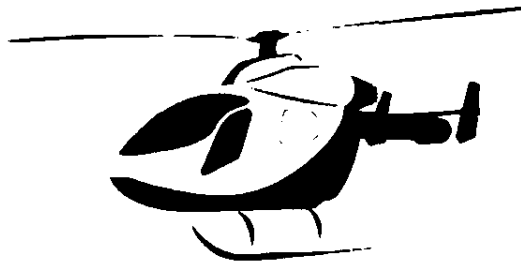


Kent Surrey *Sussex*



Air Ambulance

saving time - saving life

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

Registered Company Number: 2803242

Registered Charity Number: 1021367

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**KENT AIR AMBULANCE TRUST AND ITS SUBSIDIARY
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008**

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KENT AIR AMBULANCE TRUST
GENERAL INFORMATION
YEAR ENDED 31 MARCH 2008

CHAIRMAN: A H V Monteuuis

OTHER TRUSTEES: Mrs G Allinson
R Cripps
R Freij
J R H Loudon
Mrs S W Simkins
P J C Canney
Revd Canon Dr E Condry (appointed 9 July 2007)
Mrs C M Martin (appointed 4 February 2008)

CHIEF EXECUTIVE: D M Philpott

COMPANY SECRETARY: P J C Canney

REGISTERED OFFICE: Unit 14, Wheelbarrow Park Estate
Pattenden Lane
Marden
Kent
TN12 9QJ

Email: admin@kaat.org.uk
Websites: www.kentairambulance.co.uk
www.surreyairambulance.co.uk
www.sussexairambulance.co.uk

Registered Company No. 2803242
Registered Charity No. 1021367

PRINCIPAL BANKERS: National Westminster Bank Plc
P O Box 166
161 High Street
Rochester
Kent
ME1 1LR

INVESTMENT MANAGER: Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

AUDITORS: Horwath Clark Whitehill LLP
10 Palace Avenue
Maidstone
Kent
ME15 6NF

KENT AIR AMBULANCE TRUST

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2008

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2008. The Trustees have adopted the provisions of the Statement of Recommended Practice 2005 (SORP) Accounting and Reporting for Charities published in March 2005 in preparing the annual report and financial statements of the charity.

The charity is a charitable company limited by guarantee and was set up in July 1992. It is governed by a Memorandum and Articles of Association which were last amended on 5 May 2005. Its objects are to relieve sick and injured people in South East England and surrounding areas by providing a Helicopter Emergency Medical Service (HEMS) and air ambulance service for the benefit of the community. The charity number and address can be found on page 1.

This report covers Kent Air Ambulance Trust (KAAT), Surrey Air Ambulance Fund, Sussex Air Ambulance Fund and the subsidiary trading company, Air Ambulance Promotions Limited (AAP).

PERFORMANCE SUMMARY

The Group had a deficit for the year, after taking into account the unrealised losses on investments, of £111,548 (2007 – surplus of £877,887).

The Trust's deficit of income over expenditure for the year amounted to £238,762 (2007 – surplus of £627,993) before the incorporation of the profit of the subsidiary. This amounted to £129,462 (2007 – £90,501), giving an overall Group deficit, before the unrealised losses on investments, of £109,300 (2007 – surplus of £718,494).

Income increased during the year across all three counties, particularly in Surrey and Sussex as their appeals gained momentum. Gross income rose from £ 3.37m (2007) to £ 4.07m (2008), an increase of some 20%.

As a result of the change in the charity's objects, a number of restricted and designated funds were set up in 2006. Note 12 to the Financial Statements refers to this in more detail.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

In February 2008, the charity circulated a Strategic Review and Update document to all key stakeholders. The purpose of the document was to measure progress against the Strategic Plan, agreed by the Board of Trustees in 2005. Stakeholders included staff, volunteers (of whom there are in excess of 170), health care professionals, hospitals, Primary Care Trusts and the Strategic Health Authority, together with Members of Parliament and County, Borough and District Council leads.

The review concluded that the charity had achieved all of its objectives, save ongoing difficulties with helipad provision, which is now being championed through national forums.

Additional developments which have taken place during the year of local, national and international significance include:

Dunsfold Airbase becomes operational

Having successfully raised sufficient funds in Surrey and Sussex, following county specific appeals, a new air base with a second helicopter was opened on 8 June 2007 by actress and former High Sheriff of Surrey, Penelope Keith C.B.E. The start-up utilised an older Bolkow type helicopter, which was replaced in December 2007 by an MD902, sister aircraft to the Kent based model. The operation functions from a purpose built, leased facility at Dunsfold Airfield and enjoys the support of the landlord.

Establishment of a HEMS Desk

Since all air ambulance charities are blighted by inefficient and inappropriate tasking of the helicopter (leading to missed opportunities to save lives – and unnecessary costs incurred owing to wasted flights), the charity introduced a dedicated HEMS Desk in partnership with SECamb (South East Coast Ambulance Trust). Staffed by our own paramedics (seconded from the Ambulance Service), every single category 'A' emergency is scrutinized with a view to pre-emptive and rapid deployment of the helicopter.

KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2008

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS (continued)

Commencement of Night Flying

During the period under review, the charity entered into discussions with Sussex Police with a view to securing night time paramedic air cover across the counties of Kent, Surrey and Sussex, by utilising the Police Helicopter. Although this service did not commence until 1 April 2008, contracting arrangements were put in place. This had been a strategic ambition of the charity.

