NHS Pension Scheme taking effect from 1 April 2008, his Valuation report recommended that employer contributions could continue at the existing rate of 14% of pensionable pay, from 1 April 2008, following the introduction of employee contributions on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

On advice from the scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities.

b) Accounting valuation

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

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

The valuation of the scheme liability as at 31 March 2011, is based on detailed membership data as at 31 March 2008 (the latest midpoint) updated to 31 March 2011 with summary global member and accounting data.

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

c) Scheme provisions

The 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.

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 statement of comprehensive income at the time the Trust commits itself to the retirement, regardless of the method of payment.

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 Better Payment Practice Code

11.1 Measure of compliance

	2011-12 Number	2011-12 £000	2010-11 Number	2010-11 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	51,604	69,019	62,654	83,829
Total Non-NHS Trade Invoices Paid Within Target	46,136	60,795	52,816	75,015
Percentage of NHS Trade Invoices Paid Within Target	89.40%	88.08%	84.30%	89.49%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	339	4,133	421	4,379
Total NHS Trade Invoices Paid Within Target	289	2,331	352	3,392
Percentage of NHS Trade Invoices Paid Within Target	85.25%	56.40%	83.61%	77.46%

The Better Payment Practice Code requires the Trust to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

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

	2011-12 £000	2010-11 £000
Amounts included in finance costs from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0

12 Investment Income	2011-12	2010-11
	£000	£000
Rental Income		
PFI finance lease revenue (planned)	0	0
PFI finance lease revenue (contingent)	0	0
Other finance lease revenue	0	0
Subtotal	0	0
Interest Income		
LIFT: equity dividends receivable	0	0
LIFT: loan interest receivable	0	0
Bank interest	60	40
Other loans and receivables	221	21
Impaired financial assets	0	0
Other financial assets	0	762
Subtotal	281	823
Total investment income	281	823

13 Other Gains and Losses	2011-12	2010-11
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	(715)	1,068
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of financial assets	0	0
Gain/(loss) on foreign exchange	0	0
Change in fair value of financial assets carried at fair value through the SoCI	0	0
Change in fair value of financial liabilities carried at fair value through the SoCI	0	0
Change in fair value of investment property	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	(715)	1,068

14 Finance Costs	2011-12	2010-11
	£000	£000
Interest		
Interest on loans and overdrafts	206	239
Interest on obligations under finance leases	463	1,102
Provisions - unwinding of discount	194	166
Interest on obligations under PFI contracts:		
- main finance cost	0	0
- contingent finance cost	0	0
Interest on obligations under LIFT 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	863	1,507
Other finance costs	1	1
Total	864	1,508

15.1 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
2011-12	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:									
At 31 March 2011	42,454	51,646	0	4,383	15,707	55,083	16,987	109	186,379
Prior period adjustments	(2,548)	0	0	0	0	0	0	0	(2,548)
Merger adjustments	0	0	0	0	0	0	0	0	0
At 1 April 2011 restated	42,454	49,096	0	4,383	15,707	55,083	16,987	109	183,831
Additions Purchased	0	1,142	0	6,167	1,385	3,935	1,205	0	14,424
Additions Donated	0	0	0	0	0	23	0	0	23
Additions Government Granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	163	0	(3,505)	301	2,486	1,383	0	748
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	(107)	0	0	(894)	(17,672)	(4,149)	0	(22,822)
Upward revaluation/positive indexation	823	99	0	0	0	0	0	0	922
Impairments/negative indexation	0	(1,020)	0	0	0	0	0	0	(1,020)
Reversal of impairments	39	25	0	0	0	0	0	0	64
Transfers to/from NHS Bodies	0	0	0	0	0	0	0	0	0
Transfers to Foundation Trusts	0	(2,109)	0	0	0	0	0	0	(2,109)
Cumulative dep'n adjustment following revaluation	0	0	0	7,535	16,489	43,865	15,448	109	174,081
At 31 March 2012	43,316	47,291	0	7,535	16,489	43,865	15,448	109	174,081
Depreciation									
At 31 March 2011	0	2,548	0	0	9,483	33,970	12,308	26	58,325
Prior period adjustments	0	(2,548)	0	0	0	0	0	0	(2,548)
Merger adjustments	0	0	0	0	0	0	0	0	0
At 1 April 2011 restated	0	0	0	0	9,483	33,970	12,308	26	58,787
Reclassifications	0	0	0	0	0	0	0	0	0
Reclassifications as Held for Sale	0	0	0	0	0	0	0	0	0
Disposals other than for sale	0	(107)	0	0	(893)	(8,799)	(4,098)	0	(13,887)
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	0	255	0	0	0	0	0	0	255
Reversal of impairments	0	(7)	0	0	0	0	0	0	(7)
Charged During the Year	0	2,216	0	0	1,316	5,476	1,948	11	10,967
Transfers to NHS Bodies	0	0	0	0	0	0	0	0	0
Transfers to Foundation Trusts	0	(2,109)	0	0	0	0	0	0	(2,109)
Cumulative dep'n adjustment following revaluation	0	0	0	0	0	0	0	0	0
At 31 March 2012	0	248	0	0	9,586	30,647	10,188	37	51,006
Net book value at 31 March 2012	43,316	47,043	0	7,535	6,593	13,218	5,278	72	123,055
Purchased	43,316	47,043	0	7,535	6,593	13,204	5,278	72	123,041
Donated	0	0	0	0	0	14	0	0	14
Government Granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2012	43,316	47,043	0	7,535	6,593	13,218	5,278	72	123,055
Asset financing:									
Owned	43,316	47,043	0	7,535	6,593	9,416	5,278	72	119,253
Held on finance lease	0	0	0	0	0	3,802	0	0	3,802
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total	43,316	47,043	0	7,535	6,593	13,218	5,278	72	123,055
Revaluation Reserve Balance for Property, Plant & Equipment									
Land	£000's	Buildings	Dwellings	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total	£000's
At 31 March 2011	17,210	17,716	0	0	0	0	0	0	34,926
Prior period adjustments	0	0	0	0	0	0	0	0	0
Merger adjustments	0	0	0	0	0	0	0	0	0
At 1 April 2011 restated	17,210	17,716	0	0	0	0	0	0	34,926
Movements (specify)	862	(2,076)	0	0	0	0	0	0	(1,214)
At 31 March 2012	18,072	15,640	0	0	0	0	0	0	33,712

