Scottish Ambulance Service

Taking Care to the Patient

NHS SCOTLAND

Scottish Ambulance Service

Annual Report and Accounts

for year ended 31 March 2019

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Chair and Chief Executive Statement

As the population of Scotland changes, the Scottish Ambulance Service continues to transform its services to best meet patient needs in order to save more lives, treat people safely and locally in their own homes and improve patient and staff experience. Emergency and unscheduled demand has grown significantly in recent years – and as we look to the future, this trend is likely to continue. We are planning for this with partners and investing in additional skills, people and equipment whilst making smarter use of what we have.

The general public will most likely only think of us when they see a blue-light ambulance rushing down a main road, or edging through a city centre, sirens blaring. Generally, these crews are travelling to attend to a patient whose life is at risk.

But attending the thousands of people a year whose lives are in immediate danger, makes up a relatively small proportion of our work. The majority of calls that are received at one of our three Ambulance Control Centres are for patients who are unwell and require an emergency response but whose lives are not in immediate danger.

All patients receive a telephone assessment to establish the most appropriate care pathway; and in the last year 15% of patients were able to be referred to other more appropriate services e.g. NHS24. Those patients who do require an ambulance response will receive a face-to-face assessment by paramedics to establish the most appropriate care pathway, which, in over 20% of cases, results in not being taken to hospital.

We have specialists too – our Special Operations Response Team is on hand to help patients in dangerous or potentially risky environments, while our SCOTSTAR teams have specialist skills in retrieving patients needing specialist care en-route to hospital, such as trauma patients, or premature babies. Our air ambulance planes and helicopters are kept busy every day transporting patients from some of Scotland's most remote areas.

Approximately half of all the calls we receive each year come from patients who rely on our patient transport services because they are too unwell to get safely to and from hospital appointments or inpatient stays.

1200 people work selflessly across Scotland as volunteer Community First Responders providing immediate assistance to people in need and supporting the ambulance response. Additionally, our work in further developing co-responder models with Police Scotland, the Scottish Fire and Rescue Service, volunteer pre-hospital emergency clinicians (BASICS GPs and Nurses), and the Sandpiper Trust is helping to save more lives and improve patient outcomes.

In February this year, two in-depth analyses were published which showed that the new triage system

we introduced in November 2016 – the New Clinical Response Model – is saving more lives. Our own review and an analysis by the University of Stirling showed that patients whose lives were most at risk had a 43% better chance of surviving for more than 30 days. This represents over 1100 additional lives saved per year and is a significant endorsement of our new way of working.

The new response system prioritises patients with immediately life-threatening conditions, such as cardiac arrest or those who have been involved in serious road traffic incidents and ensures these patients receive the fastest response. In less urgent cases, call handlers can spend more time with patients (or their representatives) to better understand their health needs and to ensure we send the best resource for their condition.

There are many other ways we have enhanced the work we do over the last year that are worth mentioning. Earlier this year we announced the launch of our SCOTSTAR North adult retrieval service; a welcome addition to our family of pre-hospital critical care teams. We have also enhanced our Ambulance Control Centres and are working collaboratively with NHS Boards' flow and discharge centres.

Recognising that ambulance staff are increasingly part of wider multiprofessional teams, we are expanding our plans for advanced practice paramedics to work within local communities, including GP practices, across Scotland. Working with other NHS Boards, Integrated Joint Boards and third sector health and social care organisations, we are also ensuring patients are more likely to get the treatment they need, by better identification of their particular needs. Falls patients and those with mental health needs, who are not physically injured for example, will be supported in alternative ways, rather than simply being taken to the nearest A&E departments. Meanwhile our 24/7 specialist services desk and the major trauma triage tool continues to have a positive impact by helping trauma patients who need highly specialised treatments.

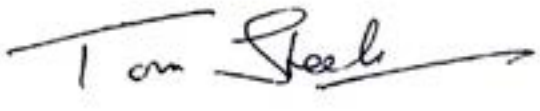
As with all other Scottish Boards and UK Trusts, we are working hard to maintain the high-quality services we provide alongside increased demand and budgetary pressures.

To that end we are continuing to implement our strategy: "Towards 2020; Taking Care to the Patient", developed in partnership with staff and the people using our services.

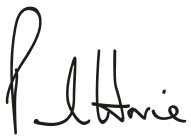
Looking ahead, we will soon be developing plans for our 2030 strategy. We are currently planning ways to connect with staff, patients and the general public to create open discussions and gather ideas about what the Scottish Ambulance Service should look like ten years from now.

With more than 5,100 staff directly employed and around 1,500 volunteers working closely with us to provide prompt, early life-saving help to patients, the Scottish Ambulance Service plays a significant role in contributing to the National Outcomes.

The annual accounts, detailed below, provide a summary of our work and a comprehensive description of our financial performance during 2018/19. We would like to take this opportunity to acknowledge the wonderful work of all our staff. From those on the frontline, helping people often in some of the most challenging of circumstances, to those who provide essential support services – we are fortunate to have dedicated teams and individuals who work hard alongside Scotland's care system as a whole, to give our patients the best service possible. As our plans to implement our 2020 strategy progress, investing in staff remains a high priority so that we can continue to give the people of Scotland the highest quality care.



Tom Steele, Chair



Pauline Howie OBE, Chief Executive

Performance Report

1. Overview

The purpose of the following overview is to provide a short summary providing sufficient information to gain an understanding of the Scottish Ambulance Service, its purpose, the key risks to the achievement of its objectives, and how it has performed thought the year.

1.1 Who we are

The Scottish Ambulance Service was established in 1999 under The Scottish Ambulance Service Board Order 1999, which amended the National Health Service (Scotland) Act 1978.

As the frontline of the NHS in Scotland and with over 5,100 members of staff, we provide an emergency ambulance service to a population of over five million people serving all of the nation's mainland and island communities. Our Patient Transport Service also undertakes over 660,000 journeys every year and provides care for patients who need support to reach their healthcare appointments due to their medical and mobility needs.

We are therefore responsible for a range of services for the people of Scotland, from accident and emergency response, to delivering primary care, providing patient transport, dispatching rapid air ambulance and SCOTSTAR support for critical patients, to being a Category 1 responder for national emergencies.

1.2 The Scottish Government vision

"By 2020, everyone is able to live longer, healthier lives at home or in a homely setting. We will have a healthcare system where we have integrated health and social care, a focus on prevention, anticipation and supported self-management. When hospital treatment is required, and cannot be provided in a community setting, day case treatment will be the norm.

Whatever the setting, care will be provided to the highest standards of quality and safety, with the person at the centre of all decisions. There will be a focus on ensuring that people get back into their home or community environment as soon as appropriate with minimal risk of re-admission."

1.3 Our 2020 strategy: *Taking Care to the Patient*

The Scottish Ambulance Service recognises that it has a significant contribution to make to this strategy as a frontline service providing emergency, unscheduled and scheduled care 24/7.

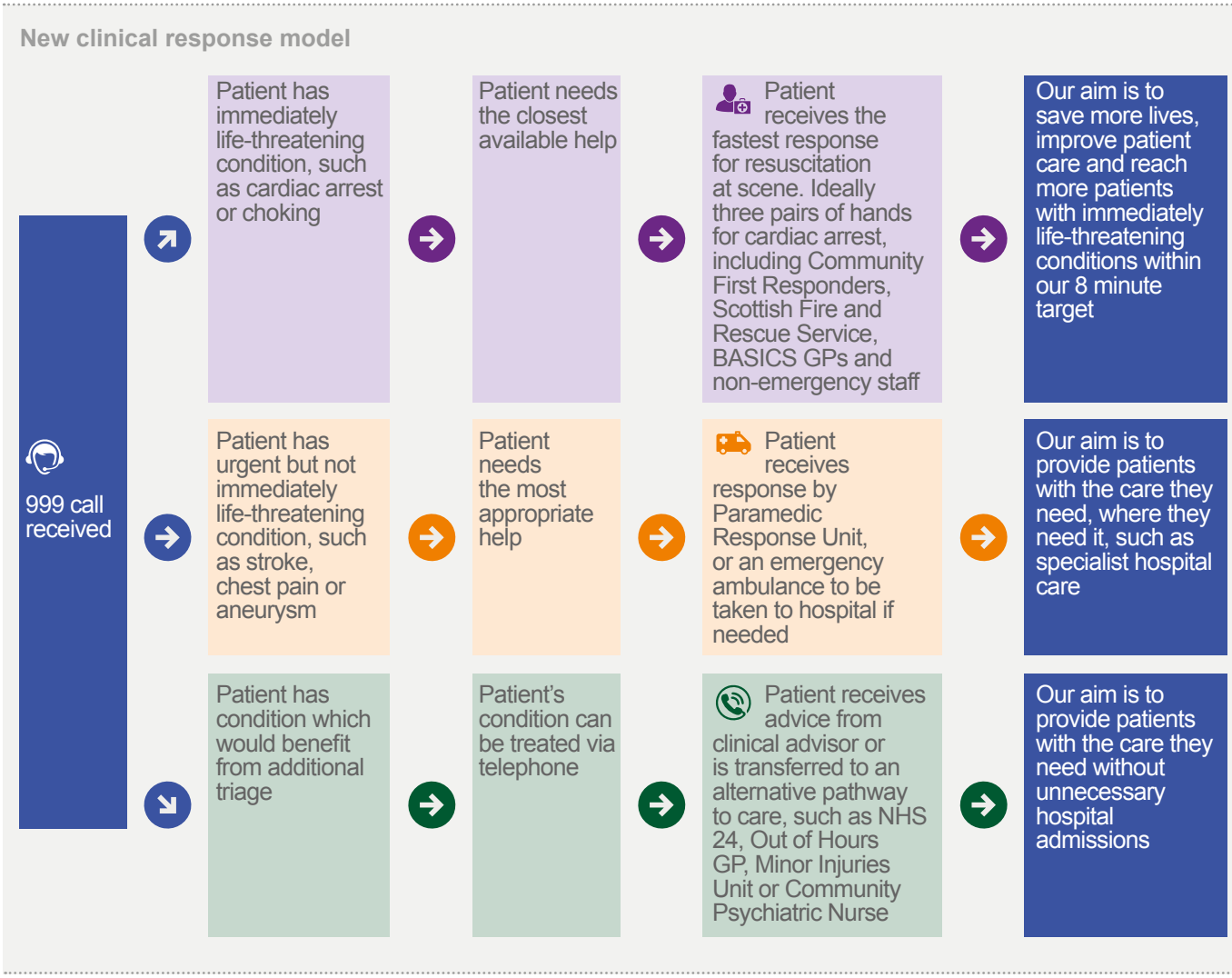
In 2015/16, we launched our five year strategy *Towards 2020: Taking Care to the Patient*. This 2020 strategy is based on the principle that care should be appropriate to need – and that where care is delivered should also be appropriate, which may not be in a hospital setting.

Our 2020 goals are to:

1. Ensure our patients, staff and the people who use our services have a voice and can contribute to future service design, with people at the heart of everything we do
2. Expand our diagnostic capability and the use of technology to enhance local decision making to enable more care to be delivered at home in a safe and effective manner
3. Continue to develop a workforce with the necessary enhanced and extended skills by 2020 to deliver the highest level of quality and improve patient outcomes
4. Evidence a shift in the balance of care through access to alternative care pathways that are integrated with communities and with the wider health and social care service
5. To reduce unnecessary variation in service and tackle inequalities delivering some services 'Once for Scotland' where appropriate
6. Develop a model that is financially sustainable and fit for purpose in 2020

1.4 New clinical response model

Following a review of nearly 500,000 patient records, a New Clinical Response Model (NCRM) pilot programme was introduced in November 2016. The model focuses on improving patient outcomes, rather than simply measuring the time it takes to respond. Resources are now allocated on confirmation of the severity of the incident, rather than the location of the incident. The model allows us to respond faster to more patients with time-critical, immediately life-threatening conditions, such as cardiac arrest. It also supports our call handlers to better understand our patients' health needs in less urgent cases, so that our dispatchers can more effectively send the right resource first time for patients.



Aim

- More accurately identify patients with immediately life threatening symptoms to ensure the most rapid dispatch of resource, resulting in more lives saved
- Safely and more effectively identify and send the right resource first time for patients, for example dispatching a conveying resource first time to chest pain and stroke patients, resulting in better overall clinical outcomes

Phase 1 and 2 of the project are complete. 'Dispatch on disposition' was introduced in October 2017, and subsequently two Pre-Entry Questions were introduced to identify critically ill patients as early as possible. The project is now in phase 3 and 'key phrases' was successfully implemented in April 2018 to further improve identification of critically ill patients earlier in the call cycle. Our evaluation report, alongside the University of Stirling report, was published in February 2019.

These evaluations show that the model more accurately identifies patients with immediately life threatening symptoms, with a number of patient groups being re-triaged to the highest priority purple response category based on the high probability that resuscitation will be required. We have also improved identification of critically ill or injured patients as early as possible in the call cycle in order to dispatch a resource as quickly as possible by introduction of two pre-entry questions and a list of 'key phrases'.

The new clinical response model supports the dispatch of multiple responses to patients in the highest priority purple response category; the closest resource will be dispatched as well as ensuring the response includes a double crewed emergency ambulance to ensure an effective resuscitation team ('triple response') and if required the ability to transport to hospital. Over the pilot period we have seen an almost 100% increase in patients receiving a multi-resource/ clinician response in our highest priority response category, providing a greater chance of survival.

The response model focuses on improving patient outcomes rather than simply measuring the time it takes to respond. We have demonstrated that response

times have been maintained to our most acutely unwell patients who require a time-critical response. However, for the majority of patients requiring an emergency response the most important factor in effective care is the ability to target clinical skills to provide treatment and/or refer the patient to the most appropriate care provide for further assessment and treatment – providing the right response first time. While there has been a slight increase in response times to patients that are less acutely unwell, there has been no increase in clinical deterioration of these patients and the outcomes for these patients have remained stable.

Over the course of the pilot we have consistently identified patients within our amber response category who have a low identified need for resuscitation but a defined and identified need for specific acute pathway care, for example ST Elevation Myocardial Infarction (STEMI) and hyper acute strokes. These patients still require an emergency response and are likely to be transported to the Emergency Department, therefore a response with an emergency ambulance that can transport the patient to hospital is crucial. Over the first year of the NCRM pilot this was achieved for more than 90% of our patients, providing the right response first time.

We will continue to monitor and review the impact of the new model on patient outcomes in line with clinical governance arrangements. This will inform any future improvements to the model.

1.5 Chief Executive's Statement

The financial year ending 31 March 2019 was the fourth year of our strategy *Towards 2020: Taking Care to the Patient*.

During this year we received 1,463,783 calls and dealt with 770,563 incidents, of which 526,385 were emergency incidents that we attended. We also completed 662,088 patient transport journeys, 3,714 air ambulance missions, 45,633 inter hospital transfers and 2,228 SCOTSTAR transfer and retrievals across Scotland.

Delivering our '2020' vision requires whole system transformation and as a Service we recognise the need to work differently to deliver emergency, unscheduled and scheduled care in this context.

We have successfully continued our 2020 delivery programme, which has three main strands of work:

- Clinical Services Transformation
- Workforce Development
- Enabling Technology

In each of these areas we continue to make progress, with key achievements including a 16.6% year on year increase for VF/VT return of spontaneous circulation (ROSC) across Scotland between 2017/18 and 2018/19 – the rate at which patients experiencing a cardiac arrest are resuscitated at scene – and 192,699 patients safely treated in their community or referred to a more appropriate service for their needs. There has also been significant investment in our staffing, skills and vehicle fleet.

The Scottish Ambulance Service has almost doubled survival rates for cardiac arrest patients since 2013. Our improved approach of prioritising immediately life threatening cases, such as those in cardiac arrest, has contributed to a 43% increase in 30 day survival rates for our most at risk patients in 2017/18.

Our highly trained and dedicated staff continue to go above and beyond in their care for patients. It is their hard work and professionalism which is delivering fantastic results day in, day out. A highly trained, motivated and fully engaged workforce will help us to continue to deliver upon our ambitions and their input and support is key.

That is why we are continuing to invest in our staff and their ongoing professional development, whilst ensuring they are continually engaged in work to improve the services we provide for patients.

We cannot deliver our 2020 goal in isolation and also need to work effectively in partnership with NHS boards, health and social care partnerships, patients, communities and other public and voluntary agencies. We are increasingly doing so and our staff work in over 16 primary care teams across the country, in and out of hours, as part of multiprofessional teams, taking care to patients.

All of these achievements are against a backdrop of good financial planning, management and performance, with all of our financial targets being achieved.

1.6 Performance summary

The following performance summary relates to work undertaken and achieved in 2018/19, in year four of our five-year strategy.

Clinical Services Transformation

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED SO FAR
 Introduce a new clinical response model to save more lives and improve patient care	The new response model was delivered in 3 phases between November 2016 and April 2018. 'Dispatch on disposition' was introduced in October 2017, and subsequently two Pre-Entry Questions were introduced to identify critically ill patients as early as possible. 'key phrases' was successfully implemented in April 2018 to further improve identification of critically ill patients earlier in the call cycle and provide an extra layer of patient safety. Two evaluation reports were published. We have seen an almost 100% increase in patients receiving a multi-resource/clinician response in our highest priority response category, providing a greater chance of survival.
 Develop our out-of-hospital cardiac arrest strategy to save more lives	On average we attempt resuscitation on 75 patients in a VF/VT rhythm per month. In 2018/19 49.7% of patients in VF/VT achieved return of spontaneous circulation. In March 2019 our performance was 50.6% of patients in VF/VT achieved return of spontaneous circulation, surpassing our aim of 42%. We have seen a statistical shift in improving the rate of ROSC and therefore are contributing to saving more lives. The Service continues to be a key partner in the delivery of the Scottish Government's Out of Hospital Cardiac Arrest (OHCA) strategy, linking across the whole chain of survival. The main factors which influence ROSC are bystander CPR followed by timely defibrillation when indicated. However, evidence suggests that early identification of OHCA by the Ambulance Control Centre through the use of Pre-Entry Questions and key phrases, as well as dispatch on disposition, is a large contributory factor to this success. Working with Save A Life for Scotland, we are supporting more people to provide early high quality CPR. More than 430,000 people have now been equipped with CPR skills.
 Develop our national and local pathways for hyper-acute stroke to improve patient outcomes	We have introduced a National Clinical Stroke Pathway to ensure uniformity in the care we deliver. We have reliably implemented the pre-hospital stroke bundle based on evidenced best practice - 96.3% average recorded implementation over 2018/19, against an aim of 95%.

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED SO FAR
Enhance our capability and capacity to respond to major trauma to save more lives	During 2018/19 the Scottish Ambulance Service continued to co-ordinate the pre-hospital response to trauma patients through the Trauma Desk. This is the foundation of the Scottish Trauma Network, operating 24/7 from the West Ambulance Control Centre, ensuring dispatch of appropriate resources and clinical support for triage and treatment decisions of pre-hospital providers. Quarterly Trauma Desk Clinical Governance meetings are in place, which are followed by a meeting of the national Trauma Team leads to share learning. In November 2018 our first team of 6 Advanced Practitioners in Critical Care started in Edinburgh. This team is working closely with the Medic One pre-hospital care team and have advanced skills and interventions that bridge the gap between a paramedic and medic skill set to provide improved outcomes to trauma patients. A further team of Advanced Practitioners will be recruited to in the North of Scotland over 19/20. Up until August 2018, the SCOTSTAR West team was available to respond to patients between 07.30-18.00. These hours were extended to 07.00 – 23.00 from 1 August 2018 as part of implementation of the Scottish Trauma Network. This is improving outcomes for people who suffer serious injury and need rapid access to a pre-hospital trauma team. The Major Trauma Triage tool was rolled out in the North of Scotland and East of Scotland trauma regions to support the opening of the North and East Major Trauma Centres in October and November 2018, and to ensure patients are taken to the most appropriate facility for their injuries. Planning was underway in 18/19 to implement the SCOTSTAR North hub. This hub became fully operational on 23 April 2019 covering a population of approximately 630,000 in the North of Scotland. This North based retrieval team will support trauma patients to access the right care first time and therefore provide better quality of care for patients by improving the time to definitive care.
Increase ‘hear and treat’ outcomes to ensure patients receive the most appropriate care first time and reduce demand on operational ambulances.	In March 2019, 15% of patients received a hear and treat outcome, against our 18/19 aim of 15%. After the significant winter pressures in 2017/18, the Service has made improvements in transferring calls to NHS 24 for patients to receive the most appropriate care, as well as creating capacity for clinical advisors to provide clinical assessment by telephone. A further change to transfer more calls to NHS 24 was made on 11 December 2018. The data shows this has made a positive impact on hear and treat outcomes and the first data points of 2019 suggest this improvement is being sustained.
Increase ‘see and treat’ outcomes to take more care to patients in their homes and communities.	In March 2019, 19.3% of patients received a see and treat outcome, against our aim of 20%. The Service continues to support staff in providing the most appropriate care for patients following face to face assessment by developing clinical decision making skills. The Clinical Decision Making Framework was distributed to all staff in October 2017 and has been delivered through learning in practice training. This framework is now being reviewed and refreshed to further support staff. In addition, we continue to develop our arrangements to target Specialist Paramedics to patients with illness and injury best suited to their enhanced skill set.