Critical Care Paramedic Programme

Working in partnership with SECamb, the charity agreed to participate in the new Critical Care Paramedic programme. This will see nine traditional paramedics undergo a graduate course at the University of Hertfordshire, following which, they will be qualified and capable of enhanced medical interventions, so as to complement the doctors' skills. By the end of 2008, three paramedics will have graduated from the programme with a further three having started the course.

The Association of Air Ambulance Charities and the NHS

Working with the Department of Health and others, our Chief Executive, in his role as Chairman of the Association of Air Ambulance Charities, established the Air Ambulance Working Group. This group conducted a Situation Audit of the charitably funded air ambulance service in England and Wales, and then set about drafting a best practice industry document - Framework for a High Performing Air Ambulance Service – which was published in the summer of 2008 (post this accounting period). The executive team is of the opinion that the charity attains most of these high standards already and has engaged the services of a health expert, author of the above document John MacDonald, to advise what steps, if any, might need to be taken.

European HEMS and Air Ambulance Committee

During the period under review the charity was asked to consider bidding to host the next AirMed World Congress in May 2011. The board considered this over several months, which included the preparation of variant budgets, financial information from previous AirMeds, undertakings regarding levels of commercial sponsorships, and guaranteed access to delegate and sponsor databases from previous Congresses. Having satisfied themselves as to the risks and opportunities, Brighton was proffered as a venue. The charity secured the right to host this prestigious event at the AirMed World Congress in Prague in May 2008, post this period. Following consultation with the Directors of Air Ambulance Promotions Ltd, the event will be run through the charities trading subsidiary.

KEY PERFORMANCE INDICATORS

To improve our service and keep our stakeholders informed we have introduced and have proposed to develop a number of Key Performance Indicators. Two areas have been identified under the headings Operational Effectiveness and Fundraising.

Operational Effectiveness

Since the HEMS desk was set up in the summer of 2006, this is the first full year of its use that truly reflects its effectiveness. The principle is that the task selection for the aircraft is undertaken only by a member of the HEMS crew who is seated in the control room monitoring every 999 call that is received by the ambulance service. The dispatch criterion is set solely upon clinical need and targets those emergencies where intervention, treatment and transfer to an appropriate hospital by a HEMS doctor and paramedic will have the most beneficial effect upon the patient outcome. For the first time, we can be reasonably confident that all of the tasks were undertaken truly for the benefit of the patient and never for the convenience of the ambulance service.

KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2008

KEY PERFORMANCE INDICATORS (continued)

Operational Effectiveness (continued)

The Kent based aircraft performed the following tasks:

	2007-08	<i>2006-07</i>
Road traffic crash	291	<i>290</i>
Medical (cardiac etc)	149	<i>209</i>
Sport & leisure (horse riding etc)	73	<i>84</i>
Hospital transfers	5	<i>23</i>
Other	140	<i>163</i>
	<hr/>	<hr/>
Total	658	<i>769</i>
	<hr/>	<hr/>

Of the above tasks, 374 patients were treated at the scene (380 in 06-07) and of those, 203 were carried to a hospital (223 in 06-07).

The helicopter was available for use for 96% of the time (95.3 % in 2006-07).

The Dunsfold based aircraft commenced operational duty on 10 June 2007 and the following figures therefore only represent a partial year:

	2007-08	<i>2006-07</i>
Road traffic crash	261	<i>-</i>
Medical (cardiac etc)	41	<i>-</i>
Sport & leisure (horse riding etc)	52	<i>-</i>
Hospital transfers	1	<i>-</i>
Other	111	<i>-</i>
	<hr/>	<hr/>
Total	466	<i>-</i>
	<hr/>	<hr/>

Of the above tasks, 179 patients were treated at the scene and of those, 124 were carried to a hospital.

The helicopter was available for use for 95% of the time.

As there has not been a further national audit of tasking since 2006/07, we are once again using this historical data for our benchmarking:

	Total Missions	Total Stood down	Total Hospital transfers
Kent base	658	246	5
Surrey/Sussex base	466	194	1
Average of other Air Ambulance Charities	857	222	26

We have now seen a full years effect of the two decisions; firstly to enhance the medical skills of the crew by introducing doctors, and secondly to effectively target the crew to the most appropriate job by the HEMS desk. It will take a long term audit of patient outcomes to confirm our view, but it is the belief of the crew themselves that these two changes have had a significant effect upon the outcomes of the critically ill or injured. They are properly targeted. They no longer go straight to the nearest general hospital, but have their treatment commenced immediately and then taken directly to the specialist hospital that is relevant to their individual needs. Although anecdotal at the moment, we believe that the evidence of improved outcomes is overwhelming.

KENT AIR AMBULANCE TRUST

REPORT OF THE TRUSTEES (CONTINUED)

YEAR ENDED 31 MARCH 2008

KEY PERFORMANCE INDICATORS (continued)

Fundraising

During the period under review the charity generated an income from all sources of £4.07m (2007 - £3.37m).

Looking at Kent in isolation, income per head of the population equals £1.89p. If Surrey and Sussex are added, since these are new appeals, the ratio drops significantly.

The following table benchmarks Kent in isolation and the Trust overall (Kent, Surrey and Sussex) against the national average of fifteen air ambulance charities, based upon the most recent published accounts of each one.

	Incoming Resources £(,000)	Total Population (,000)	Income per Head £
Kent only	2,980	1,579	1.89
Kent, Surrey & Sussex	4,073	4,242	0.96
Average of other Air Ambulance Charities	2,343	3,068	0.76

GOVERNANCE

Trustees are appointed by the Trustee Board. Candidates may be put forward for consideration by individual Trustees, or the Chief Executive, together with a brief CV of their relevant expertise. Trustees are appointed for an initial period of up to three years and at the end of that period they can be reappointed for further periods with the agreement of the Chairman up to a maximum period of six years. During the year the Trustees attended a full one-day workshop to review the strategic plan and consider risk and governance matters generally.