15.2 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2010-11									
Cost or valuation:									
At 1 April 2010	42,454	47,782	0	6,191	14,921	62,132	15,026	59	188,565
Additions - purchased	0	2,733	0	3,395	317	5,014	956	50	12,465
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	302	0	(5,203)	512	3,562	1,459	0	652
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	(95)	0	0	(43)	(15,645)	(444)	0	(16,227)
Revaluation & indexation gains	0	510	0	0	0	0	0	0	510
Impairments	0	(160)	0	0	0	0	0	0	(160)
Reversals of impairments	0	574	0	0	0	0	0	0	574
In-year transfers to/from NHS bodies	0	0	0	0	0	0	0	0	0
Transfers to Foundation Trusts	0	0	0	0	0	0	0	0	0
At 31 March 2011	42,454	51,646	0	4,383	15,707	55,083	16,997	109	186,379
Depreciation									
At 1 April 2010	0	0	0	0	8,114	37,811	11,188	18	57,131
Reclassifications	0	0	0	0	175	477	0	0	652
Reclassifications as Held for Sale	0	0	0	0	(43)	(10,027)	(444)	0	(10,532)
Disposals other than for sale	0	(18)	0	0	0	0	0	0	0
Upward revaluation/positive indexation	0	0	0	0	0	0	0	0	0
Impairments	0	303	0	0	0	0	0	0	303
Reversal of Impairments	0	(41)	0	0	0	0	0	0	(41)
Charged During the Year	0	0	0	0	0	0	0	0	0
Transfers to NHS Bodies	0	2,304	0	0	1,237	5,709	1,564	8	10,822
Transfers to Foundation Trusts	0	0	0	0	0	0	0	0	0
At 31 March 2011	0	2,548	0	0	9,483	33,970	12,308	26	58,335
Net book value	42,454	49,098	0	4,383	6,224	21,113	4,689	83	128,044
Purchased	42,454	49,098	0	4,383	6,224	21,111	4,689	83	128,042
Donated	0	0	0	0	0	2	0	0	2
Government Granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2011	42,454	49,098	0	4,383	6,224	21,113	4,689	83	128,044
Asset financing:									
Owned	42,454	49,098	0	4,383	6,224	12,149	4,689	83	119,080
Held on finance lease	0	0	0	0	0	8,964	0	0	8,964
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual: interests	42,454	49,098	0	4,383	6,224	21,113	4,689	83	128,044

15.3 (cont). Property, plant and equipment

The Trust received two donated vehicles (£23k) to assist in performing Community Resuscitation from First Response Charity and Hillingdon Cc

Revaluation was undertaken on all land and building on the 31st March 2012

Professional valuation was carried out by the District Valuers of the Revenue and Customs Government Department. The valuation was carried out in accordance with the terms of the Royal Institution of Chartered Surveyors (RICS), insofar as these terms are consistent with the requirement of HM Treasury, the National Services and the Department of Health.

The Market Value was used in arriving at fair value for the operational assets subject to the additional special assumptions that:

- (a) no adjustment has been made on the grounds of a hypothetical "flooding of the market" if a number of properties were to be marketed simultaneously;
and in the respect of the Market Value of non-operational asset only:
- (b) the NHS is assumed not to be in the market for the property interest;
- (c) regard has been had to appropriate lotting to achieve the best price.