Workforce Development

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED SO FAR
Developed our workforce planning arrangements to support delivery of regional workforce aims	• 2018/19 recruitment and training delivery aims informed by 2020 workforce targets. The targets were achieved. • 160 Paramedics and 159 Technicians directly recruited and a further cohort of 50 students commenced the undergraduate paramedic programme at Glasgow Caledonian University • 65 Ambulance Care Assistants appointed • 46 Specialist and Advanced Paramedics recruited • Phase two of eESS HR system implementation completed with e-Payroll system launch • Established Demand and Capacity Steering Group to deliver phase one of our workforce re-modelling for post 2020 period
Develop a new Paramedic Education Model to respond to HCPC registration changes	• Joint Project Group with NHS Education and Scottish Government developed proposals for new model operation • Business Case to support the alignment of paramedic education developed and approved by SAS Board
Coordinate and Plan Learning & Development activity to enable achievement of 2020 Strategy	• Implemented the new Turas Appraisal system including the Executive Performance system to support the completion of annual performance review • Developed the implementation plan to support the launch of our organisation wide learning management system • Delivered and expanded our Training Improvement Project leads programme to maximise engagement in QI activity
Leadership and management arrangements developed to support our strategic change activity	• Developed and agreed underpinning principles for the next phase of our operational leadership model • Worked in collaboration with National Boards to developed and launch the new Management Matters programme • Adopted Values Based Recruitment for Board/Executive appointments • Launched Project Lift within SAS and enabled engagement of our leadership cohort in the national talent management process
Developing the employee experience within the service to support sustainable workforce	• Completed first iMatter single organisational cohort in 2018, maintaining staff engagement level scores • Further improved our levels of iMatter action plan completions with 86% of plans completed in 2018 • Delivered Wellbeing Implementation Plan for 2018/19 to enhance support for our staff • Delivered our OD Plan for 2018/19 with emphasis on enhancing staff engagement

Enabling Technology

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED SO FAR
 Enhance the cab-based technology hardware in the unscheduled care ambulance fleet. The aim being to support our strategic aims, by ensuring our clinical staff are able to access, record and transfer relevant information, e.g. patient related information and up to date clinical guideline and pathway information	• Completed the rollout of our paramedic information app (called the 'SAS app'). • Completed the rollout out of the communications infrastructure required to support the use of the SAS app and selected 'back-office' applications by unscheduled care ambulance crews in their vehicles. • Completed the Full Business Case (FBC) for the provision of replacement defibrillators ahead of rollout completion in 2020. The specifications include full integration with the ePR solution. • Completed the development of major incident software which will support staff to accurately triage and track patients in a major incident scenario.
 Ensure the Service has continued access to appropriate emergency service communications when the current Airwave system is 'decommissioned'. This will be achieved through active participation in the GB-wide Emergency Service Mobile Communications Programme	• Active participation in the UK Government, GB-wide, 'Emergency Services Mobile Communications Programme'. • Proactive engagement and collaboration with the Scottish Government, Police Scotland, Scottish Fire & Rescue and other relevant partners. • Preparation and planning for transition to the GB-wide Emergency Services Network (ESN) in line with the delayed GB programme (currently scheduled for completion in 2022). • Completed a Full Business Case for the provision of a new Integrated Communications Control System (ICCS) in our Ambulance Control Centres. • Worked with our suppliers to secure continued provision of Airwave services beyond the original contract end date in line with delays to the Emergency Services Mobile Communications Programme.
 Enhance and promote our capability to electronically transfer the patient information our clinicians collect to our NHSS partners, e.g. territorial health boards. The aim being to support and enable better clinical decision making, patient care and patient safety	• Further refinement of the technical solution for the transfer of Service Electronic Patient Report (ePR) information to partner organisations • Underlying ePR transfer infrastructure has been upgraded • ePR transfer solution is now live in NHS Ayrshire and Arran, NHS Dumfries and Galloway, NHS Grampian, NHS Greater Glasgow and Clyde, NHS Highland, NHS Lothian, NHS Forth Valley and SCI-DC • Covering letters sent to GPs who have received ePR information have been reviewed and improved • Enhanced validation checks have been introduced to reduce clinical and reputational risk • Communication, collaboration and engagement carried out with various NHSS partners to extend the reach of the solution e.g. eHealth Leads, Clinical Change Leads and Scottish Government eHealth team.

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED SO FAR
Progress the delivery of our eHealth Strategy	• Further enhanced and extended our video conferencing capability • Enhanced our cyber resilience e.g. 'firewall' replacement • Implemented an interface to electronically transfer emergency call data from our command and control system to that of our 'buddy' service in Northern Ireland • Enhanced our Ambulance Control Centre back-up telephony capability • Upgraded our East Ambulance Control Centre Local Area Network • Active participation in the British Heart Foundation National Public Access Defib programme with a view to implementing the solution during 2019 • Implemented a link between the key scheduled care and unscheduled care systems in our Ambulance Control Centres • Initiated a project to replace the current Patient Transport Service mobile data solution by 2021 • Carried out a stocktake exercise and refreshed our current eHealth ICT Strategy to take us to the end of 2020, by which time we will have developed a new Digital Strategy.
Improve vehicle reliability, availability, emissions and operational performance through a comprehensive Fleet Replacement Programme.	• £78 million investment plan agreed and business case approved in support of a programme to introduce almost 1,000 new replacement vehicles between 2016 and 2021 • Programme remains on track with circa 240 vehicles replaced during the 2018-19 financial year providing 614 replacement vehicles in the first 3 years of the programme in the national fleet of 1,450 vehicles.

Patient Engagement and Participation

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED SO FAR
Ensure our patients, staff and the people who use our services have a voice and can contribute to future service design, with people at the heart of everything we do	• Developed and approved communications and engagement strategy • Driven change through patient experience, such as design of new vehicles • Co-produced patient experience framework • Revised Patient Focus, Public Involvement governance • Supported National Conversation • Participated in development of Our Voice framework • Widening our Public Engagement to not just patient reps but representatives from the third sector and other community groups • Changed our policy with regards to how we categorise complaints to better reflect patient feedback • Improved links with Mental Health Charities to enhance partnership working • New approaches and measures to help improve the Patient Experience and the efficiency of our complaints handling processes.

HEAT summary: health improvement, efficiency, access to treatment and treatment

This section may be read alongside 2.4, which provides further analysis and context.

	Aim	2018/19	2017/18	Comment
Achieve a return of spontaneous circulation for VF/VT patients on arrival at hospital	>40%	49.33%	42.3%	This improvement is contributing to saving lives.
% of cardiac arrest patients responded to within 8 minutes	80%	71%	71.2%	Target has been in place pre new response model and proposals have been made to refine in light of latest evidence
% of immediately life-threatening incidents responded to within 8 minutes	75%	59.33%	61.5%	Target has been in place pre new response model and proposals have been made to refine in light of latest evidence
Immediately Life Threatening (ILT) Response Times	Median < 7 min Percentile <15min	7 15.32	6.47 14.55	This group of patients have a cardiac arrest rate of 1.3%
Purple Response Times	Median < 6 min Percentile <15min	5.77 12.92	5.45 12.49	This group of patients have a cardiac arrest rate of over 50%
% of unscheduled cases managed by telephone or face-to-face assessment	35%	33.8%	32.7%	Improvement continues to be made in this area with further work in place developing safe clinical pathways
% of hyper acute stroke patients who receive the pre hospital care bundle.	95%	96.27%	78.7%	Significant improvement has been made and target achieved in excess.
% of recorded use of peripheral vascular cannula (PVC) insertion care bundle	95%	95.34%	89.2%	Significant improvement has been made and target achieved.
Employee engagement score (EEI)	62%	67%	67%	Score measured twice a year. Reported scores as at November 2018.
Reduce sickness absence	<5%	7.8%	7.6%	Work continues to manage this through the implementation of our wellbeing strategy.

Financial Performance

The Scottish Government Health and Social Care Directorate (SGHSCD) sets three financial targets at NHS Board level on an annual basis. These limits and results are set out below:

WHAT WE SAID WE WILL DO

Deliver financial performance as detailed:

- Revenue Resource limit: a break even resource budget for ongoing operations
- Capital Resource limit: a break even resource budget for new capital investment
- Cash requirement: a financial requirement to fund the cash consequences of the ongoing operations and the new capital investment, internally generated target of £60k held at end of month as at 31 March 2019
- Efficiency Target: Deliver the full quantum of savings required at £9,979k

NHS Boards are expected to contain their net expenditure within these limits, and to report on any variation from the limits set.

WHAT WE HAVE ACHIEVED SO FAR

The Scottish Ambulance Service achieved each of the targets set, as at 31 March 2019, the financial performance against each target as detailed below:

- Revenue Resource Limit : £58k underspend
  - Core - £58k underspend
  - Non Core - Breakeven
- Capital Resource limit: £8k underspend
- Cash Target £61k held at end of March 2019
- Efficiency Target: Delivered the full quantum of savings required £9,979k

The Service was required to produce a trajectory of its expected position from July until March to the SGHDCD. Financial performance was monitored and reported monthly to the Board and Chief Executive.

1.7 Measurement for improvement

The performance aims we share, report and discuss with Government colleagues reflect an important but fairly narrow perspective of the contribution the Service makes to our patients' outcomes and experience. A range of additional measures have been, or are being, developed which will guide the ambition of our service to be a care provider which puts the patients' needs at the centre of what we do, and these measures will enable us to evidence the realisation of this ambition.

Continuing to build from previous years we will progress the principle of measuring progress through the provision of high quality data and subsequent scrutiny and analysis. We will achieve this principle by using a small number of tools to improve data literacy levels across the Service beginning with the Board, executives and senior managers. This in turn will move the Service towards its ambition to progressively move away from, for example, simplistic 'Red', 'Amber' and 'Green' (RAG) status measurement/ reporting methods to a more dynamic and engaging approach of data visualisation and interpretation.

To underpin this approach, we will embed the Model for Improvement and other improvement methodologies in our development and business as usual practices which will build our ability to use data as a means, for example, to help us understand variation in processes and practices by making that variation visible. This will consequently enable the organisation to collectively discuss and co-design service changes, to improve and standardise data display and improve our data interpretation skills throughout the Service.

1.8 Principal risks and uncertainties

The Scottish Ambulance Service's Annual Operational Plan identifies the key risks facing the organisation in the context of our operational, tactical and strategic aims and actions for the coming year. The key challenge is how we manage these risks in a way that ensures the continued delivery of quality clinical services and a high standard of operational performance whilst achieving our financial targets.

Principal risks identified include: changing demographics increasing future demand for our services above what can be resourced through future funding; the ability to recruit and retain staff, especially in remote and rural parts of Scotland; unidentified or high risk efficiency saving targets in the planned savings programme; and the need to ensure property is maintained at a level that meets the needs of staff and patients.

The Scottish Ambulance Service's approach to the management of risk is set out in detail in the Governance Statement.

2. Performance Analysis

2.1 Financial performance and position

The Scottish Government Health and Social Care Directorate (SGHSCD) sets three financial targets at NHS Board level on an annual basis.

These limits are:

- **Revenue resource limit**
  a resource budget for ongoing operations;
- **Capital resource limit**
  a resource budget for new capital investment; and
- **Cash requirement**
  a financial requirement to fund the cash consequences of the ongoing operations and the new capital investment.

NHS Boards are expected to contain their net expenditure within these limits, and to report on any variation from the limits set.

The Scottish Ambulance Service achieved each of the targets set and the table below indicates the financial performance against each target.

	(1) Limit as set by SGHSCD £000	(2) Actual Outturn £000	(3) Variance (over)/under (1)-(2) £000
Revenue resource limit – Core	251,841	251,783	58
Revenue resource limit – Non Core	13,413	13,413	0
Capital resource limit	15,062	15,054	8
Cash requirement	270,728	270,728	0

2017/18 £000		2018/19 £000
50	Brought forward surplus from previous financial year	0
(50)	Surplus /(Deficit) against in year revenue resource limit	58
0	**TOTAL Surplus for year**	**58**
0	Non Core Surplus returned to government	0
0	**Carried forward Core surplus to next year**	**0**

In respect of financial position and performance:

- The Scottish Ambulance Service achieved breakeven against its Non-Core Revenue Resource Limit and have a small underspend against the Core Revenue Resource Limit at the year-end;
- The Scottish Ambulance Service contained its costs within the revenue and capital resource limits;
- Provisions for bad and doubtful debts of £315k (2017/18 £319k) were made.
- Provision for legal obligations of £4,095k (2017/18 £4,128k) were made relating to clinical, medical and legal claims against the Board;
- A second provision recognising the requirement to make contributions towards overall Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) liabilities has also made. Based upon the advice of SGHSCD our share is £4,212k (2017/18 £4,305k) by SGHSCD;
- Land and buildings were revalued by the Valuation Office Agency at 31 March 2019 on the basis of Existing Use Value (EUV) for non specialised properties and Depreciated Replacement Cost (DRC) for a number of specialised properties. The remaining specialised properties not revalued were indexed at that date using indices supplied by the Building Cost Information Service (BCIS). The valuation was in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practices and Guidance Notes, subject to the special requirements of the accounting policies of the NHS.
- The net impact was a increase in value of £839k (2017/18: £756k increase), of which £255k (2017/18: £196k credited) was credited to the revaluation reserve and £584k (2017/18: £560k) credited to the Statement of Comprehensive Net Expenditure. The net charge of £584k to the Statement of Comprehensive Net Expenditure (2017/18: £560k) was comprised entirely of the reversal of previous impairment losses.
- Total outstanding current payables are Board £14,661k, Consolidated £14,683k (2017/18: Board £19,454k, Consolidated £19,494k)
- These accounts have been prepared on a going concern basis.

Payment Policy	2018/19	2017/18
Invoices paid within 10 Days (Volume)	37%	47%
Invoices paid within 10 Days (Value)	59%	57%
Invoices paid within 30 Days (Volume)	77%	82%
Invoices paid within 30 Days (Value)	83%	80%
Average days credit taken	27	22

2.2 Payment Policy

The Scottish Ambulance Service is committed to supporting the Scottish Government in helping businesses during the current economic situation by paying bills more quickly. The intention is to achieve payment of all undisputed invoices within 10 working days across all public bodies.

The target has been communicated to all non-departmental public bodies, who are working towards the accelerated payment target of 10 working days.

The Scottish Ambulance Service endeavours to achieve this target, with many invoices processed within 7 working days of date of receipt. However, the sound financial management of public funds requires further investigation of some invoices which can lead to a delay in payment.

Staff turnover within the accounts payable team in the early part of 2018/19 had a detrimental effect on performance with the volume of invoices paid within 10 days falling to 25% in the second quarter. Once we recruited and trained new staff, performance in this area improved to 43% in each of the final two quarters of 2018/19.

2.3 Pension liabilities

The accounting policy note for pensions is provided in Note 1 and disclosure of the costs is shown within Note 17 and the Remuneration Report.

3. SCOTSTAR Performance

Our SCOTSTAR neonatal, paediatric and adult retrieval teams continue to work together to provide safe, effective person-centred retrieval and critical care services to communities across Scotland.

Adult Team

Our Emergency Medical Retrieval Service (EMRS) provides national retrieval services 24 hours a day. EMRS comprises 3 teams per 24 hours, each led by a Consultant accompanied by a Senior Medical Trainee or a Nurse/Paramedic Retrieval Practitioner. On-base cover providing an immediate response is available from 0700 to 2300, with an on-call response provided overnight.

Neonatal Team

Our Neonatal Transfer Service works nationally across three regions; North, East and West. The team undertakes transfers and retrievals of babies up to five kilograms using a team comprising up to 3 clinicians, including Consultants, Advanced Nurse Practitioners (ANPs), middle grade Doctors and Transport Nurses.

Paediatric Team

Our Paediatric Retrieval Service provides for newborn babies and patients up to 16 years old. Typically, the team is Consultant led, supported by Trainees, Nurse Practitioners and Nurses. The team also works closely with Paediatric Intensive Care Unit partners (PICU), providing telephone advice to referring clinicians.

Adult Transfer and Retrieval Activity

During 2018/19 the EMRS team received 1,413 calls and was activated on 941 missions, an increase of 169 over the previous year:

- The team performed 110 primary pre-hospital general anaesthetics and gave pre-hospital blood transfusions to 58 patients, in addition to enhanced-response critical care team interventions and senior clinical decision maker input.
- 42 secondary retrieval patients were intubated and ventilated by EMRS for transfer, with 90.5% being transported by air, of which 55.3% were by helicopter and 44.7% by fixed wing aircraft.
- Advice Calls with remote and rural clinicians meant that only those patients who needed specialist care were transferred outside their community. As a result, 472 patients were able to remain near their home location and receive ongoing safe medical care at their local hospital.

Neonatal Transfer and Retrieval Activity

During 2018/19 the Neonatal Transfer Service performed 1,287 patient transfers:

- 425 of these transfers were repatriations, allowing babies to be safely cared for at a unit closer to their families. Of those transfers, the regional teams each carried out the following:

West:	211 (49.6%)
East:	178 (41.9%)
North:	36 (8.5%)

- 94.8% of the transfers were by road with an average transfer duration of 3 hours 29 minutes.
- 326 transfers were intensive-care level transfers with 176 intubated, ventilated babies.
- 101 other babies were transferred on other advanced respiratory support.

Paediatric Transfer and Retrieval Activity

During 2018/19 the Paediatric Retrieval Team performed 311 patient transfers, visiting over 30 hospital sites across Scotland. Of those transfers, 209 were intensive care level and 67 were high dependency:

- 177 transfers were intubated, ventilated children.
- The average mission duration by road was 5 hours 42 minutes and by Air was 7 hours 35 minutes.
- 69.1% of transfers were by road, 22.8% by fixed wing aircraft and 7.72% by helicopter. One mission required the use of both helicopter and fixed wing resources.

4. Sustainability and environmental reporting

The Climate Change (Scotland) Act 2009 set outs measures adopted by the Scottish Government to reduce emissions in Scotland by at least 80% by 2050. In 2015, an Order was introduced requiring all designated Major Players (of which The Scottish Ambulance Service Board is one) to submit an annual report to the Sustainable Scotland Network detailing compliance with the climate change duties imposed by the Act. The information returned by the Board is compiled into a national analysis report, published annually and superseding the prior requirement for public bodies to publish individual sustainability reports.

Further information on the Scottish Government's approach can be found in the Climate Change Plan 2018-2032 while national reports can be found at the following resource:

https://sustainablescotlandnetwork.org/reports

5. Equality and diversity

Our five year strategic framework "Towards 2020: Taking Care to the Patient" describes how we plan to deliver our frontline service providing emergency, unscheduled and scheduled care 24/7. Our mission is to deliver the best ambulance services for every person, every time. Our goals to improve access to healthcare, evidence a shift in the balance of care by taking more care to the patient and improving outcomes for patients cannot be achieved without a firm commitment to continue to progress our equalities work now and in the future.

In 2017 Equality Outcomes for 2017 – 21 were developed and published. These closely align with our strategic direction and focus on patient facing services and initiatives planned to improve the experience of our workforce. The development of the equality outcomes provided the assurance that the Scottish Ambulance Service meets the equality and diversity needs of people with the nine protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) whether they are patients, members of the public, carers or staff.