One-third of the Trustees, who are subject to retirement by rotation, must retire at every Annual General Meeting. A Trustee who retires at an Annual General Meeting may, if willing to act, be reappointed.

Trustees are selected for their ability to make an effective contribution to the charity, in terms of skills and experience. The key attributes include:

- Running a business
- Financial
- Accident and Emergency medicine
- Media Management or PR in the region
- Personnel Management in a company with an HR department
- Charity Management
- Merchandising
- Being well-regarded in the local community
- Access to fundraising sources
- Ability and willingness to raise funds
- Being well-respected in their field
- Willing to represent the charity in the community

The target number of Trustees is not fixed and additional Trustees may be appointed after identifying those attributes which will complement those of the existing board.

KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2008

GOVERNANCE (CONTINUED)

The Trustees met five times during the year, the Finance committee met six times and the HR committee met twice. These meetings are usually also attended by the Chief Executive and other appropriate members of the management team.

During September 2007 the board and senior management team of the charity, met at Birling in Kent for a "visioning day". The contents of the Strategic Review and Update document, previously referred to, were discussed at this event, prior to publication, together with an IT infrastructure solution.

Once again, to give more transparency, the Trust's AGM was advertised as being open to the public and was held at Kent Music Maidstone. It was held in February 2008 where members of the public, volunteers, staff, members of the medical team and crew were able to hear reports from the Chairman, Chief Executive and Chairman of the Finance Committee. A question and answer session followed.

The Trustees delegate the day to day running of the charity to the Chief Executive, David Philpott. He manages a staff of eighteen (plus seconded pilots, doctors and paramedics numbering twenty people), that includes a management team of four who in turn are responsible for the operation of the helicopter, fundraising, administration and finance.

TRUSTEES

The Trustees who served during the year were as follows:

	Committee
A H V Monteuuis - Chairman	F & HR
Mrs G Allinson	HR
R Cripps	HR
R Freij	
J R H Loudon	F
Mrs S W Simkins	V
P J C Canney	F
Rev'd Canon Dr E Condry (appointed 9 July 2007)	HR
Mrs C M Martin (appointed 4 February 2008)	

Mrs Allinson, Mr Cripps and Mr Freij will retire in accordance with the company's Articles of Association at the Annual General Meeting and, being eligible, offer themselves for re-election.

(Committee membership is indicated above – Finance (F), Human Resources (HR), Volunteer (V))

VOLUNTEERS AND STAFF

A Human Resources Committee comprising three Trustees was established in 2005. Staff structure, remuneration and volunteer issues are considered at its meetings and it makes recommendations to the board.

With only a small head office staff the Trust is dependent on over 170 volunteers throughout the region (120 Kent, 30 Sussex, 20 Surrey) who continue to support the charity by attending events and cheque presentations, giving talks to groups of people about the charity, collecting and replacing some 2,600 collecting boxes and selling merchandise and Christmas cards for us. We make use of the professional expertise of other volunteers and we take their advice where appropriate.

KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2008

VOLUNTEERS AND STAFF (CONTINUED)

Although not employed by the Trust both the Trust and the Volunteers have responsibilities to each other with regard to their obligations and involvement with the charity. To acknowledge this, following an induction course, training is given to volunteers. A volunteer code of conduct has been developed and a volunteer handbook is issued to each one.

Since the Trust had grown so rapidly in the past year, staff attended a residential conference in October 2007 to discuss issues of mutual interest. Arising out of these discussions, the Chief Executive launched a consultation process with all staff and volunteers entitled the Big Conversation. Every member of staff and all volunteers completed a questionnaire and all staff and a selected group of volunteers had one to one interviews with the Chief Executive. As a result new processes were put in place and the organisational structure adapted to absorb the agreed recommendations.

One outcome of this consultation was the establishment of a Volunteer Advisory Panel made up of 6 people who serve for a one year fixed period. These help in the selection and procurement of merchandising and facilitation of event management.

As part of its policy to support the staff the Trust has in the past obtained an Investors in People accreditation as it is committed to the personal development where possible of the individuals who work for it and to provide suitable training where appropriate.

Once again the Trustees would like to use this report to say a large 'thank you' to all the people who have assisted the Charity in maintaining its position as one of the leading charities in the area.

Details of employees and their remuneration are shown in note 5 to the financial statements.

INCOME GENERATION

Overall income increased in the year to a new record of £4.073m – once again, a substantial increase of 20% on the previous year.

General donations fell by 1%, whilst legacy income, which is naturally unpredictable, increased again, this time by 22%, with in memoriam donations also increasing by 23%. Income from collection boxes, payroll giving and bank interest was similar to the previous year. Charitable Trust income fell from £166k in 2007 to £108k, owing to the loss of a key member of staff who was not replaced immediately. However, the charity has re-focused on this and expects an increase next year.

There was a substantial increase in 'Other' income which is wholly attributable to the donated services of the additional paramedics funded by the Ambulance Service.

The Donations heading also includes the waiving of part of the rent due on the Marden head office, and a substantial discount on the lease at Dunsfold for which the Trust is once again very grateful to the respective landlords.

Income from Group Fundraising and Events increased by 13% from £914k to £1,033k for the year under review. Events relating to the Surrey and Sussex funds increased from £285k to £376k.