The Revaluation model set out in AIS 16 was applied to value the capital assets to fair value.

Economic Life of Assets	Years
Property, Plant and Equipment	5 to 99
Plant and Machinery	5 to 15
Transport Equipment	5 to 9
Information Technology Equipment	3 to 5
Furniture and Fittings	10

The Gross Carrying Value of fully depreciated assets still in use

Transport Equipment	£ 12.9m
Plant & Machinery	£ 5.5m
Information Technology	<u>£ 6.8m</u>
	<u>£ 25.2m</u>

16.1 Intangible non-current assets

2011-12	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
Cost or valuation:						
At 31 March 2011	5,433	0	0	0	13,802	19,235
Prior period adjustments	0	0	0	0	0	0
Merger adjustments	0	0	0	0	0	0
At 1 April 2011 restated	5,433	0	0	0	13,802	19,235
Additions - purchased	387	0	0	0	1,378	1,765
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	(748)	(748)
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	(2,368)	0	0	0	0	(2,368)
Revaluation & indexation gains	0	0	0	0	0	0
Impairments charged to reserves	0	0	0	0	0	0
Reversal of impairments charged to reserves	0	0	0	0	0	0
Transfers to Foundation Trusts	0	0	0	0	0	0
Cumulative amortisation adjustment following revaluation	0	0	0	0	0	0
At 31 March 2012	3,454	0	0	0	14,432	17,886
Amortisation						
At 31 March 2011	4,756	0	0	0	0	4,756
Prior period adjustments	0	0	0	0	0	0
Merger adjustments	0	0	0	0	0	0
At 1 April 2010	4,756	0	0	0	0	4,756
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	(2,368)	0	0	0	0	(2,368)
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	463	0	0	0	0	463
Transfers to Foundation Trusts	0	0	0	0	0	0
Cumulative amortisation adjustment following revaluation	0	0	0	0	0	0
At 31 March 2012	2,853	0	0	0	0	2,853
NBV at 31 March 2012	601	0	0	0	14,432	15,033
Net book value at 31 March 2012 comprises:						
Purchased	601	0	0	0	14,432	15,033
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2012	601	0	0	0	14,432	15,033
Revaluation reserve balance for intangible non-current assets						
	£000's	£000's	£000's	£000's	£000's	£000's
At 31 March 2011	0	0	0	0	0	0
Prior period adjustments	0	0	0	0	0	0
Merger adjustments	0	0	0	0	0	0
At 1 April 2011 restated	0	0	0	0	0	0
Movements (specify)	0	0	0	0	0	0
At 31 March 2012	0	0	0	0	0	0

16.2 Intangible non-current assets

	Software internally generated £000	Software purchased £000	Licences & trademarks £000	Patents £000	Development expenditure £000	Total £000
2010-11						
Cost or valuation:						
At 1 April 2010	5,223	0	0	0	11,281	16,504
Additions - purchased	182	0	0	0	2,549	2,731
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Reclassifications	28	0	0	0	(28)	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Transferred to Foundation Trusts	0	0	0	0	0	0
At 31 March 2011	5,433	0	0	0	13,802	19,235
Amortisation						
At 1 April 2010	3,865	0	0	0	0	3,865
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	891	0	0	0	0	891
Transfers to Foundation Trusts	0	0	0	0	0	0
At 31 March 2011	4,756	0	0	0	0	4,756
Net book value at 31 March 2010	677	0	0	0	13,802	14,479
Net book value at 31 March 2010 comprises:						
Purchased	677	0	0	0	13,802	14,479
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2011	677	0	0	0	13,802	14,479

16.3 Intangible non-current assets

The Trust does not revalue its intangible assets.

Economic Lives of intangible assets

	Useful Lives
Software Licences	3
Development Expenditure	0

16.4 Revaluation reserve balance for intangible assets

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

16.5 The Gross Carrying Value of Fully depreciated Assets still in use:

The gross carrying value of fully depreciated intangible assets is £2.4 million.

17 Analysis of impairments and reversals recognised in 2011-12

	2011-12
	Total
	£000
Property, Plant and Equipment impairments and reversals taken to SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	<u>0</u>
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	248
Total charged to Annually Managed Expenditure	<u>248</u>
Property, Plant and Equipment impairments and reversals charged to the revaluation reserve	
Loss or damage resulting from normal operations	0
Over Specification of Assets	0
Abandonment of assets in the course of construction	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	956
Total Impairments for PPE charged to reserves	<u>956</u>
Total Impairments of Property, Plant and Equipment	<u>1,204</u>
Intangible assets impairments and reversals charged to SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	<u>0</u>
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	<u>0</u>
Intangible Assets impairments and reversals charged to the Revaluation Reserve	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total impairments for Intangible Assets charged to Reserves	<u>0</u>
Total Impairments of Intangibles	<u>0</u>
Financial Assets charged to SoCI	
Loss or damage resulting from normal operations	0
Total charged to Departmental Expenditure Limit	<u>0</u>
Loss as a result of catastrophe	0
Other	0
Total charged to Annually Managed Expenditure	<u>0</u>
Financial Assets impairments and reversals charged to the Revaluation Reserve	
Loss or damage resulting from normal operations	0
Loss as a result of catastrophe	0
Other	0
TOTAL impairments for Financial Assets charged to reserves	<u>0</u>
Total Impairments of Financial Assets	<u>0</u>
Non-current assets held for sale - impairments and reversals charged to SoCI.	
Loss or damage resulting from normal operations	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	<u>0</u>
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	<u>0</u>