In keeping with the Equality Act 2010 and the Equality Act (Specific Duties) (Scotland) Regulations 2012 we have also published an Equality Outcomes Progress Report 2017/19 and Mainstreaming Report 2019.

As at 1 April the Scottish Ambulance Service employed 5,125 staff and the profile of the workforce was 59 per cent men and 41 per cent women. The annual workforce equality monitoring report details the steps we are taking to improve the diversity of the workforce and encourage staff to disclose equality details to allow more complete reporting.

Other employee matters

The recognised principles of fairness, respect, equality, dignity and autonomy are firmly embedded in our organisational values. The Scottish Ambulance Service Equality, Diversity and Human Rights and Recruitment and Selection policies support these principles for staff ensuring there are fair and equitable processes in place and these apply to all who work with the Service. This is regardless of employment status and includes permanent and fixed term contracts, members of staff on zero hours contracts, those working on behalf of other agencies, those on secondment to Scottish Ambulance Service, volunteers and those on work experience.

Guidance for the recruitment and employment of staff with Diabetes and the managers' recruitment guide provide additional guidance for all managers recruiting and managing applicants and staff who have a disability.

The Scottish Ambulance Service works within the Disability Confident Standard and recognises best practice in employing, retaining and developing disabled staff. Applicants who have a disability are supported through the job interview guarantee initiative. Applicants who wish to be covered under this initiative are interviewed if they meet the minimum criteria for the post. Adjustments are made in accordance with individual needs to ensure applicants are able to fully participate in the recruitment process. Reasonable adjustments are put in place for those staff who become disabled during the course of their employment and these are supported by the Attendance Management policy which aims to remove any barriers to access and participation and promote equality of opportunity.

Human Resources polices are developed in partnership with staff side colleagues and staff have the opportunity to contribute to this process through the National Partnership Forum.

The Scottish Ambulance Service is committed to providing a work environment free from bullying and harassment and the Promoting Dignity at Work policy supports and encourages a culture where unlawful or unfair discriminatory treatment is not tolerated. The Whistleblowing Policy and confidential alert line are promoted widely in order that staff can raise serious matters of concern including those relating to danger, professional misconduct or financial malpractice that might affect patients, colleagues or Service users.

The Scottish Ambulance Service is committed to complying with the duties under health and safety legislation in order to ensure, the health, safety and wellbeing of staff. The health, safety and wellbeing group support this work providing a service wide framework of policies, guides and advice.

It is recognised that staff play a vital role in achieving the vision of the Strategy 'Taking Care to the Patient' and the Wellbeing Implementation Plan sets out how the Service will ensure the health, safety and wellbeing of staff which ultimately has an impact on the experience of users of our service. Plans are being developed for each area of the business to work towards the Healthy Working Lives gold award.

The iMatter staff experience tool has been implemented across the Service providing an opportunity for staff to have their say and allowing the organisation to better understand and improve staff experience through work at team level.

6. Social, community and human rights

The challenge for the Scottish Ambulance Service is to translate the legislative requirements into an approach to mainstreaming equality and human rights into health policy and practice, which aims in turn to tackle health inequalities and improve health outcomes. The work of the Scottish Ambulance Service is explicitly aligned with existing NHS and Scottish Government policy priorities, linking this to national evidence where possible, and integrating into current performance management systems where relevant.

In accordance with the Equality Act 2010 and regulations, the Scottish Ambulance Service promotes equality and celebrates the diversity of the population that it serves. The development of equality outcomes provides assurance that the Scottish Ambulance Service meets the equality and diversity needs of people with the nine relevant protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) whether they are patients, members of the public, carers or staff.

The Scottish Ambulance Service Equality Impact Assessment guidance ensures that the impact of equality and health inequalities is embedded and integrated into the decisions and actions of the Board. The recognised principles of fairness, respect, equality, dignity and autonomy are firmly included in our organisational values. These are considered in our work specifically around service redesign to meet the 2020 Workforce Vision, developing ways patients can provide feedback, training and education programmes, staff appraisal, stakeholder engagement and involvement with patient groups as well as our work on equality and diversity.

Human rights principles are also incorporated, although not explicitly, in the development of employment policies, partnership working, working with vulnerable adults and children and developing person-centred care for our patients; including the way we communicate and gain consent to treatment.

I confirm that this Performance Report is an accurate summary of the information reported therein.

Signed:
Date: 26 June 2019

Mrs Pauline Howie OBE
Chief Executive

Accountability Report

Corporate Governance Report Directors' Report

1. Accounting convention

The Annual Accounts and Notes have been prepared under the historical cost convention as modified to reflect changes in the value of fixed assets and in accordance with the 2018/19 FReM. The Accounts have been prepared under a direction issued by Scottish Ministers, which is appended to the accounts.

The statement of the accounting policies, which are in line with the International Financial Reporting Standards (IFRS) and have been adopted, are shown at Note 1.

2. Naming convention

Scottish Ambulance Service is the common name for the Scottish Ambulance Service Board.

3. Principal activities and review of the business and future developments

The information that fulfils the requirements of the business review, principal activities and future developments can be found in the Performance Report, which is incorporated in this report by reference.

4. Date of issue

The Accountable Officer authorised these financial statements for issue on 26 June 2019.

5. Appointment of auditor

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. The Auditor General has appointed Grant Thornton UK LLP to undertake the audit of the Scottish Ambulance Service. The general duties of the auditors of health bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

6. Corporate governance

The Board meets regularly during the year to progress the business of the Scottish Ambulance Service Board. This includes: reviewing of performance against the key targets for the organisation; considering the key strategies and policies the organisation wishes to develop; and seeking assurance that principal decisions are governed and implemented, as planned. In order to support the work of the Board and to provide a framework of assurance, the following governance committees report to the Board:

- Clinical Governance;
- Audit;
- Staff Governance; and
- Remuneration.

Clinical Governance Committee

The Clinical Governance Committee of the Board has two key roles:

- Systems assurance – to ensure that clinical governance mechanisms are in place and operate effectively throughout the Scottish Ambulance Service System; and
- Public health governance – to ensure that the principles and standards of clinical governance are applied to the health improvement activities of the NHS Board.

The Clinical Governance Committee comprised four Non-Executive Directors: Mr Martin Togneri (Chair), Ms Neelam Bakshi, Dr Francis Tierney, Irene Oldfather and the Board Chair, Mr David Garbutt (ex officio member to 31 May 2018) and Tom Steele (ex officio member from 01 June 2018). Ms Irene Oldfather joined the Committee in May 2018. The Committee meets at least four times per year to monitor standards of care and measure the effectiveness of pre-hospital treatment. The Committee met 4 times in 2018/19 and all meetings were quorate.

Audit Committee

The Audit Committee comprised four Non-Executive Directors: Mr Edward Frizzell (Chair), Ms Esther Roberton (to 30 June 2018), Councillor Cecil Meiklejohn and Ms Irene Oldfather. Ms Madeline Smith joined the Committee in July 2018. The Committee meets four times per year to consider

the various reports from both internal and external auditors to assess the risks and internal controls in the Scottish Ambulance Service. The Committee met 4 times in 2018/19 and all meetings were quorate.

Staff Governance Committee

The Staff Governance Committee comprised four Non-Executive Directors: Ms Neelam Bakshi (Chair), Mr John Riggins (Employee Director), Ms Esther Roberton (to 30 June 2018), Mr Martin Togneri and Madeline Smith (from 01 July 2018), together with the Board Chair Mr David Garbutt (ex officio member to 31 May 2018) and Tom Steele (ex officio member from 01 June 2018) and three lay officials (in an ex officio capacity). The Committee meets four times per year to ensure effective monitoring of staff governance within the organisation. The Committee met 4 times in 2018/19 and all meetings were quorate.

Remuneration Committee

The Remuneration Committee comprised the Board Chair, Mr David Garbutt (to 31 May 2018) - Tom Steele (from 01 June 2018), and four Non-Executive Directors: Dr Francis Tierney (Chair); Mr Edward Frizzell; Councillor Cecil Meiklejohn; and Mr John Riggins (Employee Director). The Committee meets at least twice per year to consider the evaluation of performance and pay awards for Executive Directors. It has an important role in ensuring consistency of policy and equity of treatment of staff across the local NHS system, including remuneration issues, where they are not already covered by existing arrangements at national level. The Committee met 3 times in 2018/19 and all meetings were quorate.

7. Board membership

Under the terms of the Scottish Health Plan, the Scottish Ambulance Service Board ("the Board") is a Board of governance whose membership will be conditioned by the functions of the Board. Members of Health Boards are selected on the basis of their position or the particular expertise which enables them to contribute to the decision making process at a strategic level.

The Board has collective responsibility for the performance of the Scottish Ambulance Service as a whole, and reflects the partnership approach, which is essential to improving health and health care.

The Scottish Ambulance Service Board comprised the following up to the date of signing the accounts:

David Garbutt QPM	Chair (to 31 May 2018)
Tom Steele	Chair (from 1 June 2018)
Pauline Howie OBE	Chief Executive
Neelam Bakshi	Non-Executive Director
Edward Frizzell CB	Non-Executive Director
Cecil Meiklejohn	Non-Executive Director
Irene Oldfather	Non-Executive Director (from 1 April 2018)
Esther Roberton	Non-Executive Director (to 30 June 2018)
Madeline Smith	Non-Executive Director (from 1 July 2018)
Dr Francis Tierney	Non-Executive Director
Martin Togneri	Non-Executive Director
John Riggins	Employee Director
Gerry O'Brien	Director of Finance & Logistics (on secondment from 1 January to 31 October 2018)
Julie Carter	Interim Director of Finance & Logistics (interim from 1 January 2018 to 30 May 2019)
Dr Jim Ward	Medical Director

New Appointments

The Chair, David Garbutt, left the Board on 31 May 2018. With effect from 1 June 2018 Tom Steele was appointed as Chair. Ms Irene Oldfather joined the Board on 1 April 2018 and Ms Madeline Smith joined the Board on 1 July 2018. Gerry O'Brien, Director of Finance and Logistics left the Board on 31 October 2018. Julie Carter was appointed as Interim Director of Finance and Logistics with effect from 1 January 2018 and appointed as Director of Finance and Logistics from 1 June 2019.

The Board members' responsibilities in relation to the accounts are set out in a statement following this report.

Board members' and senior managers' interests

The following interests have been declared by Board members and senior managers:

Board Member	Directorships	Ownerships
Tom Steele (appointed 1 June 2018)	• Board Member Scottish Ambulance Service • Non-Executive Director NHS Lanarkshire to 30 June 2018 • Non-Executive Director South Lanarkshire Integrated Joint Board to 30 June 2018	None
David Garbutt (to 31 May 2018)	• Board Member Scottish Ambulance Service to 31 May 2018 • Chartered fellow of the Chartered Institute of Personnel and Development • Fellow Scottish Police College • Visiting Fellow Australian Institute of Police Management • Chair NHS NES from 1 April 2018	Self Employed Consultant
Pauline Howie	• Board Member Scottish Ambulance Service • Honorary Air Commodore of 612 (County of Aberdeen) Royal Auxiliary Air Force Squadron • Non-Executive Director, SACRO to January 2019	None
Neelam Bakshi	• Board Member Scottish Ambulance Service • Lay Member Employment Tribunals Scotland, Reserve Forces Tribunal • Public Appointments Advisor, Commissioner for Ethical Standards • Board member, Judicial Appointments Scotland • Disability Qualified Member, 1st Tier Social Entitlement Chamber	NB Associates Owner
Edward Frizzell	• Board Member Scottish Ambulance Service • Abertay University Court – Chair (to November 2018) • President – Trefoil House • Chair – Edinburgh Sculpture Workshop (from October 2018)	None
Councillor Cecil Meiklejohn	• Board Member Scottish Ambulance Service • Member of the Scottish National Party • Elected member Falkirk Council	None
John Riggins	• Board Member Scottish Ambulance Service	None
Esther Roberton	• Board Member Scottish Ambulance Service to 30 June 2018 • Chair of NHS 24 • Chair of Independent Review of the Regulation of Legal Services in Scotland	None
Francis Tierney	• Board Member Scottish Ambulance Service • GP Locum • GP Appraiser • Member of Children's Panel • Member of British Medical Association and Medical Defence Union • Fellow of the Royal College of General Practitioners	None
Martin Togneri	• Board Member Scottish Ambulance Service • Trustee, Scotland's Charity Air Ambulance • Non-Executive Director, NHS24 • Member of the Scottish National Party	None

Board Member	Directorships	Ownerships
Irene Oldfather	• Board Member Scottish Ambulance Service • Director, Health and Social Care Alliance • Committee member Scottish Health Council • Member, European and Social Committee	None
Madeline Smith	• Board Member Scottish Ambulance Service • Non-Executive Director, NHS 24 • Head of Strategy – Innovation School, The Glasgow School of Art • Board of Directors for The Competitiveness Institute	Owner/Director, Smith-Kelvin, Strategy and Evaluation Consultancy
Gerry O'Brien (on secondment from 1 January 2018 to 31 October 2018)	• Acting Chief Executive of NHS Orkney Health Board (from 1 January 2018) • Board Member Scottish Ambulance Service (to 31 October 2018) • Member, Healthcare Financial Management Association, Accounting Standards Committee	None
Julie Carter (interim from 1 January 2018)	• Director of Finance, Golden Jubilee National Hospital • Executive Director/Board Member Scottish Ambulance Service (from 1 June 2019)	None
Dr Jim Ward	• Executive Director/Board Member Scottish Ambulance Service • Sessional GP, Greater Glasgow and Clyde Out of Hours service • Member British Medical Association • Fellow of Royal College of General Practitioners • Member of the Medical and Dental Defence Union Scotland	None

Senior Managers	Directorships	Ownerships
Pat O'Connor (to 31 October 2018)	• Executive Director, Scottish Ambulance Service to 31 October 2018 • Director Quality Improvement Discovery Consultancy • Editorial Board Member – Clinical Risk Journal; • Honorary Professor, University of Dundee Business School	None
Claire Pearce (from 12 November 2018)	• Executive Director, Scottish Ambulance Service • NMC Registrant	None
Director of HR & OD consent to disclose name withheld	• Executive Director, Scottish Ambulance Service • Chartered Fellow of Chartered Institute of Personnel and Development	None

8. Statement of board members' responsibilities in respect of the accounts

Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the Health Board as at 31 March 2019 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

- apply on a consistent basis the accounting policies and standards approved for NHS Scotland by Scottish Ministers;
- make judgements and estimates that are reasonable and prudent;
- state where applicable accounting standards as set out in the Financial Reporting Manual, have not been followed where the effect of the departure is material; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Board will continue to operate.

The Health Board members are responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Board and enable them to ensure that the accounts comply with the National Health Service (Scotland) Act 1978 and the requirements of the Scottish Ministers. They are also responsible for safeguarding the assets of the Board and hence taking reasonable steps for the prevention of fraud and other irregularities.

The NHS Board members confirm they have discharged the above responsibilities during the financial year and in preparing the accounts.

9. Public Services Reform (Scotland) Act 2010

The Public Services Reform (Scotland) Act came into being in October 2010. In Sections 31 and 32 it placed a duty on all public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year. These items include:

- Overseas Travel;
- Public Relations;
- Hospitality and Entertainment; and
- External Consultancy.

In order to comply with this Act, the Scottish Ambulance Service places on its external website the information relating to the expenditure incurred under these headings since 1 April 2011.

In addition, public bodies are required to publish cash payments made to external parties that exceed £25,000 on a monthly basis, as soon as the monthly accounts are available. A list of these payments is also placed on our External Website. The following link will take readers to the relevant information:

http://www.scottishambulance.com/TheService/act.aspx

Payments made to staff that exceed £100k per annum should also be disclosed. This information is contained in the remuneration report. No other members of staff currently earn more than £100k per annum.

10. Remuneration for non-audit work

Grant Thornton UK LLP, the Scottish Ambulance Service's current External Auditor, have undertaken no non-audit related work during 2018/19.

11. Related party transactions

Details of any interests of Board members, senior managers and other senior staff in contracts or potential contractors with the Health Board as required by IAS 24 are disclosed in Note 19.

12. Personal data related incidents reported to the information commissioner

There have been no incidents that have required to be reported to the Information Commissioner during the year.

13. Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Board's auditor is unaware; and each director has taken all the steps that he/she ought reasonably to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

14. Events after the end of the reporting period

There have been no significant events after the end of the financial year that would materially impact on the information contained within the accounts.

15. Financial instruments

Information in respect of the financial risk management objectives and policies of the Board and the exposure of the Scottish Ambulance Service to price risk, credit risk, liquidity risk and cash flow risk is disclosed in Note 18.

The Accounting Officer (Chief Executive) of the Scottish Ambulance Service has authorised these financial statements for issue on the 26 June 2019.

Corporate Governance Report Statement Of The Chief Executive's Responsibilities As The Acountable Officer Of The Health Board

Under Section 15 of the Public Finance and Accountability (Scotland) Act, 2000, The Principal Accountable Officer (PAO) of the Scottish Government has appointed me as Accountable Officer of the Scottish Ambulance Service Board.

This designation carries with it responsibility for:

- the propriety and regularity of financial transactions under my control;
- the economical, efficient and effective use of resources placed at the Board's disposal; and
- safeguarding the assets of the Board.

In preparing the Accounts, I am required to comply with the requirements of the Government's Financial Reporting Manual and in particular to:

- observe the accounts direction issued by Scottish Ministers including the relevant accounting disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government's Financial Reporting Manual have been followed and disclose and explain any material departures; and
- prepare the accounts on a going concern basis.

I confirm that the annual report and accounts as a whole are fair, balanced and reasonable.

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as Accountable Officer as intimated in the Departmental Accountable Officers letters to me of 24 June 2008 and 5 November 2009.

Corporate Governance Report Governance Statement

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with the organisation's policies and promotes achievement of the Scottish Ambulance Service's aims and objectives, including those set by Scottish Ministers. Also, I am responsible for safeguarding the public funds and assets assigned to the organisation.

Purpose of Internal Control

The system of internal control is based on an ongoing process designed to identify, prioritise and manage the principal risks facing the organisation. The system aims to evaluate the nature and extent of risks, and manage risks efficiently, effectively and economically.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's aims and objectives. As such, it can only provide reasonable and not absolute assurance.

The process within the organisation accords with guidance from Scottish Ministers in the Scottish Public Finance Manual (SPFM) and supplementary NHS guidance, and has been in place for the year up to the date of approval of the annual report and accounts.

The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy, and promotes good practice and high standards of propriety.

In terms of enabling me to discharge my responsibilities as Accountable Officer, the following governance arrangements and processes have been in place throughout the financial year:

- A Board which meets regularly to discharge its governance responsibilities, set the strategic direction for the organisation and approve decisions in line with the Scheme of Delegation. The Board comprises the senior management of the organisation and Non-Executive members. The Board activity is open to public scrutiny with minutes of meetings publicly available;
- The Board receives regular reports on Healthcare Associated Infection and reducing infection as well as ensuring that health and safety, cleanliness and good clinical practice are high priorities for the Scottish Ambulance Service;
- Scheme of Delegation, Standing Orders and Standing Financial Instructions approved by the Board and subject to regular review to assess whether they are relevant and fully reflective of both best practice and mandatory requirements;
- Implementation of organisation wide risk management arrangements in line with the Board's Risk Management Policy;
- Documentation of the remits of the Board and its committees as well as ensuring scrutiny of activities;
- Consideration by the Board of regular reports from the chairs of the staff governance, clinical governance, and audit committees concerning any significant matters on governance, risk and internal controls. In addition, the Board receives regular updates from the 2020 Steering Group;
- A strong focus on best value and commitment to ensuring that resources are used efficiently, effectively and economically taking into consideration equal opportunities and sustainable development requirements. Updates on the Service's Best Value Programme are provided to the Executive Team on a weekly basis and the Audit Committee on a quarterly basis;
- Regular review of performance against key national targets;
- Clear allocation of responsibilities for ensuring that we continue to review and develop our organisational arrangements and services in line with national standards and guidance;
- Allocation of responsibilities for the implementation of improvement actions to lead directors and sector management across our clinical and non-clinical activities;
- Consultation on service change proposals is undertaken with stakeholders and used to inform decision making;
- A patient feedback service and how the service is performing;
- Policies to protect employees who raise concerns in relation to suspected wrongdoing such as clinical malpractice, fraud and health and safety breaches.