Fundraising events provide income from two sources. The majority comes from organisations and individuals who are authorised by the Trust to raise funds in the Trust's name. These events are monitored by the Trust and staff or volunteers may well attend and support the occasion but the Trust is not involved in any direct cost.

The second source is those major events organised financed and operated by the Trust. During the year in question, because of the continuing need to focus on getting the second airbase at Dunsfold ready for the June 2007 launch, the charity did not engage in many major events itself.

Once again the trading subsidiary increased its income, this time by 41% to £866k.

KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2008

INCOME GENERATION (CONTINUED)

As a leading charity in the region we are one of many good causes that the public and others support. We are dependent on this generosity and the management team is continually looking for new ways to increase awareness of the Trust's objectives through the media and other outlets.

FUNDRAISING AND GOVERNANCE COSTS

Costs of fundraising and publicity increased to £591k from £487k. This included the continuing costs expended by Surrey and Sussex, as the operation expanded, which increased from £149k to £301k.

Governance costs comprising audit fees, Trustee training and related management charges totalled £37k (2007: £37k).

Trading subsidiary cost of sales increased by £33k to £151k, but the overall gross profit of £714k was an increase of 44% on the previous year (2007 £495k).

CHARITABLE EXPENDITURE AND TOTAL RESOURCES EXPENDED

Charitable expenditure increased by 69% to £3.40m (2007: £2.01m). This large increase was due to the additional running costs of a second helicopter based at Dunsfold. As well as the increased leasing costs (although the charity were able to negotiate an improved contract to cover two helicopters), there were additional direct costs for doctors and other operational staff. The direct charitable expenditure of £2.73m, which includes the lease, flying time and crew costs of the helicopter, accounted for 65% of total resources expended (2007: 55%).

Included in charitable expenditure are management and administration costs that increased by £65k to £482k together with support (mainly property costs) and depreciation costs that increased by £72k to £195k.

Total employee costs that are allocated over the above headings increased by £171k to £667k.

Total resources expended increased to £4.18m (2007: £2.66m). They comprise charitable expenditure, fundraising, governance costs and the cost of sales of the trading subsidiary.

Incoming resources and resources expended are continually monitored by management against budgets and are reviewed by the Finance Committee.

AIR AMBULANCE PROMOTIONS LIMITED

The Trust's trading subsidiary had an excellent year. Sales of merchandise and Christmas cards increased by 22% to £104k (2007: £85k), although the net profit from these sales increased only slightly to £12k. Lottery sales increased significantly with the introduction of a rollover "Superdraw", together with a well supported raffle. Total sales from the three draws amounted to £762k – an increase of 44% on the previous year (2007: £529k). The overall gross margin increased to 82% (2007: 80%) and with a resulting net operating profit of £129k (2007: £91k), the company was able to gift aid this amount to the Trust. The net proceeds of the lottery, £402k (2007: £266k), were also paid to the Trust along with management charges of £63k (2007: £54k).

Membership of the lottery continued to increase, with particular emphasis on recruiting in Surrey and Sussex. Total number of members on the database was 16,041 at the end of the year under review (2007: 13,551).

KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2008

RESERVES

The reserves policy continued to be reviewed during the course of the year by the Finance Committee and its proposals were adopted by the Trustees. It is considered reasonable to have reserves of up to 36 months expenditure to cover any fall in income, owing to the unique nature of the charity's operations. At the year end the Trust had reserves equivalent to 14 months' resources expended.

Consolidated reserves decreased by 2% to £5.09m.

INVESTMENT POLICY AND RETURNS

The Trustees are permitted by the charity's Memorandum and Articles of Association to invest the monies of the Trust not immediately required for its own purpose in such investments, securities or property as may be thought fit. The Finance Committee held two meetings with our Fund Manager during the year under review and the members were generally pleased with the progress of our Fund, although the overall object remained to see growth over at least a five year period. Consequently it was decided to invest a further £0.5m in the Fund, increasing the total amount invested to £2.9m.

In these accounts an amount of £3k of an unrealised loss had accrued by the year end (2007: £159k profit). A gift to the Surrey Fund of Standard Life shares was showing an unrealised profit of £1k at the year end (2007: nil).

The Trustees monitor Sarasin & Partners own benchmarking as follows:

Investment Performance	Portfolio	Benchmark
Year ended 31 March 2008	+1.05%	-2.75%
Since inception (Jan 06) to 31 March 2008	+12.82%	+9.36%
Since inception (Jan 06) to 31 October 2008	-11.16%	-6.50%
Since 1 April 2008 to 31 October 2008	-21.61%	-16.00%

Investments are also made as cash deposits with banks (NatWest and Charities Aid Foundation) and building societies (Birmingham Midshires) on terms up to six months ensuring that funds are maturing on a regular basis should the Trust's short term cash flow requirements need supplementing. By monitoring and securing competitive interest rates, interest receivable increased to £128k (2007: £123k). As at 31 October 2008, the cash deposits remained with the aforementioned banks.

CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are set out in note 6 to the financial statements.

ACCOUNTING POLICIES AND INTERNAL CONTROLS – STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the Trustees are required to have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis, unless it is inappropriate to assume that the charitable company will continue in business.

KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2008

ACCOUNTING POLICIES AND INTERNAL CONTROLS – STATEMENT OF TRUSTEES' RESPONSIBILITIES (CONTINUED)

The Trustees have responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the charity or for publication is reliable; and
- the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- a strategic plan and an annual budget approved by the Trustees;
- regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of authority and segregation of duties; and
- identification and management of risks.

In determining how amounts are presented within items in the statement of financial activities and balance sheet, the Trustees have had regard to the substance of the reported transaction or arrangement in accordance with generally accepted accounting principles or practice.