Total impairments of non-current assets held for sale	<u>0</u>
Investment Property impairments charged to SoCI	
Loss as a result of catastrophe	0
Other	0
Changes in market price	<u>0</u>
Total charged to Annually Managed Expenditure	<u>0</u>
Total Investment Property impairments charged to SoCI	<u>0</u>
Total Impairments charged to Revaluation Reserve	956
Total Impairments charged to SoCI - DEL	0
Total Impairments charged to SoCI - AME	<u>248</u>
Overall Total Impairments	<u><u>1,204</u></u>
Of which:	
Impairment on revaluation to "modern equivalent asset" basis	0
Donated and Gov Granted Assets, included above	
Donated Asset Impairments: amount charged to SOCI - DEL	0
Donated Asset Impairments: amount charged to SOCI - AME	0
Donated Asset Impairments: amount charged to revaluation reserve	<u>0</u>
Total Donated Asset Impairments	<u>0</u>
Government Granted Asset Impairments: amount charged to SoCI - DEL	0
Government Granted Asset Impairments: amount charged to SoCI - AME	0
Government Granted Asset Impairments: amount charged to revaluation reserve	<u>0</u>
Total Gov Granted asset Impairments.	<u>0</u>
TOTAL DONATED/GOVERNMENT GRANTED ASSET IMPAIRMENTS	<u><u>0</u></u>

17.1. Impairments

The impairment is a result of the MEA valuation of properties done by the District Valuers. The impairment of £1.2M relates to the revaluation of the Estate.

18 Investment property

The Trust does not have any properties classified as investment properties.

19 Commitments

19.1 Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2012	31 March 2011
	£000	£000
Property, plant and equipment	9,327	2,666
Intangible assets	207	85
Total	9,534	2,751

19.2 Other financial commitments

The Trust did not enter into any non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements).

20 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	2,819	1,718	6,213	0
Balances with Local Authorities	20	0	0	0
Balances with NHS Trusts and Foundation Trusts	1,461	0	131	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	7,640	52	15,020	0
At 31 March 2012	11,940	1,770	21,364	0
prior period:				
Balances with other Central Government Bodies	3,827	4,056	6,382	0
Balances with Local Authorities	9	0	0	0
Balances with NHS Trusts and Foundation Trusts	1,001	0	153	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	14,409	3,680	15,292	0
At 31 March 2011	19,246	7,736	21,827	0

21 Inventories	Drugs £000	Consumables £000	Energy £000	Work in progress £000	Loan Equipment £000	Other £000	Total £000
Balance at 1 April 2011	40	2,531	0	0	0	0	2,571
Prior period adjustment	0	0	0	0	0	0	0
Merger adjustment	0	0	0	0	0	0	0
Restated at 1 April 2011	40	2,531	0	0	0	0	2,571
Additions	403	7,944	0	0	0	0	8,347
Inventories recognised as an expense in the period	(376)	(7,730)	0	0	0	0	(8,106)
Write-down of inventories (including losses)	0	0	0	0	0	0	0
Reversal of write-down previously taken to SoCI	0	0	0	0	0	0	0
Transfers (to)/from other bodies	0	0	0	0	0	0	0
Transfers (to) Foundation Trusts	0	0	0	0	0	0	0
Balance at 31 March 2012	67	2,745	0	0	0	0	2,812

22.1 Trade and other receivables

	Current		Non-current	
	31 March 2012 £000	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000
NHS receivables - revenue	1,478	2,614	0	3,132
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	1,254	0	0	0
Non-NHS receivables - revenue	338	3,595	0	0
Non-NHS receivables - capital	2	0	0	0
Non-NHS prepayments and accrued income	3,771	0	0	0
Provision for the impairment of receivables	(403)	(411)	0	0
VAT	521	582	0	0
Current part of PFI and other PPP arrangements prepayments and interest receivables	1	0	0	0
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
Other receivables	4,978	12,866	1,770	4,604
Total	11,940	19,246	1,770	7,736
Total current and non current	13,710	26,982		
Included in NHS receivables are prepaid pension contributions:	0	0		

The great majority of trade is with Primary Care Trusts, as commissioners for NHS patient care services. As Primary Care Trusts are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

Of the other receivables £3,797,731 of the current receivables relate to amounts receivable from finance lease arrangers. In the event of default the title of the assets would revert to the Trust. Hence, there is no credit risk.