Governance Framework

The Scottish Ambulance Service has set out its vision of how the service will be delivered in the future through its Strategy '*Towards 2020: Taking Care to the Patient*' and has consulted widely with stakeholders including the public, other Health Boards and the Scottish Government both in the preparation of this document and also in the progress made with the strategy.

The Audit Committee has governance oversight of system of risk management system, and that committee receives a report on risk management at every meeting. Other committees have responsibility for oversight of specific categories of risk which relate to their remit. The work of all committees includes oversight of compliance with the law and regulatory activity which is relevant to their remits.

The Scottish Ambulance Service Board is supported in its governance responsibilities by the following committees:

Committee	Responsibilities
Staff Governance	The Staff Governance Committee comprised four Non-Executive Directors: Ms Neelam Bakshi (Chair), Mr John Riggins (Employee Director), Ms Esther Roberton (to 30 June 2018), Madeline Smith (from 01 July 2018) and Mr Martin Togneri, together with the Board Chair Mr David Garbutt (*ex officio* member to 31 May 2018) and Tom Steele (*ex officio* member from 01 June 2018) and three lay officials (in an ex officio capacity). The Committee meets four times per year to ensure effective monitoring of staff governance within the organisation. The Committee met 4 times in 2018/19 and all meetings were quorate.
Audit	The Audit Committee comprised four Non-Executive Directors: Mr Edward Frizzell (Chair), Ms Esther Roberton (to 30 June 2018), Councillor Cecil Meiklejohn and Ms Irene Oldfather. Ms Madeline Smith joined the Committee in July 2018. The main objective of the Audit Committee is to support the Accountable Officer and the Board in meeting their assurance needs. The Committee meets four times per year to review Standing Financial Instructions, Estates Policy, Procurement, Fraud and Risk matters, consider the various reports from both internal and external auditors to assess the risks and internal controls in the Scottish Ambulance Service, and supported by Internal Audit, has oversight of Internal Controls operating within the organisation. The Committee met 4 times in 2018/19 and all meetings were quorate. The Committee reviewed and updated its terms of reference in line with the updated Audit and Assurance Committee Handbook.
Clinical Governance	The Clinical Governance Committee of the Board has two key roles: • Systems assurance – to ensure that clinical governance mechanisms are in place and operate effectively throughout the Scottish Ambulance Service System; and • Public health governance – to ensure that the principles and standards of clinical governance are applied to the health improvement activities of the NHS Board. The Clinical Governance Committee comprised four Non-Executive Directors: Mr Martin Togneri (Chair), Ms Neelam Bakshi, Dr Francis Tierney, Irene Oldfather and the Board Chair, Mr David Garbutt (*ex officio* member to 31 May 2018) and Tom Steele (*ex officio* member from 01 June 2018). Ms Irene Oldfather joined the Committee in May 2018. The Committee meets at least four times per year to monitor standards of care and measure the effectiveness of pre-hospital treatment. The Committee met 4 times in 2018/19 and all meetings were quorate.

Committee	Responsibilities
Remuneration	The Remuneration Committee comprised the Board Chair, Mr David Garbutt (to 31 May 2018) - Tom Steele (from 01 June 2018), and four Non-Executive Directors: Dr Francis Tierney (Chair); Mr Edward Frizzell; Councillor Cecil Meiklejohn; and Mr John Riggins (Employee Director). The Committee meets at least twice per year to consider the evaluation of performance and pay awards for Executive Directors. It has an important role in ensuring consistency of policy and equity of treatment of staff across the local NHS system, including remuneration issues, where they are not already covered by existing arrangements at national level. The Committee met 3 times in 2018/19 and all meetings were quorate.
Information Governance	The Information Governance Group, which reports to the Audit Committee, is chaired by the Director of Care Quality & Strategic Development with the main objective of the Committee to ensure a framework is in place to bring together all of the requirements, standards and best practice that apply to the handling of information.

The Board also examines its own effectiveness in line with current best practice, approves the scheme of delegation and ensures compliance with current legislation. The Board through defining the roles and responsibilities of members sets out clear areas of responsibility and levels of delegated authority.

The Board in conjunction with the Scottish Government Health and Social Care Directorates sets a series of performance measures that enables the Board to report to the public on the quality of services provided and how year on year these are improving.

The Board has a whistle blowing policy and makes it clear that staff will be supported when they raise areas of concern in respect of patient safety and quality of service. The Scottish Government have a whistle blowing help line in place to assist NHS Scotland staff in raising appropriate concerns.

Each of the Executives and Non-Executives as Board members have key objectives to deliver each year and they are formally appraised, in the case of the Executives, by the Chief Executive and the Non – Executives by the Chair. The Chief Executive is appraised by the Chair also. From these appraisals, Personal Development Plans are prepared and acted upon. The Board development sessions provide an opportunity for the Board to develop as a collective.

Various channels of communication exist to enable effective communication with stakeholders. These vary from the Chief Executive's Bulletin to internal stakeholders, to one to one meetings with key stakeholders at Scottish Government.

The Board has endeavoured to ensure compliance with the SPFM and is assured that it is in compliance with all relevant areas of this code that impact on Scottish NHS public bodies. In addition, the Board is aware of its responsibilities in respect of the Bribery Act 2010.

During the year, the Board assessed its own performance by completing the Board Diagnostic Self-Assessment toolkit and agreed its action plan in April 2018. In February 2019, the Board completed the Good Governance Blueprint Self-Assessment and Board workshops were held in March and April to produce an agreed governance action plan over implementation of the Blueprint. This self-assessment action plan can be accessed at http://www.scottishambulance.com/TheService/PapersView.aspx?ID=1441 and progress of these actions will be monitored by the Board at each meeting.

The Audit Committee completed a self-assessment in April 2018 by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs, and reviewing the reliability and integrity of these assurances.

Throughout 2018/19 the Board has continued to develop its system of corporate governance, which has included:

- The Board's membership has been refreshed, with new members replacing those who have left;
- The Board has revised the terms of reference of its Governance Committees and sub Committees; and
- The Board has revised its Standing Financial Instructions, and reviewed its Standing Orders (with a revised version to be approved in June/July 2019).

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the adequacy and effectiveness of the system of internal control. My review is informed by:

- the executive and senior managers who are responsible for developing implementing and maintaining internal controls across their areas;

- the work of the internal auditors, who submit to the organisation's Audit Committee regular reports which include their independent and objective opinion on the effectiveness of risk management, control and governance processes, together with recommendations for improvement;
- comments made by the external auditors in their management letters and other reports;
- establishment of key performance and risk indicators, including the requirement for all projects to be managed according to PRINCEII project management methodology;
- maintenance of an organisation-wide risk register formally reviewed by the Board annually and the Risk Management Steering Group meets at the Senior Management Team meetings three times per annum;
- the operation of a comprehensive performance appraisal system for all staff with personal objectives and development plans designed to support the Board in the attainment of the corporate objectives set out in the Health Plan and Delivery Plan. In addition, Personal Development Plans for all staff are being developed in line with the NHS Agenda for Change Knowledge and Skills Framework;
- an efficient government programme which aims to achieve cash releasing savings and productivity improvements (e.g. overtime management); and
- the operation of a continuous improvement strategy.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, Clinical Governance Committee, Staff Governance Committee and Information Governance Group. Appropriate action is in place to address weaknesses identified and to ensure the continuous improvement of the system.

Best Value

In accordance with the principles of Best Value, the Board aims to foster a culture of continuous improvement. As part of this, Directors and Managers are encouraged to review, identify and improve the efficient and effective use of resources. I can confirm that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual.

Risk Assessment

All NHS Scotland bodies are subject to the requirements of the Scottish Public Finance Manual (SPFM) and must operate a Risk Management Strategy in accordance with relevant guidance issued by Scottish Ministers. The general principles for a successful Risk Management Strategy are set out in the SPFM.

The Board's Risk Management Strategy for 2016 – 2020 was approved by the Board in March 2016, reviewed in 2017 and subsequently approved by the SAS Board in November 2017. The Scottish Ambulance Service aims to control, eliminate or reduce significant risk to an acceptable level by creating a culture founded upon assessment and prevention rather than reaction and remedy.

The Service has adopted the principles and guidelines set out in BS ISO 31000:2009 International Standards for Risk Management which superseded the Australia / New Zealand (AUS/NZ) Risk Management Standards 4360:2004. These are commonly used in NHS Scotland.

The Scottish Ambulance Service aims to control, eliminate or reduce significant risk to an acceptable level by creating a culture founded upon assessment and prevention rather than reaction and remedy. Effective management of risk will:

- Help to ensure the safety of patients, staff and the public;
- Protect the services and finances of the Scottish Ambulance Service;
- Enhance the reputation and public image of the Service; and
- Improve ongoing delivery of emergency and patient care transport services.

An acceptable level of risk is defined as a level in keeping with national strategy and relevant guidelines and compliance with national standards, guidelines and legislation. Processes will be in place to reduce very high risks to an acceptable level.

Risk Management Principles

- The Service will positively support all staff to take personal responsibility for their own learning for risk management;
- The Service will create an environment which encourages and supports staff to report adverse / near miss events, including their own human errors, so that learning and improvement can take place;
- The Service will promote a fair and just culture;
- The Service will make non-threatening arrangements for the open discussion of events with the sole purpose of identifying what can be done to prevent it happening again;

- The Service will make suitable and inclusive arrangements to ensure that our learning is used to improve procedures and processes and share the lessons learned;
- All staff have a personal responsibility to perform their duties properly and in accordance with any procedures, rules or instructions provided;
- Consideration of risk should not inhibit innovation; and
- The Service will endeavour to understand the risks faced and be aware of the cost of risk to the Organisation.

A Board risk workshop, facilitated by our new internal auditors, KPMG took place in February 2019 to identify a risk appetite for the Service. Further workshops took place in March and April to progress this work and also review our current corporate risk register and identify emerging risks for the coming year. The key risks identified are prioritised through a risk matrix scoring methodology that examines likelihood and impact. Thereafter, the key risks have controls and mitigating actions developed which allow the organisation to manage these risks. The risks are reviewed on a bi-monthly basis as part of the Services 2020 Steering Group which includes the Executive Team and a cross section of senior managers, they review the current risks, monitor action taken/to be taken and discuss if there are any risks requiring escalation. The Board approve the corporate risk register at each meeting with the risk appetite statements due for approval at the Board meeting in May 2019.

The risk management governance group formally reports to the Audit Committee. The Audit Committee receive a quarterly update from the group which includes an update on the risk management work plan. The Audit Committee also receive updates on the corporate risk register. Internal Audit utilise the corporate level register to develop their work plan for the forthcoming year and the plan for 2019-2020 is to also utilise the risk appetite statements. This process ensures that Internal Audit is focused on areas of greatest risk to the organisation.

More generally, the organisation is committed to continuous development and improvement: developing systems in response to any relevant reviews and developments in best practice. In particular, during the year to 31 March and up to the signing of the accounts, the organisation has put in place the following:

- We carried out a benchmarking exercise of our Risk Management arrangements with other NHS Boards and UK Ambulance Services to inform review of our Strategy beyond 2020;
- We reviewed our Adverse Event Framework and developed an Adverse Event and Duty of Candour Policy. This was approved through the staff and clinical governance structures;
- Implemented the complaints module on Datix;
- We implemented Duty of Candour which builds on the Service's approach to being open with patients and families;
- SAS engaged with Healthcare Improvement Scotland on the management of adverse events;
- Risk management governance group met 2 times throughout the year;
- Quarterly Clinical Governance Risk Management and Patient Safety reports have been presented to the Clinical Governance Committee and Audit Committee;
- A regular programme of facilitated workshops to identify and keep up to date the record of risks facing the organisation;
- Managers and staff have been trained to use the Service's risk management system - Datix for the management of adverse events and risks. This was a combination of 1-1 and e-learning training;
- Risk Management, Resilience and Business Continuity training course delivered to managers across the Service.

Corporate Risk Register

Risk Description	Current Controls	Risk Ranking
There is risk of significant service disruption and damaged reputation because of malicious intrusion into SAS data system or a significant data breach resulting in the loss of systems or data.	**Actions to mitigate the risk** An internal audit was carried out in relation to Cyber Resilience during 2017 – The resulting actions are being progressed and are monitored by the Audit Committee. Cyber resilience awareness sessions have been carried out e.g. input to Senior Leadership Team, SAS Board, Resilience Committee and Information Governance Committee. Cyber Security Risk Register created. Director of Finance & Logistics has been designated Executive Lead for Cyber Resilience. Resilience Committee confirmed as providing overall governance for Cyber Resilience matters. The Service has been identified as a cyber catalyst. Anti-ransomware software deployed. Engagement with SG regarding EU Network and Information Security (NIS) directive obligations. Cyber Essentials accreditation achieved by October 2018 - target set by Scottish Government. Revised ICT Security Policy has been created. Firewall management / review process has been created and implemented.	High
There is risk that pandemic influenza may place exceptional pressures on our system, resulting in service disruption and non-compliance with our duties under the Civil Contingencies Act.	**Actions to mitigate the risk** Pandemic Outbreak Plan in place which includes the measures taken to protect the Health and Wellbeing of our staff.	High
There is a risk of SAS failing to deliver safe and effective services because of the lack of workforce availability due to high sickness levels or increasingly marketable staff moving on resulting in potential patient harm.	**Actions to mitigate absence levels** Managing attendance policy in place. Global Rostering System in place as support and enabler. Toolkits in place to support stage 2 conversations – supported by the HR Service. Root Cause analysis has taken place to understand the top 3 reasons for absence. Rapid access to physio for muscular skeletal problems. Wellbeing implementation plan. **Actions to mitigate marketable staff turnover** Advanced practice group has been established to ensure all elements of support to deliver effective advanced practice paramedicine including clinical education and staff governance components are aligned to provide effective support for career development leading to high level experience. **Actions to monitor absence levels** Weekly reporting and discussion at Exec Team on absence levels. 6 monthly update to Staff Governance Committee on absence action plan. Regular local team meetings in place to discuss absence levels. **Actions to monitor marketable staff turnover** Workforce Development Programme in place - reported through 2020 Steering Group.	High

There is a risk of SAS failing to deliver safe and effective services as the Health and Social Care Delivery plan is implemented, including remote and rural areas resulting in potential patient harm.	**Actions to mitigate the risk** Clinical Decision Making Framework has now been published within the organisation which is designed to support staff to make the correct decisions for patient pathways and safety netting. Stroke bundle rolled out in all divisions, focussing on clinical care rather than time based targets. Tests of change re appropriate clinical deployment of specialists being designed and delivered April 2017. Specialist program has emerged from SAS' Practitioner model work, which was largely developed in remote and rural settings. Robust Governance arrangements in place within the organisation and clear prioritisation of the local delivery plan process. General Managers engaged throughout the process. **Actions to monitor the risk** Clinical Services Transformation Group will monitor progress and report through the 2020 Steering Group.	High
There is a risk that SAS does not get the necessary funding in future years, resulting in the failure to deliver the strategy or to resource existing commitments.	**Actions to mitigate the risk** Service prioritises key areas of impact through its Corporate Governance structures.	High
There is a risk that SAS does not achieve financial balance in 18-19.	**Actions to mitigate the risk** Service prioritises key areas of impact through its Corporate Governance structures.	High
There is a risk that SAS is unable to engage staff in changes in working practices and effect cultural change resulting in delays in service delivery, poor decision making, patient harm and a negative impact on staff morale.	**Actions to monitor the risk** Strategic workforce engagement and cultural issues considered through the Workforce Development Steering Group, the Working Practices Steering Group and the National Partnership Forum. Workforce Development Steering Group with a Healthy Organisational Culture workstream reviewing change initiatives in terms of engagement. Patient Safety Walk rounds feedback and iMatter reporting/leads feedback. iMatter Single Cohort approach completed May 2018, and results 64% participation and EEI of 67, local action plans developed with 86% completion achieved. **Actions to mitigate the risk** Local engagement initiatives are being progressed through local partnership forums and through implementation of the iMatter programme. Lessons learned from effective staff engagement e.g.CRM are being built in to 2020 Communication & Engagement approach. Refreshed Organisational Development Plan approved.	High

SAS does not have the right people, in the right roles, with the right skills because our workforce planning expectations are not met resulting in the organisation failing to achieve its operational and strategic objectives.	**Actions to mitigate the risk** Workforce Plans at both a local and organisational level developed to allow SAS to assess its workforce needs. Workforce Development Steering group is overseeing the programme of work aimed at ensuring our plans and delivery mechanisms are in place and supporting the workforce strategy. Workforce Plans are reviewed and updated annually. **Actions to mitigate the risk** Career Framework is in place with an education model developed to support staff to progress. The launch of a full time paramedic degree programme in September 2017 via GCU means a new route for qualified staff will be available in future. Improvements are being made to the recruitment and selection process through a quality improvement initiative to support higher volumes of recruitment. Promoting and communicating recruitment options with SAS by now advertising roles using MyJobScotland.	High
There is a risk that public and our partners do not support SAS' new models of care and clinical pathways because of sub optimal engagement which results in patient harm and the Service not realising its potential contribution.	**Actions to mitigate the risk** Communication and Engagement Strategy for our stakeholders is complete. Senior Managers are actively engaged with integrated Joint Board (IJBs) Partners, NHS Boards, Regional Delivery Groups and Scottish Government.	High
There is a risk that we are unable to match projected demand with required capacity and productivity resulting in lengthened response times to lower acuity calls.	**Actions to mitigate the risk** Workforce Plans at both a local and Organisational level developed to allow SAS to assess its workforce needs. Workforce Development Steering group is overseeing the programme of work aimed at ensuring our plans and delivery mechanisms are in place and supporting the workforce strategy. Workforce Plans are reviewed and updated annually. In acknowledgement of the complex interdependency of mitigating clinical risk and managing demand where there are numerous abstracting factors.	High
There is a risk that the New Clinical Response Model (NCRM) is not introduced as business as usual because the Scottish Government will ask SAS to revert back to the old working model due to a lack of perceived benefits being realised resulting in patient harm.	**Actions to mitigate the risk** Internal NCRM report and external Stirling evaluation report submitted to Scottish Government for comment ahead of publication - endorsed by Clinical Advisory Group and Clinical Governance Committee.	Medium
There is a risk of sub-optimal front line leadership and management because of inconsistency within regions and variation in implementation of the Delivering Frontline Leadership and Management (DFLM) programme.	**Actions to mitigate the risk** DFLM activity monitored by the Workforce Development Steering Group. Senior Operational leads have been identified to lead the DFLM delivery plan. Review of leadership learning needs analysis to inform future leadership development framework. New business and logistics support arrangements are in place at Regional level.	Medium

There is a risk that the Executive Team and Organisational construct is sub-optimal and unsustainable resulting in reduced quality to deliver Organisational Objectives.	**Actions to mitigate the risk** Executive team development facilitation has been agreed and commenced November 2018.	Medium
There is a risk of sub-optimal delivery of business as usual, developmental and programme workstreams because of the lack of organisational capacity and misaligned skill mix to deliver the objectives.	**Actions to mitigate the risk** Reviewed and monitored at 2020 programme Boards and Steering Group.	Medium

Disclosures

During the financial year, no significant control weaknesses or issues have arisen and no significant failures have arisen in the expected standards for good governance, risk management and control.

Remuneration And Staff Report Remuneration Report

Board members' and senior managers' remuneration

Information disclosed in this report relates to the remuneration of Board members and senior managers who directly report to the Chief Executive.

Board members and senior managers are remunerated in accordance with approved national pay rates. All posts at this level are subject to job evaluation arrangements and pay scales applied to reflect the outcome of these processes. All extant policy guidance issued by SGHSCD has been appropriately applied and agreed by the Remuneration Committee

Performance appraisal for Board members and senior employees is conducted in accordance with HDL(2006)23 and any subsequent amendment – *Appraisal arrangements for staff on Executive pay ranges*.

The Remuneration Committee comprised the Board Chair, Mr David Garbutt (to 31 May 2018) - Tom Steele (from 01 June 2018), and four Non-Executive Directors: Dr Francis Tierney (Chair); Mr Edward Frizzell; Councillor Cecil Meiklejohn; and Mr John Riggins (Employee Director). The Committee meets at least twice per year to consider the evaluation of performance and pay awards for Executive Directors. It has an important role in ensuring consistency of policy and equity of treatment of staff across the local NHS system, including remuneration issues, where they are not already covered by existing arrangements at national level. The Committee met 3 times in 2018/19 and all meetings were quorate.