RISK

The Trustees and executive management are continually reviewing risk under the following headings: Governance, Operational and Financial.

A risk register records any matters that come to the attention of the Trust together with a record of action taken to mitigate any risk, and all these risks are reported to each board meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS


As far as the trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Horwath Clark Whitehill LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report has been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to small entities.

By Order of the Board *17th November 2008*


A H V Monteuuis
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENT AIR AMBULANCE TRUST

We have audited the group and parent company financial statements of Kent Air Ambulance Trust for the year ended 31 March 2008 set out on pages 13 to 31. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also directors of the Kent Air Ambulance Trust for the purpose of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding trustees' remuneration and other transactions with the charity is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF KENT AIR AMBULANCE TRUST

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the charitable company and of the group as at 31 March 2008 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- the financial statements have been prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees Report is consistent with the financial statements.

Horwath Clark Whitehill LLP

Horwath Clark Whitehill LLP
Chartered Accountants & Registered Auditors

10 Palace Avenue
Maidstone
Kent
ME15 6NF

17th November 2008

KENT AIR AMBULANCE TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
YEAR ENDED 31 MARCH 2008

	Notes	Designated Funds	Restricted Funds	Total Funds 2008	Total Funds 2007
		£	£	£	£
Incoming resources					
Donations	2	741,676	-	741,676	745,069
Legacies	2	980,430	-	980,430	800,534
Investment income	2	128,413	-	128,413	123,091
Other income	2	323,747	-	323,747	177,947
<i>Activities to generate funds</i>					
Fundraising events	2	1,032,891	-	1,032,891	913,883
Income from trading subsidiary	3	865,741	-	865,741	613,954
Total incoming resources		4,072,898	-	4,072,898	3,374,478
Fundraising and governance costs					
<i>Cost of generating funds</i>					
Fundraising and publicity	4	591,255	-	591,255	487,366
Governance costs	4	36,927	-	36,927	36,719
Cost of sales trading subsidiary	3, 4	151,210	-	151,210	118,419
		779,392	-	779,392	642,504
Net incoming resources available for charitable application		3,293,506	-	3,293,506	2,731,974
Charitable expenditure					
Operation of HEMS service	4	2,587,678	815,128	3,402,806	2,013,480
Total resources expended		3,367,070	815,128	4,182,198	2,655,984
Net income and expenditure for the year		705,828	(815,128)	(109,300)	718,494
Unrealised gains on investments	7	-	(2,248)	(2,248)	159,393
Net movement in funds before and after taxation	12	705,828	(817,376)	(111,548)	877,887
Fund balances brought forward	12	4,380,412	817,378	5,197,790	4,319,903
Fund balances carried forward	12	5,086,240	2	5,086,242	5,197,790

The above statement contains all the gains and losses recognised in the current and preceding year.

All operations are continuing.

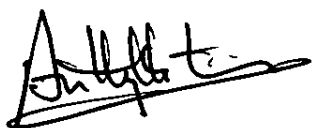
The notes on pages 16 to 31 form part of these financial statements.

KENT AIR AMBULANCE TRUST
CONSOLIDATED BALANCE SHEET
31 MARCH 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	6	445,597	286,310
Investments	7	3,157,101	<u>2,653,032</u>
		3,602,698	2,939,342
CURRENT ASSETS			
Stocks	8	32,936	41,438
Debtors	9	453,379	239,078
Cash at bank and in hand	10	1,412,945	<u>2,529,217</u>
		1,899,260	2,809,733
CREDITORS: amounts falling due within one year	11	415,716	<u>551,285</u>
NET CURRENT ASSETS		1,483,544	<u>2,258,448</u>
NET ASSETS		5,086,242	<u>5,197,790</u>
RESERVES			
Designated funds	12	5,086,240	4,380,412
Restricted funds	12	2	<u>817,378</u>
		5,086,242	<u>5,197,790</u>

The financial statements have been prepared in accordance with the Special Provisions of Part VII of the Companies Act relating to Small Entities.

Approved by the Board on 17th November 2008
and signed on its behalf:



Trustee

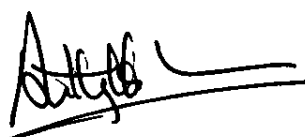
The notes on pages 16 to 31 form part of these financial statements.

KENT AIR AMBULANCE TRUST
BALANCE SHEET
31 MARCH 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	6	445,597	286,310
Investments	7	<u>3,157,103</u>	<u>2,653,034</u>
		3,602,700	2,939,344
CURRENT ASSETS			
Debtors	9	547,935	361,234
Cash at bank and in hand	10	<u>1,122,673</u>	<u>2,251,197</u>
		1,670,608	2,612,431
CREDITORS: amounts falling due within one year	11	<u>187,066</u>	<u>353,987</u>
NET CURRENT ASSETS		<u>1,483,542</u>	<u>2,258,444</u>
NET ASSETS		<u>5,086,242</u>	<u>5,197,788</u>
RESERVES			
Designated funds	12	5,086,240	4,380,412
Restricted funds	12	<u>2</u>	<u>817,376</u>
		<u>5,086,242</u>	<u>5,197,788</u>

The financial statements have been prepared in accordance with the Special Provisions of Part VII of the Companies Act relating to Small Entities.

Approved by the Board on 17th November 2008
and signed on its behalf:



Trustee

The notes on pages 16 to 31 form part of these financial statements.