There are no financial assets that would otherwise be past due or impaired, whose terms have been renegotiated.

22.2 Receivables past their due date but not impaired

	31 March 2012 £000	31 March 2011 £000
By up to three months	1,458	1,677
By three to six months	420	215
By more than six months	170	(71)
Total	2,048	1,821

22.3 Provision for impairment of receivables

	2011-12 £000	2010-11 £000
Balance at 1 April 2011	(411)	(680)
Adjustments	0	0
Restated balance at 1 April 2011	(411)	(680)
Amount written off during the year	28	443
Amount recovered during the year	78	164
(Increase)/decrease in receivables impaired	(98)	(338)
Transfer to NHS Foundation Trust	0	0
Balance at 31 March	(403)	(411)

23 NHS LIFT investments

The Trust has no NHS Lift investments.

24 Other financial assets

	Current		Non-current	
	31 March 2012 £000	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000
Financial assets carried at fair value through SoCI				
Embedded Derivatives at Fair Value through SoCI	0	0	0	0
Financial assets carried at fair value through SoCI	0	0	0	0
Subtotal	0	0	0	0
Held to maturity investments at amortised cost	0	0	0	0
Available for sale financial assets carried at fair value	0	0	0	0
Loans carried at amortised cost	0	0	0	0
Total	0	0	0	0
Total other financial assets (current and non-current)	0	0		

25 Other current assets

The Trust has no other current assets during the year.

26 Cash and Cash Equivalents

	31 March 2012 £000	31 March 2011 £000
Opening balance at	872	5,141
Opening balance adjustment	0	
Merger adjustments	0	
Restated	872	5,141
Net change in year	4,378	(4,269)
Closing balance	5,250	872
Made up of		
Cash with Government Banking Service	5,148	855
Commercial banks	94	17
Cash in hand	8	0
Current investments	0	0
Cash and cash equivalents as in statement of financial position	5,250	872
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	(36)
Cash and cash equivalents as in statement of cash flows	5,250	836
Patients' money held by the Trust, not included above	0	0

27 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments on Account	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Intangible Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2011	650	0	0	0	0	0	0	0	0	650
Merger adjustments	0	0	0	0	0	0	0	0	0	0
Restated at 1 April 2011	650	0	0	0	0	0	0	0	0	650
Plus assets classified as held for sale in the year	0	0	0	0	0	0	0	0	0	0
Less assets sold in the year	(650)	0	0	0	0	0	0	0	0	(650)
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	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	0	0	0	0
Transfers (to)/from other bodies	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2012	0	0	0	0	0	0	0	0	0	0
Liabilities associated with assets held for sale at 31 March 2012	0	0	0	0	0	0	0	0	0	0
Balance at 1 April 2010	650	0	0	0	0	0	0	0	0	650
Plus assets classified as held for sale in the year	0	0	0	0	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	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	0	0	0	0
Balance at 31 March 2011	650	0	0	0	0	0	0	0	0	650
Liabilities associated with assets held for sale at 31 March 2011	0	0	0	0	0	0	0	0	0	0

Park Royal ambulance station located in West London was vacated in April 2009 and sold for £900,150 in September 2011.

28 Trade and other payables

	Current		Non-current	
	31 March 2012 £000	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000
Interest payable	0	0		
NHS payables - revenue	600	182	0	0
NHS payables - capital	0	0	0	0
NHS accruals and deferred income	0	0	0	0
Family Health Services (FHS) payables	-	-	-	-
Non-NHS payables - revenue	4,766	6,545	0	0
Non-NHS payables - capital	3,716	3,114	0	0
Non_NHS accruals and deferred income	4,776	4,155	0	0
Social security costs	2,213	2,118		
VAT	0	0	0	0
Tax	967	1,621		
Payments received on account	0	0	0	0
Other	4,336	4,092	0	0
Total	21,364	21,827	0	0
Total payables (current and non-current)	21,364	21,827		

Included above:

to Buy Out the Liability for Early Retirements Over 5 Years	0	0
number of Cases Involved (number)	0	0
outstanding Pension Contributions at the year end	2564	2614

29 Other liabilities

	Current		Non-current	
	31 March 2012 £000	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000
PFI/LIFT deferred credit	0	0	0	0
Lease incentives	0	0	0	0
Other <i>[specify]</i>	0	0	0	0
Total	0	0	0	0
Total other liabilities (current and non-current)	0	0		

30 Borrowings

	Current		Non-current	
	31 March 2012 £000	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000
Bank overdraft - Government Banking Service	0	0		
Bank overdraft - commercial banks	0	36		
Loans from Department of Health	1,244	1,244	5,587	6,831
Loans from other entities	0	0	107	107
PFI liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
LIFT liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	1,268	3,567	6,023	17,993
Other (describe)	0	0	0	0
Total	2,512	4,847	11,717	24,931
Total borrowings (current and non-current)	14,229	29,778		

The Trust borrowed £10m on a 8 year term from the Department of Health to funds its capital programme. The Trust made the following drawdowns in 2009-10 - June £1m, September £4m and December £5m at the following rates of interest 2.73%, 2.65% and 2.65% respectively. The interest rates are fixed at the date of drawdown. The final repayment will be made on 15 September 2017.