As stated above, the Remuneration Committee meets at least twice per year to consider the evaluation of performance and pay awards for Executive Directors.

In accordance with the Financial Reporting Manual (FReM), publication of the 'pension benefits' is required. This calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement.

The 'total in year earnings' column shows the remuneration relating to actual earnings payable in 2018/19.

Remuneration report
For the year ended 31 March 2019
Current year 2018/19

	Remuneration Table						Pension Values						
Director	Gross Salary	Bonus payments	Benefits in Kind £'000	Total Earnings in year	Pension benefits – Note (1)	Total remuneration Note (2) (Audited)	Accrued pension at age 60 as at 31/03/19	Total accrued lump sum at age 65 at 31 March 2019	Real increase in pension at age 60	Real increase in lump sum at 65 at 31 March 2019	CETV at 31/03/19 (Audited)	CETV at 31/03/18 (Audited)	Real Increase in CETV (Audited)
Executive Directors	Bands of £5,000	Bands of £5,000	£'000	Bands of £5,000	£'000	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £2,500	£'000	£'000	£'000
Chief Executive: Pauline Howie	135-140	0	3.2	140-145	0	140-145	Not in SPPA scheme						
Medical Director: James Ward	155-160	0	3.8	160-165	0	160-165	Not in SPPA scheme						
Director of Finance & Logistics: Julie Carter	40-45	0	0.4	40-45	0	40-45	Note (3)						
Non-Executive Directors	Bands of £5,000	Bands of £5,000	£'000	Bands of £5,000	£'000	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £2,500	£'000	£'000	£'000
Chairman: David Garbutt (to 31/05/18)	0.5	0	0	0.5	0	0.5	Non-Executive Directors are not eligible to become members of the pension scheme						
Tom Steele (from 01/06/18)	20-25	0	0	20-25	0	20-25							
Esther Roberton (to 30/06/18)	0.5	0	0	0.5	0	0.5							
Neelam Bakshi	5-10	0	0	5-10	0	5-10							
Edward Frizzell	5-10	0	0	5-10	0	5-10							
Martin Togneri	5-10	0	0	5-10	0	5-10							
Francis Tierney	5-10	0	0	5-10	0	5-10							
Cecil Meiklejohn	5-10	0	0	5-10	0	5-10							
Irene Oldfather (from 01/04/18)	5-10	0	0	5-10	0	5-10							
Madeline Smith (from 01/07/18)	5-10	0	0	5-10	0	5-10							
Employee Director: John Riggins	50-55	0	0	50-55	0	50-55	15-20	45-50	0-2.5	0-2.5	363	360	0
Other Senior Employees	Bands of £5,000	Bands of £5,000	£'000	Bands of £5,000	£'000	Bands of £5,000	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £2,500	£'000	£'000	£'000
Director of Care Quality & Strategic Development Pat O'Connor (to 22/10/18)	55-60	0	2.5	60-65	0	60-65					1276	1273	0
Claire Pearce (from 12/12/18) (Note 4)	35-40	0	1.8	35-40	24	60-65	25-30	65-70	0-2.5	0-2.5	488	526	18
Director of HR & OD Consent to disclose name withheld	90-95	0	4.4	95-100	23	115-120	0--5	0.5	0-2.5	0-2.5	51	28	23

Note (1) - Pension Benefits This figure represents the value of pension benefits accrued during the year. It does not represent the contributions to the scheme by either employee or employer. Instead it represents the value of benefits to be received in the future by the employee over the expected lifetime of the pension. It is calculated as [(Real increase in pension x 20) less (Employees Superannuation Contributions for the year)]

Note (2) - Total Remuneration This figure is calculated as: (Gross Salary + Bonus Payments + Benefit in Kind + Pension Benefits) = Total Remuneration. As this includes Pension Benefits per Note (1) above, this is not the salary paid to the employee during the year but the salary plus the employee's pension benefits over the life of the pension. There were no bonus payments in 2018/19.

Note (3) J Carter shared with Golden Jubilee National Hospital during 2018/19 (2 days with SAS, 3 days GJNH), total remuneration is (£100k-£105k including £1k BiK). Pension values accounted for by GJNH as the principal employer

Note (4) Full year equivalent gross salary equates to band 90-95 and total remuneration (£120k-£125k)

Remuneration report
For the year ended 31 March 2019
Prior year 2017/18

	Remuneration Table						Pension Values				
Director	Gross Salary	Bonus payments	Benefits in Kind £'000	Total in year Earnings	Pension benefits – Note (1)	Total remuneration Note (2)	Accrued pension at age 60 as at 31/03/18	Real increase in pension at age 60	CETV at 31/03/18	CETV at 31/03/17	Real Increase in CETV
Executive Directors	Bands of £5,000	Bands of £5,000	£'000	Bands of £5,000	£'000	Bands of £5,000	Bands of £5,000	Bands of £2,500	£'000	£'000	£'000
Chief Executive: Pauline Howie	130-135	0	2.6	130-135	39	170-175	45-50	2.5-5.0	821	763	56
Medical Director: James Ward	155-160	0	3.3	155-160	0	155-160	Not in SPPA scheme				
Director of Finance & Logistics: Gerry O'Brien (on secondment from 1 January 2018) Julie Carter (from 1 January 2018)	70-75 5-10	0 0	2.9 0	70-75 5-10	41 0	110-115 5-10	35-40 Note 3	0-2.5	721	658	63
Non-Executive Directors	Bands of £5,000	Bands of £5,000	£'000	Bands of £5,000	£'000	Bands of £5,000	Bands of £5,000	Bands of £2,500	£'000	£'000	£'000
Chairman: David Garbutt (to 31 May 2018)	25-30	0	0	25-30	0	25-30	Non-Executive Directors are not eligible to become members of the pension scheme				
Esther Roberton	5-10	0	0	5-10	0	5-10					
Moi Ali	5-10	0	0	5-10	0	5-10					
Neelam Bakshi	5-10	0	0	5-10	0	5-10					
Edward Frizzell	5-10	0	0	5-10	0	5-10					
Martin Togneri	5-10	0	0	5-10	0	5-10					
Francis Tierney	5-10	0	0	5-10	0	5-10					
Cecil Meiklejohn	5-10	0	0	5-10	0	5-10					
Employee Director: John Riggins	55-60	0	0	55-60	19	75-80	10-15	0-2.5	313	296	13
Other Senior Employees	Bands of £5,000	Bands of £5,000	£'000	Bands of £5,000	£'000	Bands of £5,000	Bands of £5,000	Bands of £2,500	£'000	£'000	£'000
Director of Care Quality & Strategic Development: Patricia O'Connor	95-100	0	4.1	100-105	25	125-130	50-55	0-2.5	1,213	1,143	57
Director of HR & OD Consent to disclose name withheld	85-90	0	3.4	90-95	21	110-115	0--5	0-2.5	29	7	22

Note (1) - Pension Benefits This figure represents the value of pension benefits accrued during the year. It does not represent the contributions to the scheme by either employee or employer. Instead it represents the value of benefits to be received in the future by the employee over the expected lifetime of the pension. It is calculated as [(Real increase in pension x 20) less (Employees Superannuation Contributions for the year)]

Note (2) - Total Remuneration This figure is calculated as: (Gross Salary + Bonus Payments + Benefit in Kind + Pension Benefits) = Total Remuneration. As this includes Pension Benefits per Note (1) above, this is not the salary paid to the employee during the year but the salary plus the employee's pension benefits over the life of the pension. There were no bonus payments in 2017/18.

Note (3) Pension values accounted for by principal employer, Golden Jubilee National Hospital

Remuneration And Staff Report Staff Report

Fair Pay Disclosure

	Current Year 2018/19	Prior Year 2017/18
Range of staff remuneration	8,416 – 157,866	8,251 – 158,307
Highest earning Director's total remuneration (£000s)	155 - 160	155 - 160
Median Total Remuneration	33,121	33,125
Ratio	4.792	4.779

Higher Paid Employees' Remuneration

Clinical	2018/19	2017/18
70,001-80,000	7	8
80,001-90,000	3	6
90,001-100,000	2	1
100,001-110,000	0	0
110,001-120,000	0	0
120,001-130,000	0	0
130,001-140,000	0	0
140,001-150,000	0	0
150,001-160,000	1	1
160,001-170,000	0	0
170,001-180,000	0	0
180,001-190,000	0	0
190,001-200,000	0	0
200,001 +	0	0
	13	**16**

Other	2018/19	2017/18
70,001-80,000	11	8
80,001-90,000	1	2
90,001-100,000	2	2
100,001-110,000	0	0
110,001-120,000	0	0
120,001-130,000	0	0
130,001-140,000	1	1
140,001-150,000	0	0
150,001-160,000	0	0
160,001-170,000	0	0
170,000-180,000	0	0
180,001-190,000	0	0
190,001-200,000	0	0
200,001 +	0	0
	15	**13**
Total	**28**	**29**

Staff Costs (Audited)

	Executive Board Members	Non Executive Board Members	Permanent Staff	Inward Secondees	Other staff	Outward Secondess	2019 Total	2018 Total
Staff Costs	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Salaries and Wages	293	85	162,137	-	-	(637)	161,878	149,226
Social Security costs	38	3	17,512	-	-	(76)	17,477	16,238
NHS scheme employers' costs	-	-	20,961	-	-	(95)	20,866	19,386
Inward secondees	52	-	-	3,678	-	-	3,730	3,216
Agency Staff	-	-	-	-	89	-	89	115
	383	**88**	**200,599**	**3,678**	**89**	**(808)**	**204,029**	**188,181**
Compensation for loss of office or early retirement	-	-	-	-	-	-	0	25
Pensions to former board employees	-	-	-	-	614	-	614	475
TOTAL	**383**	**88**	**200,610**	**3,678**	**703**	**(808)**	**204,654**	**188,681**
Included in the total staff costs above were costs of staff engaged directly on capital projects, charged to capital expenditure of:							11	-

Staff Numbers

Whole time equivalent (WTE)	2	2	4,662	-	-	(15)	4,651	4,497
Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of:							1	nil
Included in the total staff numbers above were disabled staff of:							98	87
Included in the total staff numbers above were Special Advisers of:							nil	nil

Reconciliation to income and expenditure	**£`000**
Total employee expenditure as above	£204,654
Less: employee income charged to capital projects	£(11)
Add: employee income included in Note 4 (secondee income)	£808
Total employee expenditure disclosed in note 3	£205,451

Staff Composition

	2018/19				2017/18			
	Male	**Female**	**Prefer not to say**	**Total**	**Male**	**Female**	**Prefer not to say**	**Total**
Executive Directors	1	2	-	3	2	1	-	3
Non-Executive Directors and Employee Director	5	4	-	9	5	4	-	9
Senior Employees	20	6	-	26	20	6	-	26
Other	3,002	2,087	-	5,089	2,940	1,965	-	4,905
Total Headcount	**3,028**	**2,099**	-	**5,127**	**2,967**	**1,976**	-	**4,943**

Senior Employees are those who have earned over £70,000 in year, 2017-18 figures have been restated on this basis.

Sickness Absence Data

	2018/19	**2017/18**
Sickness Absence Rate	7.8%	7.6%

Staff policies applied during the financial year relating to the employment of disabled persons

For giving full and fair consideration to applications for employment by the Board made by disabled persons, having a regard to their particular aptitudes and abilities;

The Scottish Ambulance Service works within the Disability Confident Standard and recognises best practice in employing, retaining and developing disabled staff. Applicants who have a disability are supported through the job interview guarantee initiative. The disability confident symbol is included on all job advertisements.

Under the Disability Confident scheme we operate the job interview guarantee initiative. Applicants who wish to be covered under this initiative will be interviewed if they meet the minimum criteria for the post. Adjustments are made in accordance with individual needs to ensure applicants are able to fully participate in the recruitment process.

The standard NHS Scotland application form is used for all applicants and this includes a section on equality monitoring which enables us to monitor the number of disabled applicants and to establish success rates in order to consider any actions that need to be taken forward to address any issues.

In partnership with Glasgow Centre for Inclusive Living The Scottish Ambulance Service has employed a disabled graduate under the Professional Careers Programme. This is a 2 year employment opportunity designed to help set up the individual for a long term sustainable career.

For continuing the employment of, and for arranging appropriate training for, employees of the Board who have become disabled persons during the period when they were employed by the Board;

Reasonable adjustments are put in place for those staff who become disabled during the course of their employment. For example; changing hours of work, providing specific equipment or supporting staff to complete assessments, e.g. for dyslexia. Support is also provided for disabled staff who are absent under the Attendance Management Policy to enable additional assistance to be put in place where appropriate.

The Scottish Ambulance Service has developed a Redeployment Policy and actively encourages the redeployment of staff who are no longer able to carry out their current role and staff are advised of alternative roles and provided with assistance to move.

All disabled staff have access to Occupational Health Services, Confidential Harassment Advisers and the Employee Assistance Programme.

Otherwise for the training, career development and promotion of disabled persons employed by the Board;

All staff receive an annual review letter giving them the opportunity to self declare a disability or health issue which can be discussed with their line manager in order to identify any support required. Staff have an annual performance review under the knowledge and skills framework system. The discussion covers developmental opportunities and access to these. Any disabled staff attending a course at The Scottish Ambulance Service Academy, Glasgow Caledonian University will have access to the Student Support Centre where additional assistance can be provided.

During any internal recruitment there is an open progression policy allowing all staff the opportunity for advancement and any staff requiring additional assistance can discuss this with their line manager or HR representative.

The Equality, Diversity and Human Rights Policy, Guidance for the Recruitment and Employment of staff with Diabetes and Managers Recruitment Guide provide additional guidance for all staff who have a disability.

Exit Packages (Audited)

	2018/19			2017/18		
Exit Package 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	Total Number of exit packages by cost band
<£10,000	0	0	0	0	0	0
£10,000 - £25,000	0	0	0	0	1	1
£25,000 - £50,000	0	0	0	0	0	0
£50,000 - £100,000	0	0	0	0	0	0
£100,000 - £150,000	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0
Total Number of exit packages by type	0	0	0	0	1	1
Total resource cost (£'000)	**0**	**0**	**0**	**0**	**25**	**25**

All settlements agreed by the Scottish Ambulance Service are in accordance with Scottish Government Guidance.

Trade Union Regulations

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The data is required to be published by 31 July each year and is displayed on the Scottish Ambulance Service website at the following link.

http://www.scottishambulance.com/TheService/publications.aspx

Parliamentary Accountability Report

Losses and Special Payments

On occasion, the Board is required to write-off balances which are no longer recoverable. Losses and special payments over £250k require formal approval to regularise such transactions and their notation in the annual accounts.

There were no such losses written off in the 2018/19 financial year.

Fees and Charges

As required in the fees and charges guidance in the Scottish Public Finance Manual, the Scottish Ambulance Service Board charges for services provided on a full costs basis, wherever applicable.

I confirm that this Accountability Report (incorporating the Corporate Governance Report and Remuneration and Staff Report) is an accurate summary of the information reported therein.

Signed:
Date: 26 June 2019

Mrs Pauline Howie OBE
Chief Executive

Independent Auditor's Report

Independent auditor's report to the members of Scottish Ambulance Service Board, the Auditor General for Scotland and the Scottish Parliament

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Scottish Ambulance Service Board and its group for the year ended 31 March 2019 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Net Expenditure, the Statement of Consolidated Cash Flow, the Statement of Consolidated Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2018/19 Government Financial Reporting Manual (the 2018/19 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the affairs of the board and its group as at 31 March 2019 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is three years. We are independent of the board and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

We have reported in a separate Annual Audit Report, which is available from the Audit Scotland website, the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accountable Officer, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to

enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the ability of the board and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our independent auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

In our opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

In our opinion, based on the work undertaken in the course of the audit

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the

financial statements and that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Joanne Brown
(for and on behalf of Grant Thornton UK LLP)

110 Queen Street, Glasgow G1 3BX
United Kingdom

Financial Statements

Consolidated Statement of Comprehensive Net Expenditure and Summary of Resource Outturn

2018 £000		Note	2019 £000
188,681	Staff costs	3a	205,451
	Other operating expenditure	3b	
11,624	Vehicle Running Costs		12,092
14,727	Air Ambulance Costs		15,320
7,583	Property Running Costs		7,870
4,714	Medical Costs		4,735
32,041	Other health care expenditure		30,312
259,370	**Gross expenditure for the year**		**275,780**
(8,492)	Less: operating income	4	(10,793)
250,878	**Net expenditure for the year**		**264,987**

Other comprehensive net expenditure

2018 £000		2019 £'000
(196)	Net (gain) / loss on revaluation of property, plant and equipment	(255)
(196)	Other comprehensive expenditure	(255)
240,844	**Comprehensive net expenditure**	**264,732**

The Notes to the Accounts, numbered 1 to 20, form an integral part of these Accounts.

Summary of resource outturn

Summary of core revenue resource outturn	Note	2019 £'000	2019 £'000
Net Expenditure	**SoCNE**		**264,987**
Total non core expenditure (see below)			(13,413)
Donated assets income	2a		183
Endowment net expenditure			26
Total Core Expenditure			**251,783**
Core Revenue Resource Limit			251,841
Saving/(excess) against Core Revenue Resource Limit			**58**

Summary of non core revenue resource outturn	Note	2019 £'000	2019 £'000
Depreciation / amortisation		12,991	
Annually Managed Expenditure - impairments		(584)	
Annually Managed Expenditure - creation of provisions		503	
Annually Managed Expenditure - depreciation of donated assets	2a	103	
Additional Scottish Government non-core funding		400	
Total Non Core Expenditure			**13,413**
Non Core Revenue Resource Limit			13,413
Saving against Non Core Revenue Resource Limit			**0**

Summary resource outturn	Resource £'000	Expenditure £'000	Saving £'000
Core	251,841	251,783	**58**
Non Core	13,413	13,413	0
Total	**265,254**	**265,196**	**58**

The Notes to the Accounts, numbered 1 to 20, form an integral part of these Accounts.
The financial statements on pages 43-47 were approved by the Board on 26 June 2019 and signed on their behalf by

Director of Finance **Chief Executive**

Consolidated Summary of Financial Position

Consolidated 2018 £'000	Board 2018 £'000		Note	Consolidated 2019 £'000	Board 2019 £'000
		Non-Current Assets			
86,408	86,408	Property, plant and equipment	7c	89,494	89,494
2,004	2,004	Intangible assets	6a	1,487	1,487
		Financial assets:			
3,606	3,606	Trade and other receivables	9	3,803	3,803
92,018	**92,018**	**Total non-current assets**		**94,784**	**94,784**
		Current Assets			
126	126	Inventories	8	106	106
		Financial assets:			
22,008	22,008	Trade and other receivables	9	20,950	20,950
787	60	Cash and cash equivalents	10	816	61
115	115	Assets classified as held for sale	7b	115	115
23,036	**22,309**	**Total current assets**		**21,987**	**21,232**
115,054	**114,327**	**Total assets**		**116,771**	**116,016**
		Current liabilities			
(2,803)	(2,803)	Provisions	12a	(2,782)	(2,782)
		Financial liabilities:			
(19,494)	(19,454)	Trade and other payables	11	(14,683)	(14,661)
(22,297)	**(22,257)**	**Total current liabilities**		**(17,465)**	**(17,443)**
92,757	**92,070**	**Non-current assets plus / less net current assets / liabilities**		**99,306**	**98,573**
		Non-current liabilities			
(14,968)	(14,968)	Provisions	12a	(15,514)	(15,514)
		Financial liabilities:			
		Trade and other payables	12	(20)	0
(14,968)	**(14,968)**	**Total non-current liabilities**		**(15,534)**	**(15,514)**
77,789	**77,102**	**Assets less liabilities**		**83,772**	**83,059**
		Taxpayers' Equity			
72,976	72,976	General fund	SoCTE	78,801	78,801
4,126	4,126	Revaluation reserve	SoCTE	4,258	4,258
687	0	Fund held on Trust	SoCTE	713	0
77,789	**77,102**	**Total taxpayers' equity**		**83,772**	**83,059**

The Notes to the Accounts, numbered 1 to 20, form an integral part of these Accounts.
The financial statements on pages 43-47 were approved by the Board on 26 June 2019 and signed on their behalf by

Julie Carter — **Director of Finance**

Chief Executive

Consolidated Statement of Cash Flow

Restated 2018 £'000		Note	2019 £'000	2019 £'000
	Cash flows from operating activities			
(250,878)	Net expenditure	SoCTE	(264,987)	
14,538	Adjustments for non-cash transactions	2a	12,501	
(246)	Add back: interest payable recognised in net operating expenditure	2b	36	
(1)	Deduct: interest receivable recognised in net operating expenditure	4	(2)	
(4,080)	Movements in working capital	2c	(2,285)	
(240,669)	**Net cash outflow from operating activities**	21c		**(254,737)**
	Cash flows from investing activities			
(21,423)	Purchase of property, plant and equipment		(16,164)	
(89)	Purchase of intangible assets		(41)	
0	Transfer of assets to/(from) other NHS Scotland bodies		13	
642	Proceeds of disposal of property, plant and equipment		264	
1	Interest received		2	
(20,869)	**Net cash outflow from investing activities**	21c		**(15,926)**
	Cash flows from financing activities			
261,383	Funding	SoCTE	270,728	
261,383	Cash drawn down		270,728	
246	Unwinding of discount		(36)	
261,629	**Net Financing**	21c		**270,692**
91	**Net Increase / (decrease) in cash and cash equivalents in the period**			29
696	**Cash and cash equivalents at the beginning of the period**			787
787	**Cash and cash equivalents at the end of the period**			**816**
	Reconciliation of net cash flow to movement in net debt/cash			
91	Increase / (decrease) in cash in year	10		29
696	Net debt / cash at 1 April			787
787	**Net debt / cash at 31 March**			**816**

The Notes to the Accounts, numbered 1 to 20, form an integral part of these Accounts.