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial status.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting for Charities" published in March 2006 and the Financial Reporting Standard for Smaller Entities (effective January 2007).

b) Basis of consolidation

The Group is exempt from the requirement of Financial Reporting Standard 1 (revised) to prepare a cashflow statement as it qualifies as a small group.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking, Air Ambulance Promotions Limited. The results of the subsidiary are consolidated on a line by line basis.

The Group has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and has adapted the Companies Act formats to reflect the nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 230 of the Companies Act 1985 and paragraph 304 of the SORP.

c) Related party transactions

The Trustees have taken advantage of the exemption in FRS 8, Paragraph 3(c), and have not disclosed related party transactions with the subsidiary undertaking.

d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are unrestricted funds which have been designated by the Trustees for a specific purpose. The aim and use of each designated fund is set out in note 12.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 12.

Investment income and gains are allocated to the appropriate fund.

e) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES (CONTINUED)

e) Incoming Resources (continued)

Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. A corresponding charge is made to the relevant overhead account. No amounts are included in the financial statements for services donated by volunteers.

f) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs are not directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of the resources.

Fund raising and publicity costs are those incurred in seeking voluntary contributions and do not include the cost of disseminating information in support of the charitable activities. Governance costs are those costs incurred directly with expenditure related to charity compliance and statutory requirements. Charitable expenditure is that expenditure directly in connection with the objects of the charity and includes management and support costs.

g) Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and included at cost including any incidental expenses of acquisition. Depreciation is provided on all tangible fixed assets at annual rates calculated to write off the cost, less estimated residual value, of each asset evenly over its anticipated useful life, as follows:-

Leasehold improvements	10% straight line over the lease term
Plant and equipment	10% on cost
Office equipment	20% on cost
Computer equipment	25% on cost
Helicopter equipment	20% on cost
Motor vehicles	25% on cost

h) Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

i) Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements unless they are sold or distributed.

j) Value added tax

Irrecoverable value added tax is included within the expenditure to which it relates.

k) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Details of operating lease commitments are as shown in note 14.

l) Pensions

The charity operates a defined contribution pension scheme for its employees. Contributions to this scheme are charged to resources expended as they fall due. The charity has no potential liability other than the payment of these contributions.

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

2. INCOMING RESOURCES

									2008	2007
	Designated				Restricted				Funds	Funds
	Kent	Surrey	Sussex	Total	Kent	Surrey	Sussex	Total	£	£
	£	£	£	£	£	£	£	£		
Donations										
Donations (not arising from events)	370,603	87,341	85,245	543,189	-	-	-	-	543,189	552,728
Collection Boxes	92,865	3,648	4,666	101,179	-	-	-	-	101,179	101,681
Payroll Giving	65,810	943	2,642	69,395	-	-	-	-	69,395	67,747
Waiver on rent	22,913	2,000	3,000	27,913	-	-	-	-	27,913	22,913
	<u>552,191</u>	<u>93,932</u>	<u>95,553</u>	<u>741,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>741,676</u>	<u>745,069</u>
Legacies										
Legacies	656,442	20,000	130,000	806,442	-	-	-	-	806,442	659,664
In Memoriam	156,733	5,452	11,803	173,988	-	-	-	-	173,988	140,870
	<u>813,175</u>	<u>25,452</u>	<u>141,803</u>	<u>980,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>980,430</u>	<u>800,534</u>
Investment income										
Unit Trusts (including scrip dividends)	-	-	-	-	-	-	-	-	-	-
Bank deposit interest	97,300	6,505	7,657	111,462	-	-	-	-	111,462	111,926
	<u>97,300</u>	<u>6,505</u>	<u>7,657</u>	<u>111,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,462</u>	<u>111,926</u>
Bank deposit interest - Trading subsidiary	16,951	-	-	16,951	-	-	-	-	16,951	11,165
	<u>114,251</u>	<u>6,505</u>	<u>7,657</u>	<u>128,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,413</u>	<u>123,091</u>
Other income										
Donated services - cars										
loaned by sponsor	-	2,747	-	2,747	-	-	-	-	2,747	147
Donated services - paramedics funded by										
Ambulance Trust	140,000	56,000	84,000	280,000	-	-	-	-	280,000	136,800
Paramedics costs paid										
by Ambulance Trust	41,000	-	-	41,000	-	-	-	-	41,000	41,000
	<u>181,000</u>	<u>58,747</u>	<u>84,000</u>	<u>323,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,747</u>	<u>177,947</u>
Fundraising events										
Group fundraising and events	656,841	184,754	191,296	1,032,891	-	-	-	-	1,032,891	913,883

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

3. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

The charity has one trading subsidiary that is incorporated in the UK, Air Ambulance Promotions Limited. A summary of its trading results is shown below:

	2008 £	2007 £
Turnover	865,741	613,954
Cost of sales	<u>151,210</u>	<u>118,419</u>
Gross profit	714,531	495,535
 Interest receivable	 <u>16,951</u>	 <u>11,165</u>
	<u>731,482</u>	<u>506,700</u>
 Less overheads		
Administrative expenses	<u>136,968</u>	<u>96,152</u>
Consolidated income from subsidiary	594,514	410,548
Paid to KAAT - Lottery donations	<u>402,373</u>	<u>265,850</u>
Paid to KAAT - Management charge	<u>62,679</u>	<u>54,197</u>
Profit for the year Gift Aided to Trust	<u>129,462</u>	<u>90,501</u>

The amount paid to the Trust in respect of lottery donations has been allocated to Kent, Surrey and Sussex Designated Funds in proportion to the number of playing members in each county. The gift aided profit has been allocated according to the actual profit from sales of merchandise and cards in each county.