In 2010-11, The Trust obtained a loan of £107k from SALIX Finance Ltd to support the Trust's capital investment in technical measures to improve energy efficiency. The loan was drawdown in August and December 2010 for £60k and £47k respectively. It is an interest free unsecured loan with 2 to 5 years repayment terms.

Details of the finance leases are given in note 33

Loans - repayment of principal falling due in:

	31 March 2012		
	DH £000	Other £000	Total £000
0-1 years	1,244	0	1,244
1 - 2 Years	1,244	0	1,244
2 - 5 Years	4,343	107	4,450
Over 5 Years	0	0	0
TOTAL	6,831	107	6,938

31 Other financial liabilities

	Current		Non-current	
	31 March 2012 £000	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000
Embedded Derivatives at Fair Value through SoCI	0	0	0	0
Financial liabilities carried at fair value through profit and loss	0	0	0	0
Amortised Cost	0	0	0	0
Total	0	0	0	0
Total other financial liabilities (current and non-current)	0	0		

32 Deferred income

	Current		Non-current	
	31 March 2012 £000	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000
Opening balance at 01/04/11	290	124	0	0
Deferred income addition	36	290	0	0
Transfer of deferred income	-178	-124	0	0
Current deferred income at 31 March 2012	148	290	0	0
Total deferred income (current and non-current)	148	290		

33 Finance lease obligations as lessee

Ambulances have been leased under two master lease agreements with Singer Healthcare Finance Ltd and Bank of Scotland Ltd. These leases have a duration of 12 years and incorporate a cash receipts from the lessor at the end of year 6. These receivables are included in other receivables in note 22.1.

The Trust does not have any amounts payable under finance leases for land or buildings.

Amounts payable under finance leases (Other)

	Minimum lease payments		Present value of minimum lease	
	31 March 2012 £000	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000
Within one year	1,618	4,503	1,268	3,567
Between one and five years	5,460	16,287	4,791	13,908
After five years	1,265	3,822	1,232	4,085
Less future finance charges	(1,052)	(3,052)		
Present value of minimum lease payments	7,291	21,560	7,291	21,560
Included in:				
Current borrowings			1,268	3,567
Non-current borrowings			6,023	17,993
			7,291	21,560

34 Finance lease commitments

The Trust has not entered into any new finance lease arrangements during the year.

35 Provisions

Comprising:

	Total £000s	Pensions to Former Directors £000s	Pensions Relating to Other Staff £000s	Legal Claims £000s	Restructuring £000s	Continuing Care £000s	Equal Pay £000s	Agenda for Change £000s	Other £000s	Redundancy £000s
Balance at "01/04/11"	9,373	0	6,567	803	86	0	0	0	1,917	0
Prior period adjustment	0	0	0	0	0	0	0	0	0	0
Merger adjustments	0	0	0	0	0	0	0	0	0	0
Restated Balance 01/04/11	9,373	0	6,567	803	86	0	0	0	1,917	0
Arising During the Year	1,467	0	590	595	0	0	0	0	282	0
Utilised During the Year	(1,047)	0	(451)	(302)	(86)	0	0	0	(208)	0
Reversed Unused	(829)	0	(420)	(409)	0	0	0	0	0	0
Unwinding of Discount	194	0	153	0	0	0	0	0	41	0
Change in Discount Rate	(4)	0	58	0	0	0	0	0	(62)	0
Transfers to NHS Foundation Trusts (for Trusts becoming FTs only)	0	0	0	0	0	0	0	0	0	0
Balance as at "31/03/12"	9,154	0	6,497	687	0	0	0	0	1,970	0
Expected Timing of Cash Flows:										
No Later than One Year	1,411	0	322	687	0	0	0	0	402	0
Later than One Year and not later than Five Years	2,315	0	1,485	0	0	0	0	0	830	0
Later than Five Years	5,428	0	4,690	0	0	0	0	0	738	0

Amount included in the Provisions of the NHS Litigation Authority in**Respect of Clinical Negligence Liabilities:**

As at "31/03/12"	12,431
As at "31/03/11"	12,567

Pensions relating to other staff - payments relating to this provision will be quarterly over the life of each member of staff and have been discounted using a rate of 2.8%. Every year the provision is adjusted for inflation. The sum provided for is recalculated annually based upon changes in individual annual rates and their life expectancy.