Consolidated Statement of Changes in Taxpayers' Equity

	Note	General Fund £'000	Revaluation Reserve £'000	Funds Held on Trust £'000	Total Reserves £'000
Balance at 31 March 2018		72,976	4,126	687	77,789
Changes in taxpayers' equity for 2018-19					
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a	0	255	0	255
Impairment of property, plant and equipment		0	184	0	184
Revaluation and impairments taken to operating costs	2a	0	(184)	0	(184)
Transfers between reserves		123	(123)	0	0
Other non cash costs [transfer of asset to NHS Greater Glasgow & Clyde]		(13)	0	0	(13)
Net operating cost for the year	CFS	(265,013)	0	26	(264,987)
Total recognised income and expense for 2018-19		(264,903)	132	26	(264,745)
Funding:					
Drawn down	CFS	270,728	0	0	270,728
Balance at 31 March 2019	SoFP	**78,801**	**4,258**	**713**	**83,772**

Prior year	**Note**	**General Fund £'000**	**Revaluation Reserve £'000**	**Funds Held on Trust £'000**	**Total Reserves £'000**
Balance at 31 March 2017		61,988	4,490	610	67,088
Changes in taxpayers' equity for 2017-18					
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a	0	196	0	196
Impairment of property, plant and equipment		0	(960)	0	(960)
Revaluation and impairments taken to operating costs	2a	0	960	0	960
Transfers between reserves		560	(560)	0	0
Net operating cost for the year	CFS	(250,955)		77	(250,878)
Total recognised income and expense for 2017-18		(250,395)	(364)	77	(250,682)
Funding:					
Drawn down	CFS	261,383	0	0	261,383
Balance at 31 March 2017	SoFP	**72,976**	**4,126**	**687**	**77,789**

The Notes to the Accounts, numbered 1 to 20, form an integral part of these Accounts.

Notes To The Accounts

1. Accounting Policies

1. Authority

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended, these Accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury, which follows International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in section 30 below.

Note: Where a new international accounting standard/ amendment/interpretation has been issued but not yet implemented, Boards are required to disclose in their financial statements the nature of the standard, and if possible, an estimate of its likely effect on future financial statements. HM Treasury issue a paper that sets out standards issued not yet adopted. Boards should refer to this paper when preparing their disclosure.

(a) Standards, amendments and interpretations effective in current year

The following accounting standards have been applied for the first time in 2018-19:

- IFRS 9 Financial Instruments
  The standard replaces IAS 39 and introduces a single approach to classification and measurement of financial instruments; a new forward-looking expected loss impairment model; and a revised approach to hedge accounting.
- IFRS 15 Revenue from Contracts with Customers
  The standard introduces greater disclosures requirements, as well as a new five stage model for assessing and recognising revenue from contracts with customers.

Both standards have been applied retrospectively and without restatement of prior year figures.

(b) Standards, amendments and interpretation early adopted this year

There are no new standards, amendments or interpretations early adopted this year.

(c) Standards, amendments and interpretation issued but not adopted this year

There are no new standards, amendments or interpretations issued but not adopted this year.

2. Basis of Consolidation

In accordance with IFRS 10 – Consolidated Financial Statements, the Financial Statements consolidate the Scottish Ambulance Service Endowment Fund.

NHS Endowment Funds were established by the NHS (Scotland) Act 1978. The legal framework under which charities operate in Scotland is the Charities and Trustee Investment (Scotland) Act 2005. Under the 1978 Act Endowment Trustees are also members of the NHS Board. The Board members (who are also Trustees) are appointed by Scottish Ministers.

The Scottish Ambulance Service Endowment Fund is a Registered Charity with the Office of the Charity Regulator of Scotland (OSCR) and is required to prepare and submit Audited Financial Statements to OSCR on an annual basis.

The basis of consolidation used is Merger Accounting. Any intragroup transactions between the Board and the Endowment Fund have been eliminated on consolidation.

Note 20 to the Annual Accounts, details how these consolidated Financial Statements have been calculated.

3. Going Concern

The board has submitted a balanced three year financial plan and local delivery plan to Scottish Government. This highlights key assumptions and risks to delivering

on our operational objectives within budget. In addition, the budget for the 2019/20 year has been approved. Therefore, the accounts are prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future.

4. Accounting Convention

The Accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment, intangible assets, inventories and financial assets and liabilities (including derivative instruments) at fair value.

5. Funding

Most of the expenditure of the Health Board as Commissioner is met from funds advanced by the Scottish Government within an approved revenue resource limit. Cash drawn down to fund expenditure within this approved revenue resource limit is credited to the general fund.

All other income receivable by the Board that is not classed as funding is recognised in the year in which it is receivable.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Non-discretionary funding out with the RRL is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, dental or ophthalmic services identified by the Scottish Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Statement of Resource Outturn.

Funding for the acquisition of capital assets received from the Scottish Government is credited to the general fund when cash is drawn down.

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in the Statement of Comprehensive Net Expenditure except where it results in the creation of a non-current asset such as property, plant and equipment.

6. Property, Plant and Equipment

The treatment of capital assets in the accounts (capitalisation, valuation, depreciation, particulars concerning donated assets) is in accordance with the NHS Capital Accounting Manual.

Title to properties included in the accounts is held by Scottish Ministers.

6.1 Recognition

Property, Plant and Equipment is capitalised where: 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 be provided to, the Board; it is expected to be used for more than one financial year; and the cost of the item can be measured reliably.

All assets falling into the following categories are capitalised:

- Property, plant and equipment assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.
- In cases where a new site would face an exceptional write off of items of equipment costing individually less than £5,000, the Board has the option to capitalise initial revenue equipment costs with a standard life of 10 years.
- Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total, or where they are part of the initial costs of equipping a new development and total over £20,000

6.2 Measurement

Valuation:

All property, plant and equipment assets are measured initially at cost, representing the costs 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 that are not held for their service potential (i.e. investment properties and assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured subsequently at fair value as follows:

Specialised NHS Land, buildings, equipment, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value as specified in the FReM.

Non-specialised land and buildings, such as offices, are stated at fair value.

Valuations of all land and building assets are reassessed by valuers under a 5-year programme of professional valuations and adjusted in intervening years to take account of movements in prices since the latest valuation. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Scottish Government.

Non specialised equipment, installations and fittings are valued at fair value. Boards value such assets using the most appropriate valuation methodology available (for example, appropriate indices). A depreciated historical cost basis as a proxy for fair value in respect of such assets which have short useful lives or low values (or both).

Assets under construction are valued at current cost. This is calculated by the expenditure incurred to which an appropriate index is applied to arrive at current value. These are also subject to impairment review.

To meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual have been required:

Specialised operational assets are valued on a modified replacement cost basis to take account of modern substitute building materials and locality factors only.

Operational assets which are in use delivering front line services or back office functions, and surplus assets with restrictions on their disposal, are valued at current value in existing use. Assets have been assessed as surplus where there is no clear plan to bring the asset back into future use as an operational asset.

Subsequent expenditure:

Subsequent expenditure is capitalised into an asset's carrying value when it is probable the future economic benefits associated with the item will flow to the Board and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria the expenditure is charged to the Statement of Comprehensive Net Expenditure. If part of an asset is replaced, then the part it replaces is de-recognised, regardless of whether or not it has been depreciated separately.

Revaluations and Impairment:

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised as income. Movements on revaluation are considered for individual assets rather than groups or land/buildings together.

Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Gains and losses on revaluation are reported in the Statement of Comprehensive Net Expenditure.

Temporary Decreases in Asset Value:

Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure

6.3 Depreciation

Items of Property, Plant and Equipment are depreciated to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Depreciation is charged on each main class of tangible asset as follows:

- Freehold land is considered to have an infinite life and is not depreciated.
- Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Board, respectively.
- Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.
- Buildings, installations and fittings are depreciated on current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.
- Equipment is depreciated over the estimated life of the asset.
- Property, plant and equipment held under finance leases are depreciated over the shorter of the lease term and the estimated useful life.

Depreciation is charged on a straight line basis.

The following asset lives have been used:

Asset Category/Component Useful Life

Asset Category/Component	Useful Life (Years)
Buildings The expected UEL for each asset is based on independent valuers assessment of condition but falls in the following ranges:	
Structure	11-71
Engineering	2-47
External Works	7-48
Transport Equipment	
Emergency Vehicles	4-7
Patient Transport Vehicles	5-10
Communications Equipment	5-10
IT Equipment	5-10
Plant & Machinery Medical Equipment	5-10
Mechanical	7-30
Furniture and furnishings	10
Fixtures and Fittings	4-17

7. Intangible Assets

7.1 Recognition

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

Intangible assets that meet the recognition criteria are capitalised when they are capable of being used in a Board's activities for more than one year and they have a cost of at least £5,000.

The main classes of intangible assets recognised are:

Software:

Software which is integral to the operation of hardware (e.g. 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 (e.g. application software) is capitalised as an intangible asset.

Software Licences:

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred.

7.2 Measurement

Valuation

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets that are not held for their service potential (i.e. assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured at fair value. Where an active (homogeneous) market exists, intangible assets are carried at fair value. Where no active market exists, the intangible asset is revalued, using indices or some suitable model, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the intangible asset is valued using depreciated replacement cost. These measures are a proxy for fair value.

Revaluation and impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised in income.

Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure.

Intangible assets held for sale are reclassified to 'non-current assets held for sale' measured at the lower of their carrying amount or 'fair value less costs to sell'

7.3 Amortisation

Intangible assets are amortised to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Amortisation is charged to the Statement of Comprehensive Net Expenditure on each main class of intangible asset as follows:

- Internally generated intangible assets. Amortised on a systematic basis over the period expected to benefit from the project.
- Software. Amortised over their expected useful life.
- Software licences. Amortised over the shorter term of the licence and their useful economic lives.
- Other intangible assets. Amortised over their expected useful life.
- Intangible assets which has been reclassified as 'Held for Sale' ceases to be amortised upon the reclassification.

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Asset Category/Component Useful Life

Asset Category/Component	Useful Life (Years)
Software Licences	5
Information Technology Software	5

8. Non-current assets held for sale

Non-current assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
    - management are committed to a plan to sell the asset;
    - an active programme has begun to find a buyer and complete the sale;
    - the asset is being actively marketed at a reasonable price;
    - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
    - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

9. Donated Assets

Non-current assets that are donated or purchased using donated funds are included in the Statement of Financial Position initially at the current full replacement cost of the asset. The accounting treatment, including the method of valuation, follows the rules in the NHS Capital Accounting Manual

10. Sale of Property, Plant and Equipment, Intangible Assets and Non-Current Assets Held for Sale

Disposal of non-current assets is accounted for as a reduction to the value of assets equal to the net book value of the assets disposed. When set against any sales proceeds, the resulting gain or loss on disposal will be recorded in the Statement of Comprehensive Net Expenditure. Non-current assets held for sale will include assets transferred from other categories and will reflect any resultant changes in valuation.

11. Leasing

Operating leases

Other leases are regarded as operating leases and the rentals are charged to expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to expenditure over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease unless title to the land is expected to transfer.

12. Impairment of Non-Financial Assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The

recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment. Impairment losses charged to the SoCNE are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

13. General Fund Receivables and Payables

Where the Health Board has a positive net cash book balance at the year end, a corresponding creditor is created and the general fund debited with the same amount to indicate that this cash is repayable to the SGHSCD. Where the Health Board has a net overdrawn cash position at the year end, a corresponding debtor is created and the general fund credited with the same amount to indicate that additional cash is to be drawn down from the SGHSCD.

14. Inventories

Inventories are valued at the lower of cost and net realisable value. Taking into account the high turnover of NHS inventories, the use of average purchase price is deemed to represent current cost. Work in progress is valued at the cost of the direct materials plus the conversion costs and other costs incurred to bring the goods up to their present location, condition and degree of completion.

15. Losses and Special Payments

Operating expenditure includes certain losses which would have been made good through insurance cover had the NHS not been bearing its own risks. Had the NHS provided insurance cover, the insurance premiums would have been included as normal revenue expenditure.

16. Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following year.

Pension Costs

The Board participates in the NHS Superannuation Scheme for Scotland providing defined benefits based on final pensionable pay, where contributions are credited to the Exchequer and are deemed to be invested in a portfolio of Government Securities. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the Statement of Comprehensive Net Expenditure represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to Exchequer. The pension cost is assessed every four years by the Government Actuary and determines the rate of contributions required. Details of the most recent actuarial valuation which took place in the year to 31 March 2012, are published by the Scottish Public Pensions Agency.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the Statement of Comprehensive Net Expenditure at the time the Board commits itself to the retirement, regardless of the method of payment.

17. Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above the threshold are reimbursed to Boards from a central fund held as part of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) by the Scottish Government.

The Board provides for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'Category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from the Clinical Negligence and Other Risks Indemnity Scheme in the event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

As a result of participation in the CNORIS scheme, the Service should also recognise that they will be

required to make contributions to the scheme in future years. Therefore a second provision that recognises the board's share of the total CNORIS liability of NHSScotland has been made and this is reflected in Note 12 to the accounts.

Further information on the scheme can be found at: http://www.clo.scot.nhs.uk/our-services/cnoris.aspx

18. Related Party Transactions

Material related party transactions are disclosed in the note 19 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in note 4.

19. Value Added Tax

Most of the activities of the Board 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 non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

20. Provisions

The Board provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by HM Treasury.

21. Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in note 13 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 13, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability

22. Corresponding Amounts

Corresponding amounts are shown for the primary statements and notes to the financial statements. Where the corresponding amounts are not directly comparable with the amount to be shown in respect of the current financial year, IAS 1 'Presentation of Financial Statements', requires that they should be adjusted and the basis for adjustment disclosed in a note to the financial statements.

23. Financial Instruments

Financial assets

Business model

The Board's business model refers to how it manages its financial assets in order to generate cash flows and is determined at a level which reflects how groups of financial assets are managed to achieve a business objective, rather than assessment of individual instruments.

Classification

When the Board first recognises a financial asset, it classifies it based on its business model for managing the asset and the asset's contractual flow characteristics. The Board classifies its financial assets in the following categories: at fair value through profit or loss, amortised cost, and fair value through other comprehensive income. The default basis for financial assets is to be held at fair value through profit or loss, although alternative treatment may be designated where receivables are held to collect principal and interest and/or for sale.

(a) Financial assets at fair value through profit or loss

This is the default basis for financial assets.

(b) Financial assets held at amortised cost

A financial asset may be held at amortised cost where both of the following conditions are met:

1. the financial asset is held within a business model where the objective is to collect contractual cash flows; and
2. the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

(c) Financial assets at fair value through other comprehensive income

A financial asset may be held at fair value through other comprehensive income where both of the following conditions are met:

1. the financial asset is held within a business model where the objective is to collect contractual cash flows and sell the asset; and

2. the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

Impairment of financial assets

Provisions for impairment of financial assets are made on the basis of expected credit losses. The Board recognises a loss allowance for expected credit losses on financial assets and this is recognised in other comprehensive income, rather than reducing the carrying amount of the asset in the Statement of Financial Position.

Lifetime expected credit losses are recognised and applied to financial assets by the Board where there has been a significant increase in credit risk since the asset's initial recognition. Where the Board does not hold reasonable and supportable information to measure lifetime expected credit losses on an individual instrument basis, the losses are recognised on a collective basis which considers comprehensive credit risk information.

Recognition and measurement

Financial assets are recognised when the Board becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Board has transferred substantially all risks and rewards of ownership.

(a) Financial assets at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure.

Financial assets carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Financial assets held at amortised cost

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of the asset.

(c) Financial assets held at fair value through other comprehensive income

Financial Liabilities

Classification

The Board classifies its financial liabilities in the following categories: at fair value through profit or loss, and amortised cost. The Board classifies all financial liabilities as measured at amortised cost, unless:

1. these are measured at fair value on a portfolio basis in accordance with a documented risk management or investment strategy;
2. they contain embedded derivatives; and/or
3. it eliminates or reduces 'accounting mismatch' that would otherwise arise from measurement or recognition on an amortised costs basis.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise derivatives. Liabilities in this category are classified as current liabilities. The NHS Board does not trade in derivatives and does not apply hedge accounting.

(b) Financial liabilities held at amortised cost

Financial liabilities held at amortised cost are disclosed in current liabilities, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current liabilities. The NHS Board's financial liabilities held at amortised cost comprise trade and other payables in the Statement of Financial Position.

Recognition and measurement

Financial liabilities are recognised when the NHS Board becomes party to the contractual provisions of the financial instrument.

A financial liability is removed from the Statement of Financial Position when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial liabilities carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Amortised costs

Financial liabilities held at amortised cost are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

24. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments. This has been identified as the senior management of the Board.

Operating segments are unlikely to directly relate to the analysis of expenditure shown in Note 3.

25. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balance held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Where the Government Banking Service is using NatWest and Royal Bank of Scotland Group to provide the banking services, funds held in these accounts should not be classed as commercial bank balances.

26. Foreign Exchange

The functional and presentational currencies of the Board are sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Board has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the balance sheet date) are recognised in income or expenditure in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

27. Third Party Assets

Assets belonging to third parties are not recognised in the accounts since the Board has no beneficial interest in them.

28. Key sources of judgement and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Board makes judgements in applying accounting policies. The estimates, assumptions and judgements that have a significant risk of a causing material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are addressed below.

The Board also relies on the professional judgement of specialists engaged for specific activities to estimate certain matters; for example, the Board's property advisors, who determine the likely value of property owned by the organisation (see 7.2), and also its legal advisors, who determine the likely estimates of legal liabilities (see Note 12). The Board therefore is dependent on these specialists and the advice they provide.

The Board also considers the asset lives of ICT equipment and intangible assets. While historically, lives of between 5-10 years were given to these assets, the rapidly changing environment of technology means that judgements about economic lives taken at the initial capitalisation of the asset may not reflect their actual lives.

In respect of provisions made for potential liabilities that are likely to settle in future years, the Board relies on information from our professional advisors as to the likely levels of any future settlements to create the general provision.