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

									2008	2007
	Designated				Restricted				Funds	Funds
	Kent	Surrey	Sussex	Total	Kent	Surrey	Sussex	Total		
	£	£		£	£	£	£	£	£	£
Fundraising and Publicity										
Staff costs	143,159	62,623	75,503	281,285	-	-	-	-	281,285	226,432
Consultancy fees	4,539	706	1,059	6,304	-	-	-	-	6,304	19,648
Advertising, promotion and publicity	91,100	72,734	64,776	228,610	-	-	-	-	228,610	185,218
Other costs	51,693	11,905	11,458	75,056	-	-	-	-	75,056	56,068
	<u>290,491</u>	<u>147,968</u>	<u>152,796</u>	<u>591,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>591,255</u>	<u>487,366</u>
Governance costs										
Audit	6,250	2,500	3,750	12,500	-	-	-	-	12,500	15,275
Other	12,215	4,884	7,328	24,427	-	-	-	-	24,427	21,444
	<u>18,465</u>	<u>7,384</u>	<u>11,078</u>	<u>36,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,927</u>	<u>36,719</u>
Cost of sales of trading subsidiary	<u>131,030</u>	<u>8,010</u>	<u>12,170</u>	<u>151,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,210</u>	<u>118,419</u>
Direct Charitable expenditure										
Air Ambulance running costs	586,063	143,495	332,623	1,062,181	506,827	170,273	138,028	815,128	1,877,309	1,066,641
Air Ambulance crew costs	140,000	56,000	84,000	280,000	-	-	-	-	280,000	136,800
Paramedics salary	41,274	8,757	13,135	63,166	-	-	-	-	63,166	36,183
Doctors on board	249,757	56,494	84,742	390,993	-	-	-	-	390,993	178,641
Operational employees	37,785	14,247	21,371	73,403	-	-	-	-	73,403	44,133
Dep'n of helicopter equipment	31,772	3,908	5,862	41,542	-	-	-	-	41,542	12,169
Recharges	-	-	-	-	-	-	-	-	-	-
	<u>1,086,651</u>	<u>282,901</u>	<u>541,733</u>	<u>1,911,285</u>	<u>506,827</u>	<u>170,273</u>	<u>138,028</u>	<u>815,128</u>	<u>2,726,413</u>	<u>1,474,567</u>
Management and Administration										
Staff costs	119,541	49,931	69,341	238,813	-	-	-	-	238,813	200,761
Professional fees	4,534	1,810	2,715	9,059	-	-	-	-	9,059	42,874
Other costs	80,373	7,558	8,970	96,901	-	-	-	-	96,901	75,857
Administration expenses of trading subsidiary	136,968	-	-	136,968	-	-	-	-	136,968	96,152
	<u>341,416</u>	<u>59,299</u>	<u>81,026</u>	<u>481,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>481,741</u>	<u>415,644</u>
Support costs and depreciation										
Property expenses	83,907	16,928	25,391	126,226	-	-	-	-	126,226	78,260
Depreciation	53,977	5,780	8,669	68,426	-	-	-	-	68,426	45,009
	<u>137,884</u>	<u>22,708</u>	<u>34,060</u>	<u>194,652</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,652</u>	<u>123,269</u>
Total Charitable expenditure	<u>1,565,951</u>	<u>364,908</u>	<u>656,819</u>	<u>2,587,678</u>	<u>506,827</u>	<u>170,273</u>	<u>138,028</u>	<u>815,128</u>	<u>3,402,806</u>	<u>2,013,480</u>
TOTAL EXPENDITURE	<u>2,005,937</u>	<u>528,270</u>	<u>832,863</u>	<u>3,367,070</u>	<u>506,827</u>	<u>170,273</u>	<u>138,028</u>	<u>815,128</u>	<u>4,182,198</u>	<u>2,655,984</u>

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

5. TOTAL RESOURCES EXPENDED

Total resources expended is stated after charging:	2008	2007
	£	£
Auditors' remuneration - as auditors	11,500	12,250
- for taxation services	500	500
- for professional advice provided	500	500
Operating leases - land and buildings	94,638	54,638
- helicopter (standing charges)	837,445	610,753
Depreciation	26,409	57,178
	<hr/>	<hr/>
Staff costs (excluding temporary staff)	2008	2007
	£	£
Wages and salaries	582,275	424,883
Social security costs	59,715	43,501
Pension costs	25,218	27,902
	<hr/>	<hr/>
	667,208	496,286
	<hr/>	<hr/>

The average number of employees, excluding Trustees, analysed by function was:-

	No.	No.
Management and administration	5	5
Fundraising and publicity	9	8
Direct charitable expenditure	4	3
	<hr/>	<hr/>
	18	16
	<hr/>	<hr/>

One employee earned between £90,000 and £100,000 during the year (2007 – one employee earned between £90,000 and £100,000).

No other employee earned more than £60,000 during the year.

Included within Direct Expenditure is the cost of staff not directly employed by the Trust. This relates to the cost of doctors on board the helicopters who are employed directly by the NHS and were subsequently recharged to the Trust. A total amount of £390,993 (2007 - £178,641) was invoiced by Barts and The London NHS Trust.