Legal claims - claims brought against the Trust provided for above vary between probabilities of 50% to 94%. The amounts provided are based upon estimates of costs and settlements provided by the NHS Litigation Authority.

Other - £1,970k (2010-11 £1,917k) includes a provision of £1,698k in respect of pension payments due to employees being made redundant prior to 1995 as a result of the restructuring of the Trust. The provisions are calculated using actuarial tables and are payable quarterly over the life of the employees. Also included is a provision of £227k for the cost of transferring some of the finance back office functions to a shared service provider.

£12,430,911 is included in the provisions of the NHS Litigation Authority at 31/3/2012 in respect of clinical negligence liabilities of the trust (£12,566,819).

36 Contingencies**36.1 Contingent liabilities**

	31 March 2012 £000	31 March 2011 £000
Contingent liabilities		
Equal Pay	0	0
Employers Liabilities	(341)	(475)
Amounts Recoverable Against Contingent Liabilities	0	0
Net Value of Contingent Liabilities	(341)	(475)

The balance of contingencies related to employers liability of £341k, in addition £589k is included in provisions note 35 for employers liability. Due to the nature of the liability it is not possible to determine the exact amount payable or timing of any possible payments.

37 PFI and LIFT - additional information

The Trust has no PFI or Lift schemes.

38 Impact of IFRS treatment - current year

**Total
£000**

The information below is required by the Department of Health for budget reconciliation purposes

Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g PFI / LIFT)

Depreciation charges	0
Interest Expense	0
Impairment charge - AME	0
Impairment charge - DEL	0
Other Expenditure	0
Revenue Receivable from subleasing	0
Impact on PDC dividend payable	0
Total IFRS Expenditure (IFRIC12)	0
Revenue consequences of PFI / LIFT schemes under UK GAAP / ESA95 (net of any sublease income)	0
Net IFRS change (IFRIC12)	0

Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12

Capital expenditure 2011-12	0
Average net assets relating to IFRIC12 schemes - IFRS	0
Average net assets relating to IFRIC12 schemes - UKGAAP	0
UK GAAP capital expenditure 2011-12 (Reversionary Interest)	0

Revenue costs of IFRS: all other expenditure associated with IFRS (e.g. finance leases)

Depreciation charge	0
Interest expense	0
Impairment charge - AME	0
Impairment charge - DEL	0
Other expenditure	0
Impact on PDC dividend payable	0
Total IFRS expenditure (non IFRIC12)	0
Revenue consequences under UK GAAP	0
Net IFRS change (non IFRIC12)	0

Capital consequences of IFRS all other expenditure associated with IFRS

Capital expenditure 2011-12	0
Net assets relating to non-IFRIC12 IFRS - IFRS basis	0
Net assets relating to non-IFRIC12 IFRS - UKGAAP basis	0
UK GAAP capital expenditure 2011-12 (Reversionary Interest)	0

39 Financial Instruments

39.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS trust has with primary care trusts and the way those primary care trusts are financed, the NHS trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. 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 trust's treasury management operations are carried out by the finance department, within parameters defined formally within the trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the trust's internal auditors.

Currency risk

The trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The trust has no overseas operations. The trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The trust borrows from government for capital expenditure, subject to affordability as confirmed by the strategic health authority. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the trust's income comes from contracts with other public sector bodies, the trust has low exposure to credit risk. The maximum exposures as at 31 March 2012 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The trust's operating costs are incurred under contracts with primary care trusts, which are financed from resources voted annually by Parliament. The trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The trust is not, therefore, exposed to significant liquidity risks.

	At 'fair value through profit and loss' £000	Loans and receivables £000	Available for sale £000	Total £000
39.2 Financial Assets				
Embedded derivatives	0	0	0	0
Receivables - NHS	0	1,388	0	1,388
Receivables - non-NHS	0	1,254	0	1,254
Cash at bank and in hand	0	5,250	0	5,250
Other financial assets	0	7,600	0	7,600
Total at 31 March 2012	0	15,492	0	15,492
Embedded derivatives	0	0	0	0
Receivables - NHS	0	5,746	0	5,746
Receivables - non-NHS	0	251	0	251
Cash at bank and in hand	0	872	0	872
Other financial assets	0	17,990	650	18,640
Total at 31 March 2011	0	24,859	650	25,509
	At 'fair value through profit and loss' £000	Other £000	Total £000	
39.3 Financial Liabilities				
Embedded derivatives	0	0	0	
NHS payables	0	662	662	
Non-NHS payables	0	9,117	9,117	
Other borrowings	0	6,938	6,938	
PFI & finance lease obligations	0	7,291	7,291	
Other financial liabilities	0	9,311	9,311	
Total at 31 March 2012	0	33,319	33,319	
Embedded derivatives	0	0	0	
NHS payables	0	182	182	
Non-NHS payables	0	9,634	9,634	
Other borrowings	0	8,218	8,218	
PFI & finance lease obligations	0	21,560	21,560	
Other financial liabilities	0	9,034	9,034	
Total at 31 March 2011	0	48,628	48,628	

40 Events after the end of the reporting period

There were no events after the end of the reporting period that needed to be disclosed in the financial statements.