2. Notes To The Cash Flow Statement

2a. Consolidated adjustments for non-cash transactions

2018 £'000		Note	2019 £'000
	Expenditure Not Paid In Cash		
13,644	Depreciation	7a	12,425
355	Amortisation	6	566
75	Depreciation Donated Assets	7a	103
1,522	Impairments on PPE charged to SOCNE		535
(560)	Reversal of impairments on PPE charged to SOCNE		(719)
(2)	(Gain) on re-measurement of non-current assets held for sale	7b	0
(50)	Funding Of Donated Assets	7a	(183)
(446)	Loss / (profit) on disposal of property, plant and equipment		(213)
	Other non cash costs [transfer of asset to NHS Greater Glasgow and Clyde]		(13)
14,538	**Total Expenditure Not Paid In Cash**	CFS	**12,501**

2b. Interest payable recognised in operating expenditure

2018 £'000		Note	2019 £'000
	Interest payable		
0	Bank and other interest payable		0
(246)	Provisions - Unwinding of discount		36
(246)	**Net interest payable**	CFS	**36**

2c. Consolidated movements in working capital

2018 Net Movement £'000		Note	Opening Balances £'000	Closing Balances £'000	2019 Net Movement £'000
	Inventories				
31	Balance Sheet	8	126	106	
31	**Net Decrease**				**20**
	Trade And Other Receivables				
(3,875)	Due within one year	9	22,008	20,950	
(90)	Due after more than one year	9	3,606	3,803	
(3,965)			25,614	24,753	
(3,965)	**Net Decrease/(Increase)**				**861**
	Trade And Other Payables				
(995)	Due within one year	12	19,494	14,683	
	Due after more than one year	12	0	20	
4,732	Less: property, plant & equipment (capital) included in above		(3,656)	(2,556)	
	Less: General Fund creditor included in above	12	(60)	(60)	
			15,778	12,087	
3,737	**Net (decrease) / increase**				**(3,691)**
	Provisions				
847	Statement of Financial Position	13a	17,771	18,296	
			17,771	18,296	
847	**Net (decrease) / increase**				**525**
650	**Net movement (decrease) / increase**	CFS			**2,285**

3. Operating Expenses

3a. Staff costs

2018 Total £'000		Note	2019 Board £'000	2019 Consolidated £'000
188,681	Other Staff		205,451	205,451
188,681	**Total**	SoCNE	**205,451**	**205,451**

Further detail and analysis of employee costs can be found in the Remuneration and Staff Report, forming part of the Accountability Report.

3b. Other operating expenditure

2018 Total £'000		Note	2019 Board £'000	2019 Consolidated £'000
11,624	Vehicle Running Costs	SoCNE	12,092	12,092
14,727	Air Ambulance Costs	SoCNE	15,320	15,320
7,583	Property Running Costs	SoCNE	7,870	7,870
4,714	Medical Costs	SoCNE	4,735	4,735
38,648	**Total**	SoCNE	**40,017**	**40,017**
	Other health care expenditure			
0	Loss on disposal of assets		0	0
31,651	Other operating expenses		30,101	30,101
76	External auditor's remuneration - statutory audit fee		78	78
314	Endowment Fund expenditure		0	133
32,041	**Total**	SoCNE	**30,179**	**30,312**
70,689	**Total Other Operating Expenditure**		**70,196**	**70,329**

4. Operating Income

2018 Total £'000		Note	2019 Board £'000	2019 Consolidated £'000
4	Income from Scottish Government		229	229
4,383	Income from other NHS Scotland bodies		6,001	6,001
16	Income from NHS non-Scottish bodies		30	30
940	Income from private patients		54	54
50	Donations		196	196
446	Profit on disposal of assets		213	213
434	Contributions in respect of clinical and medical negligence claims		445	445
1	Interest received	CFS		2
	Non NHS:			
641	Non-patient care income generation schemes		646	646
390	Endowment Fund Income			157
1,186	Other		2,820	2,820
8,492	**Total Income**	SoCNE	**10,634**	**10,793**

5. Segmental Information

Segmental information as required under IFRS has been reported for each strategic objective

	North Region £'000	East Region £'000	West Region £'000	National £'000	HQ Directorates £'000	Endowment £'000	2019 £'000
Net operating cost	34,355	54,775	74,980	51,853	49,050	**(26)**	**264,987**

Prior Year

Segmental information as required under IFRS has been reported for each strategic objective

	North Region £'000	East Region £'000	West Region £'000	National £'000	HQ Directorates £'000	Endowment £'000	2018 £'000
Net operating cost	31,842	51,276	71,783	47,682	48,372	(77)	**250,878**

6. Intangible Assets - Consolidated And Board

	Note	Software Licences £'000	IT - software £'000	Assets Under Development £'000	Total £'000
Cost or Valuation:					
At 1 April 2018		1,377	9,594	0	10,971
Additions			41		41
Completions			8	(8)	0
Transfers between asset categories		0	0	8	8
At 31 March 2019		**1,377**	**9,643**	**0**	**11,020**
Amortisation					
At 1 April 2018		897	8,070	0	8,967
Provided during the year	2a	193	373	0	566
At 31 March 2019		**1,090**	**8,443**	**0**	**9,533**
Net book value at 1 April 2018		**480**	**1,524**	**0**	**2,004**
Net book value at 31 March 2019	SoFP	**287**	**1,200**	**0**	**1,487**

Prior Year

	Note	Software Licences £'000	IT - software £'000	Assets Under Development £'000	Total £'000
Cost or Valuation:					
At 1 April 2017		1,355	8,319	0	9,674
Additions		22	67	0	89
Completions			1,208	(1,208)	0
Transfers between asset categories		0	0	1,208	1,208
At 31 March 2018		**1,377**	**9,594**	**0**	**10,971**
Amortisation					
At 1 April 2017		696	7,916	0	8,612
Provided during the year	2a	201	154	0	355
At 31st March 2017		**897**	**8,070**	**0**	**8,967**
Net book value at 1 April 2017		**659**	**403**	**0**	**1,062**
Net book value at 31 March 2018	SoFP	**480**	**1,524**	**0**	**2,004**

7a. Property, Plant And Equipment – Consolidated And Board

	Note	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Cost or Valuation:									
At 1 April 2018		4,790	18,980	81,897	13,886	15,122	6,911	12,098	153,684
Additions - purchased		0	54	1,674	83	321	77	12,855	15,064
Additions - donated		0	0	159	24	0	0	0	183
Completions		0	0	12,243	72	0	45	(12,360)	0
Asset Transfers (to) / from other SG Consolidation Entities		0	0	0	(37)	0	0	0	(37)
Transfers between asset categories		0	0	0	0	0	0	(8)	(8)
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0
Revaluations		25	42	0	0	0	0	0	67
Impairment charges		0	(186)	(400)	0	0	0	0	(586)
Impairment reversals		0	226	0	0	0	0	0	226
Disposals - purchased		0	0	(9,525)	0	0	0	0	(9,525)
At 31 March 2019		**4,815**	**19,116**	**86,048**	**14,028**	**15,443**	**7,033**	**12,585**	**159,068**
Depreciation									
At 1 April 2018		0	0	41,836	10,943	11,614	2,883	0	67,276
Provided during the year - purchased		0	731	9,566	886	893	349	0	12,425
Provided during the year - donated		0	0	65	38	0	0	0	103
Asset Transfers (to) / from other SG Consolidation Entities		0	0	0	(24)	0	0	0	(24)
Transfers between asset categories		0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0
Revaluations		0	(188)	0	0	0	0	0	(188)
Impairment charges		0	(51)	0	0	0	0	0	(51)
Impairment reversals		0	(493)	0	0	0	0	0	(493)
Disposals - purchased		0	0	(9,474)	0	0	0	0	(9,474)
At 31 March 2018		**0**	**(1)**	**41,993**	**11,843**	**12,507**	**3,232**	**0**	**69,574**
Net book value at 1 April 2018		**4,790**	**18,980**	**40,061**	**2,943**	**3,508**	**4,028**	**12,098**	**86,408**
Net book value at 31 March 2019	**SoFP**	**4,815**	**19,117**	**44,055**	**2,185**	**2,936**	**3,801**	**12,585**	**89,494**
Open Market Value of Land and Dwellings Included Above		0							
Asset financing:									
Owned - purchased		4,815	19,117	43,844	1,980	2,936	3,801	12,585	89,078
Owned - donated		0	0	211	205	0	0	0	416
Net book value at 31 March 2019	**SoFP**	**4,815**	**19,117**	**44,055**	**2,185**	**2,936**	**3,801**	**12,585**	**89,494**

Prior Year

	Note	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Cost or Valuation:									
At 1 April 2017		4,826	22,772	79,668	13,348	14,628	2,222	13,224	150,688
Additions - purchased		0	130	551	155	203	109	20,275	21,423
Additions - donated		0	0	0	50	0	0	0	50
Completions		0	0	18,631	330	297	935	(20,193)	0
Transfers between asset categories		0	(3,776)	(134)	181	0	3,729	(1,208)	(1,208)
Transfers between asset categories		(48)	(67)	0	0	0	0	0	(115)
Revaluations		9	13	0	78	0	0	0	100
Impairment charges		0	(130)	(293)	0	0	0	0	(423)
Impairment reversals		3	38	0	0	0	0	0	41
Disposals - purchased		0	0	(16,526)	(256)	(6)	(84)	0	(16,872)
At 31 March 2018		**4,790**	**18,980**	**81,897**	**13,886**	**15,122**	**6,911**	**12,098**	**153,684**
Depreciation									
At 1 April 2017		0	228	48,092	9,657	10,666	1,193	0	69,836
Provided during the year - purchased		0	2,046	9,232	1,220	950	196	0	13,644
Provided during the year - donated		0	0	46	29	0	0	0	75
Transfers between asset categories		0	(1,579)	0	1	0	1,578	0	0
Transfers (to) / from non-current assets held for sale		0	(2)	0	0	0	0	0	(2)
Revaluations		0	(174)	0	78	0	0	0	(96)
Impairment charges		0	0	885	214	0	0	0	1,099
Impairment reversals		0	(519)	0	0	0	0	0	(519)
Disposals - purchased		0	0	(16,419)	(256)	(2)	(84)	0	(16,761)
At 31 March 2018		**0**	**0**	**41,836**	**10,943**	**11,614**	**2,883**	**0**	**67,276**
Net book value at 1 April 2017		**4,826**	**22,544**	**31,576**	**3,691**	**3,962**	**1,029**	**13,224**	**80,852**
Net book value at 31 March 2018	**SoFP**	**4,790**	**18,980**	**40,061**	**2,943**	**3,508**	**4,028**	**12,098**	**86,408**
Open Market Value of Land and Dwellings Included Above		0							
Asset financing:									
Owned - purchased		4,790	18,980	39,944	2,724	3,508	4,028	12,098	86,072
Owned - donated		0	0	117	219	0	0	0	336
Net Book Value at 31 March 2018	**SoFP**	**4,790**	**18,980**	**40,061**	**2,943**	**3,508**	**4,028**	**12,098**	**86,409**

7b. Assets Held For Sale - Consolidated And Board

The asset held for sale at 31.03.19 is the former Dunfermline Ambulance Station. Sale due to complete in April 2019

	Note	Property, Plant & Equipment £'000	Total £'000
At 1 April 2018		**115**	**115**
Transfers from property, plant and equipment			
Gain or losses recognised on re-measurement of non-current assets held for sale			
Disposals of non-current assets held for sale			
At 31 March 2019	SoFP	**115**	**115**

Prior Year

	Note	Property, Plant & Equipment £'000	Total £'000
At 1 April 2017		**85**	**85**
Transfers from property, plant and equipment		113	113
Gain or losses recognised on re-measurement of non-current assets held for sale		2	2
Disposals of non-current assets held for sale		(85)	(85)
At 31st March 2018	SoFP	**115**	**115**

7c. Property, Plant And Equipment Disclosures

Consolidated 2018 £'000	Board 2018 £'000		Note	Consolidated 2019 £'000	Board 2019 £'000
		Net book value of property, plant and equipment at 31 March			
86,072	86,072	Purchased		89,078	89,078
336	336	Donated		416	416
86,408	**86,408**	**Total**	SoFP	**89,494**	**89,494**
0	0	Net book value related to land valued at open market value at 31 March		0	0
0	0	Net book value related to buildings valued at open market value at 31 March		0	0

Property was fully revalued by the Valuation Office Agency (independent valuer) at 31 March 2019 on the basis of Existing Use Value (EUV) for non specialised properties and Depreciated Replacement Cost (DRC) for a number of specialised properties. The remaining specialised properties not revalued were indexed at that date using indices supplied by the Building Cost Information Service (BCIS). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS.

The net impact was an increase of £839k (2017/18: an increase of £756k) of which £255k (2017/18 £196k) which was credited to the revaluation reserve and £584k (2017/18 £560k) charged to the Statement of Comprehensive Net Expenditure. The net charge of £584k (£560k 2017/18) to the Statement of Comprehensive Net Expenditure was comprised £0 (£0k 2017/18) impairment losses and £584k (£560k 2017/18) reversal of impairment losses

7d. Analysis Of Capital Expenditure

Consolidated 2018 £'000	Board 2018 £'000		Note	Consolidated 2019 £'000	Board 2019 £'000
		Expenditure			
89	89	Acquisition of intangible assets	6	41	41
21,423	21,423	Acquisition of property, plant and equipment	7a	15,064	15,064
50	50	Donated asset additions	7a	183	183
21,562	**21,562**	**Gross Capital Expenditure**		**15,288**	**15,288**
		Income			
111	111	Net book value of disposal of property, plant and equipment		51	51
85	85	Value of disposal of non-current assets held for sale			
50	50	Donated asset income		183	183
246	**246**	**Capital Income**		**234**	**234**
21,316	**21,316**	**Net Capital Expenditure**		**15,054**	**15,054**
		Summary Of Capital Resource Outturn			
21,316	21,316	Core capital expenditure included above		15,054	15,054
21,320	21,320	Core Capital Resource Limit		15,062	15,062
4	**4**	**Saving / (excess) against Core Capital Resource Limit**		**8**	**8**

8. Inventories – Consolidated And Board

2018 £'000		Note	Board 2019 £'000
126	Consumables		106
126	**Total**	SoFP	**106**

9. Trade And Other Receivables

Consolidated 2018 £'000	Board 2018 £'000		Note	Consolidated 2019 £'000	Board 2019 £'000
		Receivables due within one year			
		NHS Scotland			
		Scottish Government Health & Social Care Directorate		211	211
6,487	6,487	Boards		7,314	7,314
6,487	**6,487**	**Total NHS Scotland Receivables**		**7,525**	**7,525**
10	10	NHS non-Scottish bodies		15	15
1,877	1,877	VAT recoverable		1,179	1,179
11,779	11,779	Prepayments		10,571	10,571
432	432	Accrued income		831	831
563	563	Other receivables		307	307
650	650	Reimbursement of provisions		503	503
210	210	Other public sector bodies		19	19
22,008	**22,008**	**Total Receivables due within one year**	SoFP	**20,950**	**20,950**
		Receivables due after more than one year			
734	734	Accrued income		752	752
(168)	(168)	Other receivables		(158)	(158)
3,040	3,040	Reimbursement of provisions		3,209	3,209
3,606	**3,606**	**Total Receivables due after more than one year**	SoFP	**3,803**	**3,803**
25,614	**25,614**	**TOTAL RECEIVABLES**		**24,753**	**24,753**
319	319	The total receivables figure above includes a provision for impairments of :		314	314
		WGA Classification			
6,487	6,487	NHS Scotland		7,314	7,314
67	67	Central Government bodies		1,403	1,403
7	7	Whole of Government bodies		4	4
10	10	Balances with NHS bodies in England and Wales		15	15
19,043	19,043	Balances with bodies external to Government		16,017	16,017
25,614	**25,614**	**Total**		**24,753**	**24,753**
		Movements on the provision for impairment of receivables are as follows:			
335	335	At 1 April		319	319
116	116	Provision for impairment		119	119
(11)	(11)	Receivables written off during the year as uncollectable		(16)	(16)
(121)	(121)	Unused amounts reversed		(108)	(108)
319	319	At 31 March		314	314
		As of 31 March 2019, receivables with a carrying value of £314k (2018: £319k) were impaired and provided for. The ageing of these receivables is as follows:			
4	4	3 to 6 months past due		20	20
315	315	Over 6 months past due		294	294
319	**319**			**314**	**314**

Consolidated 2018 £'000	Board 2018 £'000		Note	Consolidated 2019 £'000	Board 2019 £'000
		The receivables assessed as individually impaired were mainly [English, Welsh and Irish NHS Trusts/ Health Authorities, other Health Bodies, overseas patients, research companies and private individuals] and it was assessed that not all of the receivable balance may be recovered.			
		Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2019, receivables with a carrying value of £5.23 million (2018: £3.94 million) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:			
20	20	Up to 3 months past due		199	199
514	514	3 to 6 months past due		326	326
3,409	3,409	Over 6 months past due		4,705	4,705
3,943	**3,943**			**5,230**	**5,230**
		The receivables assessed as past due but not impaired were mainly [NHS Scotland Health Boards, Local Authorities and Universities] and there is no history of default from these customers recently.			
		Concentration of credit risk is limited due to customer base being large and unrelated / government bodies. Due to this, management believe that there is no future credit risk provision required in excess of the normal provision for doubtful receivables.			
		The credit quality of receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available. Where no external credit rating is available, historical information about counterparty default rates is used.			
		Receivables that are neither past due nor impaired are shown by their credit risk below:			
		Counterparties with external credit ratings			
18,809	18,809	Existing customers with no defaults in the past		17,125	17,125
18,809	**18,809**	**Total neither past due or impaired**		**17,125**	**17,125**
		The maximum exposure to credit risk is the fair value of each class of receivable. The NHS Board does not hold any collateral as security.			
		The carrying amount of receivables are denominated in the following currencies:			
25,614	25,614	Pounds		24,753	24,753
25,614	**25,614**			**24,753**	**24,753**
		All non-current receivables are due within 6 years (2017-18: 6 years) from the balance sheet date.			
		The carrying amount of short term receivables approximates their fair value.			
		The fair value of long term other receivables is £Nil (2017-18: £Nil).			

10. Cash And Cash Equivalents

	Note	2019 £'000	2018 £'000
At 1 April		787	696
Net change in cash and cash equivalent balances	CFS	29	91
At 31st March	SoFP	**816**	**787**
Total Cash - Cash Flow Statement		**816**	**787**
The following balances at 31 March were held at:			
Government Banking Service		59	58
Commercial Banks and Cash in Hand		2	2
Endowment Cash		755	727
At 31st March		**816**	**787**

11. Trade And Other Payables

Consolidated 2018 £'000	Board 2018 £'000		Note	Consolidated 2019 £'000	Board 2019 £'000
		Payables due within one year			
		NHS Scotland			
51	51	Scottish Government Health & Social Care Directorate		101	101
1,378	1,378	Boards		1,871	1,871
1,429	**1,429**	**Total NHS Scotland Payables**		**1,972**	**1,972**
1	1	NHS Non-Scottish bodies		0	0
60	60	Amounts payable to General Fund		60	60
5,765	5,765	Trade payables		3,462	3,462
9,301	9,261	Accruals		5,095	5,093
119	119	Deferred income		22	22
190	190	Income tax and social security		180	180
		Superannuation		110	110
407	407	Holiday pay accrual		411	411
231	231	Other public sector bodies		341	341
70	70	Other payables		59	39
1,921	1,921	Other significant payables (pay accrual)		2,971	2,971
19,494	**19,454**	**Total Payables due within one year**	SoFP	**14,683**	**14,661**
		Payables due after more than one year			
0	0	Other payables		20	0
		Total Payables due after more than one year		**20**	**0**
19,494	**19,454**	**TOTAL PAYABLES**		**14,703**	**14,661**
		WGA Classification			
1,378	1,378	NHS Scotland		1,871	1,871
459	459	Central Government bodies		302	302
12	12	Whole of Government bodies		13	13
1	1	Balances with NHS bodies in England and Wales		0	0
17,643	17,603	Balances with bodies external to Government		12,517	12,475
19,494	**19,454**	**Total**		**14,703**	**14,661**

The carrying amount of short term payables approximates their fair value.