41 Related party transactions

During the year none of the Department of Health Ministers, trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with London Ambulance Service NHS Trust.

The Department of Health is regarded as a related party. The Trust obtained a £10m capital investment loan from the Department in 2009-10, the current outstanding loan balance is £6.831k. It also had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

The London Primary Care Trusts (PCT) purchase emergency services for the whole of London. Westminster PCT our host PCT had transactions of £21,529k during the year. The Trust had material transactions with the other 30 London Primary Care Trusts.

The Trust received an administration fee of £2,500 (2010-11 £2,500) from the London Ambulance Service charitable funds. The London Ambulance Service NHS Trust is the corporate trustee of the funds.

42 Losses and special payments

The total number of losses cases in 2011-12 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	1,709,000	1,209
Special payments	3,051	5
Total losses and special payments	1,712,051	1,214

The total number of losses cases in 2010-11 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	2,494,744	1,717
Special payments	1,511	0
Total losses and special payments	2,496,255	1,728

43. Financial performance targets

The figures given for periods prior to 2009-10 are on a UK GAAP basis as that is the basis on which the targets were set for those years.

43.1 Breakeven performance	2005-06 £000	2006-07 £000	2007-08 £000	2008-09 £000	2009-10 £000	2010-11 £000	2011-12 £000
Turnover	215,947	215,941	236,130	261,532	279,864	283,617	281,731
Retained surplus/(deficit) for the year	1,258	113	398	725	(420)	740	2,527
Adjustment for:							
Timing/non-cash impacting distortions:							
Use of pre - 1.4.97 surpluses (FDL(97)24 Agreements)	0	0	0	0	0	0	0
2006/07 PPA (relating to 1997/98 to 2005/06)	0						
2007/08 PPA (relating to 1997/98 to 2006/07)	0	0					
2008/09 PPA (relating to 1997/98 to 2007/08)	0	0	0				
Adjustments for Impairments				0	1,845	262	247
Consolidated Budgetary Guidance - Adjustment for Dual Accounting under IFRIC12*					0	0	0
Adjustments for impact of policy change re donated/government grants assets							(23)
Other agreed adjustments	0	0	0	0	0	0	0
Break-even in-year position	1,258	113	398	725	1,425	1,002	2,751
Break-even cumulative position	1,333	1,446	1,844	2,569	3,994	4,996	7,747

* Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, NHS Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

If anticipated financial year of recovery is more than two years state the period agreed with SHA

	2005-06 %	2006-07 %	2007-08 %	2008-09 %	2009-10 %	2010-11 %	2011-12 %
Materiality test (i.e. is it equal to or less than 0.5%):							
Break-even in-year position as a percentage of turnover	0.58	0.05	0.17	0.28	0.51	0.35	0.98
Break-even cumulative position as a percentage of turnover	0.62	0.67	0.78	0.98	1.43	1.76	2.75

The amounts in the above tables in respect of financial years 2005/06 to 2008/09 inclusive have not been restated to IFRS and remain on a UK GAAP basis.

43.2 Capital cost absorption rate

Until 2008/09 the trust was required to absorb the cost of capital at a rate of 3.5% of forecast average relevant net assets. The rate is calculated as the percentage that dividends paid on public dividend capital bears to the actual average relevant net assets.

From 2009/10 the dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets and therefore the actual capital cost absorption rate is automatically 3.5%.

43.3 External financing

The trust is given an external financing limit which it is permitted to undershoot.

	2011-12	2010-11
£000	£000	£000
External financing limit	(9,225)	1,371
Cash flow financing	(7,069)	1,296
Finance leases taken out in the year	0	0
Other capital receipts	0	0
External financing requirement	<u>(7,069)</u>	<u>1,296</u>
Undershoot/(overshoot)	<u>(2,156)</u>	<u>75</u>

43.4 Capital resource limit

The trust is given a capital resource limit which it is not permitted to exceed.

	2011-12	2010-11
	£000	£000
Gross capital expenditure	16,212	15,196
Less: book value of assets disposed of	(9,585)	(5,695)
Less: capital grants	0	0
Less: donations towards the acquisition of non-current assets	(23)	0
Charge against the capital resource limit	<u>6,604</u>	<u>9,501</u>
Capital resource limit	<u>9,112</u>	<u>18,419</u>
(Over)/underspend against the capital resource limit	<u>2,508</u>	<u>8,918</u>

44 Third party assets

The Trust held £nil cash and cash equivalents at 31 March 2012 (£nil - at 31 March 2011) which relates to monies held by the NHS Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.