The carrying amount of payables are denominated in the following currencies:

19,494	19,454	Pounds		14,703	14,661
19,494	**19,454**			**14,703**	**14,661**

12a. Provisions – Consolidated And Board

	Note	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non-endowment) £'000	2019 Total £'000
At 1 April 2018		8,981	4,128	4,305	357	17,771
Arising during the year		1,229	880	1,101	535	3,745
Utilised during the year		(432)	(481)	(317)	(286)	(1,516)
Unwinding of discount	2b	9	41	(14)	0	36
Reversed unutilised		(361)	(473)	(863)	(43)	(1,740)
At 31 March 2019		**9,426**	**4,095**	**4,212**	**563**	**18,296**

The amounts shown above in relation to Clinical & Medical Legal Claims against Scottish Ambulance Service are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 9.

Analysis of expected timing of discounted flows to 31 March 2019

	Note	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non-endowment) £'000	2019 Total £'000
Payable in one year		441	749	1,029	563	2,782
Payable between 2 - 5 years		1,750	3,346	2,842		7,938
Payable between 6 - 10 years		2,159		285		2,444
Thereafter		5,076	0	56	0	5,132
At 31 March 2019		**9,426**	**4,095**	**4,212**	**563**	**18,296**

Prior Year

	Note	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non-endowment) £'000	2018 Total £'000
At 1 April 2017		9,016	3,679	3,769	460	16,924
Arising during the year		203	667	1,353	306	2,529
Utilised during the year		(410)	(91)	(275)		(776)
Unwinding of discount		22	(41)	(24)	(203)	(246)
Reversed unutilised		150	(86)	(518)	(206)	(660)
At 31 March 2018		**8,981**	**4,128**	**4,305**	**357**	**17,771**

The amounts shown above in relation to Clinical & Medical Legal Claims against Scottish Ambulance Service are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 9.

Analysis of expected timing of discounted flows to 31 March 2018

	Note	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non-endowment) £'000	2018 Total £'000
Payable in one year		413	1,038	995	357	2,803
Payable between 2 - 5 years		1,648	3,090	3,155		7,893
Payable between 6 - 10 years		2,050		132		2,182
Thereafter		4,870	0	23	0	4,893
At 31 March 2018		**8,981**	**4,128**	**4,305**	**357**	**17,771**

Pensions and similar obligations

The Board has in the past met the cost of additional benefits beyond the normal National Health Service Superannuation Scheme for Scotland benefits in respect of employees who retired early in the interests of the service by paying the required amounts annually to the Scottish Public Pensions Agency with the estimated value of all future payments being provided in the year the premature retiral was approved. Only one premature retiral case remains in payment and due to the immaterial sum involved the payments have not been discounted but are currently projected over a remaining life greater than nine years. The Board has provided for permanent injury benefit awards based upon advised annual rates supplied by the Scottish Public Pensions Agency under the National Health Service Superannuation Scheme for Scotland and estimated remaining lives of recipients derived from interim life tables for Scotland produced annually by National Statistics which give period life expectancy by age and sex. Each life table is based upon population estimates, births and deaths data for a period of three consecutive years. The sum provided for each individual is recalculated annually based upon changes in their annual rates and period life expectancy at the balance sheet date. As the period life expectancies are typically for a considerable number of years during which the claimants will receive payments the actuarially calculated amounts are discounted using the provision discount rate as set by HM Treasury, which was 0.10% as at the balance sheet date. As at the balance sheet date the life expectancy varied between ten years and thirty-nine years.

Clinical & Medical Legal Claims against NHS Board

The Board provides in full for Employer's Liability claims designated by the Central Legal Office as being Category 3, provision is also made for 50% of the estimated settlement costs of claims categorised by the Central Legal Office as Category 2 claims. Claims provided for have been discounted as per HM Treasury PES guidance

Other (non-endowment)

Provision has been made for insurance reserve costs relating to third parties as notified by the Board's insurers on the basis of 100% of third party vehicle damage costs and third party personal injury costs. It has been assumed that outstanding claims will reach settlement with twelve months of the balance sheet date and therefore the costs have been classified as current.

12b. Clinical Negligence And Other Risks Indemnity Scheme (CNORIS)

2018 £'000		Note	2019 £'000
4,128	Provision recognising individual claims against the NHS Board as at 31 March	13a	4,095
(3,690)	Associated CNORIS receivable at 31 March	9	(3,712)
4,305	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	12a	4,212
4,743	**Net Total Provision relating to CNORIS at 31 March**		**4,595**

The Clinical Negligence and Other Risks Scheme (CNORIS) has been in operation since 2000. Participation in the scheme is mandatory for all NHS boards in Scotland. The scheme allows for risk pooling of legal claims in relation to clinical negligence and other risks and works in a similar manner to an insurance scheme. CNORIS has an agreed threshold of £25k and any claims with a value less than this are met directly from within boards' own budgets. Participants e.g. NHS boards contribute to the CNORIS pool each financial year at a pre-agreed contribution rate based on the risks associated with their individual NHS board. If a claim is settled the board will be reimbursed by the scheme for the value of the settlement, less a £25k "excess" fee. The scheme allows for the risk associated with any large or late in the financial year legal claims to be managed and reduces the level of volatility that individual boards are exposed to.

When a legal claim is made against an individual board, the board will assess whether a provision or contingent liability for that legal claim is required. If a provision is required then the board will also create an associated receivable recognising reimbursement from the scheme if the legal claim settles. The provision and associated receivable are shown in the first two lines above. The receivable has been netted off against the provision to reflect reimbursement from the scheme.

As a result of participation in the scheme, boards should also recognise that they will be required to make contributions to the scheme in future years. Therefore a second provision that recognises the board's share of the total CNORIS liability of NHSScotland has been made and this is reflected in third line above.

Therefore there are two related but distinct provisions required as a result of participation in the scheme. Both of these provisions as well as the associated receivable have been shown in the note above to aid the reader's understanding of CNORIS.

Further information on the scheme can be found at: http://www.clo.scot.nhs.uk/our-services/cnoris.aspx

13a. Contingent Liabilities

The following contingent liabilities have not been provided for in the Accounts.

2018 £'000		2019 £'000
	Nature	
3,545	Clinical and medical compensation payments	3,863
993	Employer's liability	823
4,538	**Total contingent liabilities**	**4,686**

The Service is currently contesting through Central Legal Office a number of negligence claims arising from normal activities. These claims have been assessed by the Central Legal Office as at 31 March 2019 and for those which have been deemed likely to require settlement the estimated amount has been included in provisions. In addition to those claims provided for, there are further Clinical and Medical Negligence claims with an estimated value of £3.86m and Employer's Liability claims with an estimated value of £0.82m, which have not been provided for as they have been judged unlikely to result in any settlement.

13b. Contingent Assets

2018 £'000		2019 £'000
3,500	Clinical and medical compensation payments	3,675
348	Employer's liability	95
3,848	**Total contingent liabilities**	**3,770**

A contingent asset consisting of amounts recoverable from the CNORIS scheme associated with the contingent liability disclosed above, £3.68m for Clinical and Medical Negligence and £0.1m for Employer's Liability compensation payments would be receivable if these claims were to be settled at their current estimated value.

14. Events After The End Of The Reporting Year

There were no events after the end of the reporting period that would have a material effect on the accounts.

15. Commitments

Capital Commitments The Board has the following capital commitments which have not been provided for in the accounts

2018 £'000		Property, plant and equipment £'000	2019 Total £'000
	Contracted		
7,938	Vehicles	12,734	12,734
33	Building works	219	219
10	Vehicle charging points	0	0
0	Defibrillators	10,600	10,600
7,981	**Total**	**23,553**	**23,553**
	Authorised but not Contracted		
31,880	Vehicles	14,546	14,546
30	Property	0	0
29	Information Technology	0	0
31,939	**Total**	**14,546**	**14,546**

16. Commitments Under Leases

Operating leases total future minimum lease payments under operating leases are given in the table below for each of the following periods

2018 £'000		2019 £'000
	Obligations under operating leases comprise: Land	
204	Not later than one year	204
160	Later than one year, not later than 2 years	170
454	Later than two year, not later than five years	437
810	Later than five years	754
	Buildings	
1,028	Not later than one year	1,059
884	Later than one year, not later than 2 years	937
2,519	Later than two years, not later than five years	2,653
5,143	Later than five years	5,026
	Other	
3,838	Not later than one year	3,977
3,756	Later than one year, not later than 2 years	3,867
179	Later than two years, not later than five years	7,530
	Amounts charged to Operating Costs in the year were:	
4,006	Hire of equipment (including vehicles)	4,044
1,537	Other operating leases	1,985
5,543	**Total**	**6,029**

The major components included within Other Operating: Leases obligations are the fixed and rotary wing aircraft contracted for under the managed Air Ambulance Service. While the managed service contract is not in the legal form of an operating lease, in adopting the IFRIC 4 approach, these aircraft are adjudged in substance to have the characteristics of leased assets and have therefore been classified under IAS 17 as operating lease assets. Other elements of the managed Air Ambulance service are not considered to be within scope of IAS 17.

17. Pension Costs

The Scottish Ambulance Service participates in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. **The pension cost is assessed every four years by the Government Actuary and this valuation determines the rate of contributions required. The most recent actuarial valuation is published by the Scottish Public Pensions Agency and is available on their website.**

Scottish Ambulance Service has no liability for other employers' obligations to the multi-employer scheme.

As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

1. The scheme is an unfunded multi-employer defined benefit scheme.
2. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Scottish Ambulance Service is unable to identify its share of the underlying assets and liabilities of the scheme.
3. The employer contribution rate for the period from 1 April 2015 was 14.9% of pensionable pay. While the employee rate applied is a variable it will provide an actuarial yield of 9.8% of pensionable pay.
4. At the last valuation a shortfall of £1.4 billion was identified in the notional fund which will be repaid by a supplementary rate of 2.6% of employer's pension contributions for fifteen years from 1 April 2015. This contribution is included in the 14.9% employer's contribution rate
5. The Scottish Ambulance Service contribution in 2018/19 was £21.0 million (£19.4 million in 2017/18). The total employer contributions received for the NHS Scotland scheme in the year to 31 March 2018 was £768.7 million (see note 3 in the scheme accounts). Contributions collected in the year to 31 March 2019 will be published in October 2019).

National Employment Savings Trust (NEST)

The Pensions Act 2008 and 2011 Automatic Enrolment regulations required all employers to enrol workers meeting certain criteria into a pension scheme and pay contributions toward their retirement. For those staff not entitled to join the NHS Superannuation Scheme (Scotland), the Board utilised an alternative pension scheme called NEST to fulfil its Automatic Enrolment obligations.

NEST is a defined contribution pension scheme established by law to support the introduction of Auto Enrolment. Contributions are taken from qualifying earnings, which are currently from £5,876 up to £45,000, but will be reviewed every year by the government. The initial employee contribution is 1% of qualifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by government.

	Employee Contribution	Employer Contribution	Total Contribution
1st March 2013	1%	1%	2%
1st October 2018	3%	2%	5%
1st October 2019	5%	3%	8%

Pension members can choose to let NEST manage their retirement fund or can take control themselves and alter contribution levels and switch between different funds. If pension members leave the Board they can continue to pay into NEST.

NEST Pension members can take money out of NEST at any time from age 55. If suffering from serious ill health or incapable of working due to illness members can request to take money out of NEST early. They can take the entire retirement fund as cash, use it to buy a retirement income or a combination. Additionally, members can transfer their NEST retirement fund to another scheme.

NEST is run by NEST Corporation, a trustee body which is a non-departmental public body operating at arm's length from government and is accountable to Parliament through the Department for Work and Pensions.

	2019 £'000	2018 £'000
Pension cost charge for the year	20,964	17,443
Provisions / liabilities / prepayments included in the Statement of Financial Position	2	2

18a. Financial Instruments By Category

Financial Assets - Consolidated

	Note	Loans and Receivables £'000	Total £'000
At 31 March 2019			
Assets per balance sheet			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	1,766	1,766
Cash and cash equivalents	10	816	816
		2,582	**2,582**

Financial Assets - Board

	Note	Loans and Receivables £'000	Total £'000
At 31 March 2019			
Assets per balance sheet			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	1,766	1,766
Cash and cash equivalents	10	61	61
		1,827	**1,827**

Prior Year

Financial Assets - Consolidated

	Note	Loans and Receivables £'000	Total £'000
At 31 March 2018			
Assets per balance sheet			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	1,781	1,781
Cash and cash equivalents	10	787	787
		2,568	**2,568**

Financial Assets - Board

	Note	Loans and Receivables £'000	Total £'000
At 31 March 2018			
Assets per balance sheet			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	1,781	1,781
Cash and cash equivalents	10	60	60
		1,841	**1,841**

Financial Liabilities - Consolidated

	Note	Other Financial Liabilities £'000	Total £'000
At 31 March 2019			
Liabilities per balance sheet			
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	11	12,419	12,419
		12,419	**12,419**

Financial Liabilities - Board

	Note	Other Financial Liabilities £'000	Total £'000
At 31 March 2019			
Liabilities per balance sheet			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	11	12,377	12,377
		12,377	**12,377**

Prior Year

Financial Liabilities - Consolidated

	Note	Other Financial Liabilities £'000	Total £'000
At 31 March 2018			
Liabilities per balance sheet			
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	11	17,756	17,756
		17,756	**17,756**

Financial Liabilities - Board

	Note	Other Financial Liabilities £'000	Total £'000
At 31 March 2018			
Liabilities per balance sheet			
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	11	17,716	17,716
		17,716	**17,716**

18b. Financial Risk Factors

Exposure to Risk

The NHS Board's activities expose it to a variety of financial risks:

Credit risk - the possibility that other parties might fail to pay amounts due.

Liquidity risk - the possibility that the NHS Board might not have funds available to meet its commitments to make payments.

Market risk - the possibility that financial loss might arise as a result of changes in such measures as interest rates, stock market movements or foreign exchange rates.

Because of the largely non-trading nature of its activities and the way in which government departments are financed, the NHS Board is not exposed to the degree of financial risk faced by business entities.

i) Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks and other institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and other institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the NHS Board.

The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period and no losses are expected from non-performance by any counterparties in relation to deposits.

ii) Liquidity Risk

The Scottish Parliament makes provision for the use of resources by the NHS Board for revenue and capital purposes in a Budget Act for each financial year. Resources and accruing resources may be used only for the purposes specified and up to the amounts specified in the Budget Act. The Act also specifies an overall cash authorisation to operate for the financial year. The NHS Board is not therefore exposed to significant liquidity risks.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As At 31 March 2019	Less than 1 year £'000	Between 1 and 2 years £'000
Trade and other payables excluding statutory liabilities	12,361	20
Total	**12,361**	**20**

At 31 March 2018	Less than 1 year £'000
Trade and other payables excluding statutory liabilities	19,276
Total	**19,276**

iii) Market Risk

The NHS Board has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the NHS Board in undertaking its activities.

Cash flow and fair value interest rate risk

The NHS Board has no significant interest bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market interest rates.

Foreign Currency Risk

The NHS Board is not exposed to foreign currency risk.

Price risk

The NHS Board is not exposed to equity security price risk.

18c. Fair Value Estimation

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current HM Treasury interest rate that is available for similar financial instruments.

19. Related Party Transactions

The Board had various material transactions with other government departments and other central government bodies during the year. No Board member, key manager or other related party has undertaken any material transactions with the Board during the year. The Board members, both Executive and Non-Executive directors, are also trustees of the Scottish Ambulance Service Endowment Funds.

20a. Consolidated Statement Of Comprehensive Net Expenditure

Group 2018 £'000		Note	Board 2019 £'000	Endowment 2019 £'000	Consolidated 2019 £'000
	Total income and expenditure				
188,681	Staff costs	3	205,451		205,451
	Other operating expenditure	3			
11,624	Vehicle Running Costs		12,092		12,092
14,727	Air Ambulance Costs		15,320		15,320
7,583	Property Running Costs		7,870		7,870
4,714	Medical Costs		4,735		4,735
32,041	Other health care expenditure		30,179	133	30,312
259,370	Gross expenditure for the year		275,647	133	275,780
(8,492)	Less: operating income	4	(10,634)	(159)	(10,793)
250,878	**Net Expenditure**		**265,013**	**(26)**	**264,987**

20b. Consolidated Statement Of Financial Position

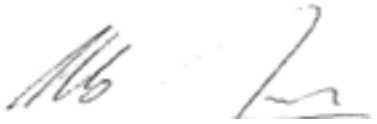
Consolidated 2018 £'000		Note	Board 2019 £'000	Endowment 2019 £'000	Consolidated 2019 £'000
	Non-current assets				
86,408	Property, plant and equipment	SoFP	89,494	0	89,494
2,004	Intangible assets	SoFP	1,487	0	1,487
3,606	Trade and other receivables	SoFP	3,803	0	3,803
92,018	**Total non-current assets**		**94,784**	**0**	**94,784**
	Current Assets				
126	Inventories	SoFP	106	0	106
22,008	Trade and other receivables	SoFP	20,950	0	20,950
787	Cash and cash equivalents	SoFP	61	755	816
115	Assets classified as held for sale	SoFP	115	0	115
23,036	**Total current assets**		**21,232**	**755**	**21,987**
115,054	**TOTAL ASSETS**		**116,016**	**755**	**116,771**
	Current Liabilities				
(2,803)	Provisions	SoFP	(2,782)	0	(2,782)
	Financial liabilities:				
(19,494)	Trade and other payables	SoFP	(14,661)	(22)	(14,683)
(22,297)	**Total Current Liabilities**		**(17,443)**	**(22)**	**(17,465)**
92,757	**Non-Current Assets Plus/Less Net Current Assets/Liabilities**		**97,940**	**733**	**98,673**
	Non-current liabilities				
(14,968)	Provisions	SoFP	(15,514)	0	(15,514)
	Financial liabilities:				
0	Trade and other payables	SoFP		(20)	(20)
(14,968)	**Total non-current liabilities**		**(15,514)**	**(20)**	**(15,534)**
77,789	**Assets less liabilities**		**83,059**	**713**	**83,772**
	Taxpayers' Equity				
72,976	General Fund	SoFP	78,801	0	78,801
4,126	Revaluation Reserve	SoFP	4,258	0	4,258
687	Funds Held on Trust	SoFP	0	713	713
77,789	**Total taxpayers' equity**		**83,059**	**713**	**83,772**

20c. Consolidated Statement Of Cashflows

Consolidated 2018 £'000		Board 2019 £'000	Endowment 2019 £'000	Consolidated 2019 £'000
	Cash flows from operating activities			
(250,878)	Net operating expenditure	(265,013)	26	(264,987)
14,537	Adjustments for non-cash transactions	12,501	0	12,501
(246)	Add back: interest payable recognised in net operating expenditure	36	0	36
(1)	Deduct: interest receivable recognised in net operating expenditure	0	(2)	(2)
(4,081)	Movements in working capital	(2,287)	2	(2,285)
(240,669)	**Net cash outflow from operating activities**	**(254,763)**	**26**	**(254,737)**
	Cash flows from investing activities			
(21,423)	Purchase of property, plant and equipment	(16,164)	0	(16,164)
(89)	Purchase of intangible assets	(41)	0	(41)
	Transfer of assets to/(from) other NHS bodies	13		13
642	Proceeds of disposal of property, plant and equipment	264	0	264
1	Interest received	0	2	2
(20,869)	**Net cash outflow from investing activities**	**(15,928)**	**2**	**(15,926)**
	Cash flows from financing activities			
261,383	Funding	270,728	0	270,728
261,383	Cash drawn down	270,728	0	270,728
246	Interest paid	(36)	0	(36)
261,629	**Net Financing**	**270,692**	**0**	**270,692**
91	**Net Increase / (decrease) in cash and cash equivalents in the period**	**1**	**28**	**29**
696	**Cash and cash equivalents at the beginning of the period**	60	727	787
787	**Cash and cash equivalents at the end of the period**	**61**	**755**	**816**
	Reconciliation of Net Cash Flow to movement in net debt / cash			
91	Increase / (decrease) in cash in year	**1**	**28**	**29**
696	Net debt / cash at 1 April	60	727	787
787	**Net debt / cash at 31 March**	**61**	**755**	**816**

Direction by the Scottish Ministers

1. The Scottish Ministers, in pursuance of sections 86(1), (1B) and (3) of the National Health Services (Scotland) Act 1978, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. Subject to the foregoing requirements, the accounts shall also comply with any accounts format, disclosure and accounting requirements issued by the Scottish Ministers from time to time.
4. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
5. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 20 December 2002 is hereby revoked.



Signed by the authority of the Scottish Ministers

Dated 10/1/2006