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

6. TANGIBLE FIXED ASSETS

GROUP AND CHARITY	Leasehold improvements £	Helicopter equipment (incl plant) £	Motor vehicles £	Computer equipment £	Office equipment £	Total £
Cost						
At 1 April 2007	214,240	234,453	60,024	42,065	126,340	677,122
Additions	121,877	71,016	-	35,391	40,971	269,255
Disposals	-	-	-	-	-	-
At 31 March 2008	336,117	305,469	60,024	77,456	167,311	946,377
Depreciation						
At 1 April 2007	154,032	98,947	21,579	30,660	85,594	390,812
Disposals	-	-	-	-	-	-
Charge for the year	26,409	41,542	15,006	8,383	18,628	109,968
At 31 March 2008	180,441	140,489	36,585	39,043	104,222	500,780
Net book values at 31 March 2008	155,676	164,980	23,439	38,413	63,089	445,597
<i>At 31 March 2007</i>	<i>60,208</i>	<i>135,506</i>	<i>38,445</i>	<i>11,405</i>	<i>40,746</i>	<i>286,310</i>

7. FIXED ASSET INVESTMENTS

GROUP	Designated listed investments £
Market value	
At 1 April 2007	2,653,032
Purchases in year (including scrip dividends)	500,000
Disposals in year	-
Donated shares in year	6,317
Increase/(decrease) in valuation	(2,248)
At 31 March 2008	3,157,101
<i>At 31 March 2007</i>	<i>2,653,032</i>

Listed investments comprises the following:

	Cost £	Market Value £
Sarasin Chiswell		
Alpha CIF for Endowments (accumulation units)	2,935,000	3,149,438
Standard Life Share Account	6,317	7,663
	2,941,317	3,157,101

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

7. FIXED ASSET INVESTMENTS (CONTINUED)

CHARITY	Shares in subsidiary company £	Restricted listed investments £	Total £
Market value			
At 1 April 2007	2	2,653,032	2,653,034
Purchases in year (including scrip dividends)	-	500,000	500,000
Donated shares in year	-	6,317	6,317
Disposals in year	-	-	-
Increase/(decrease) in valuation	-	(2,248)	(2,248)
At 31 March 2008	2	3,157,101	3,157,103
<i>At 31 March 2007</i>	<i>2</i>	<i>2,653,032</i>	<i>2,653,034</i>

Listed investments comprises the following:

	Cost £	Market Value £
Sarasin Chiswell		
Alpha CIF for Endowments (accumulation units)	2,935,000	3,149,438
Standard Life Share Account	6,317	7,663
	2,941,317	3,157,101

	2008 £	2007 £
Movement on investments		
Market value at the beginning of year	2,653,034	1,993,641
Purchases in year	500,000	500,000
Donated shares in year	6,317	-
Disposals in year	-	-
	3,159,351	2,493,641
Market value at end of year	3,157,103	2,653,034
Increase/(decrease) in value	(2,248)	159,393

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

7. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY BALANCE SHEET

The assets and liabilities of the subsidiary were:

	2008 £	2007 £
Current assets		
Stock	32,936	41,438
Debtors	14,050	13,443
Cash at bank	<u>290,272</u>	<u>278,020</u>
	337,258	332,901
Creditors: amounts falling due within one year	<u>337,256</u>	<u>(332,899)</u>
	2	2
Representing:		
Called up share capital	2	2
Profit and loss account	<u>-</u>	<u>-</u>
	<u>2</u>	<u>2</u>

Creditors includes the current account balance with Air Ambulance Promotions Limited totalling £119,034 (2007 - £135,600) as detailed in note 9. This amount includes profits gift aided to the charity of £129,462 (2007 - £90,501). All loans and monies due by Air Ambulance Promotions Limited to the charity are secured by a first floating charge created on 30 March 1994 on the subsidiary company's assets.

8. STOCKS

	Charity		Group	
	2008 £	2007 £	2008 £	2007 £
Goods for resale at cost	<u>-</u>	<u>-</u>	<u>32,936</u>	<u>41,438</u>

9. DEBTORS

	Charity		Group	
	2008 £	2007 £	2008 £	2007 £
Trade debtors	-	-	1,799	603
Current account with subsidiary	119,034	135,600	-	-
Other debtors	394,364	194,236	406,612	203,297
Prepayments and accrued income	<u>34,537</u>	<u>31,398</u>	<u>44,968</u>	<u>35,178</u>
	<u>547,935</u>	<u>361,234</u>	<u>453,379</u>	<u>239,078</u>

The Current account with subsidiary balance of £119,034 includes £129,462 of gift aided profits that was paid to the Trust on 29 May 2008. The balance of £10,428 payable by the Trust to the subsidiary was also paid on 29 May 2008.

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

10. CASH AT BANK AND IN HAND

	Charity		Group	
	2008	2007	2008	2007
	£	£	£	£
Bank current accounts	97,293	272,649	237,370	447,915
Investment deposit accounts	1,024,680	1,978,466	1,174,680	2,081,025
Petty cash	700	82	895	277
	<u>1,122,673</u>	<u>2,251,197</u>	<u>1,412,945</u>	<u>2,529,217</u>

11. CREDITORS: amounts falling due within one year

	Charity		Group	
	2008	2007	2008	2007
	£	£	£	£
Trade creditors	147,250	202,068	173,835	229,973
Other taxation and social security	19,548	15,139	945	2,612
Accruals and deferred income	20,268	136,780	240,936	318,700
	<u>187,066</u>	<u>353,987</u>	<u>415,716</u>	<u>551,285</u>

Included in accruals are outstanding pension contributions of £2,274 (2007 - £2,824).

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

12. ANALYSIS OF FUNDS

Movements in Funds	Designated Funds				2008				Restricted Funds				Total Funds £		
	Kent		Surrey		Sussex		Total	Kent		Surrey		Sussex		Total	
	£		£		£		£	£	£		£			£	£
Group															
Balance at 1 April 2007	4,257,975		18,992		103,445		4,380,412		510,423		168,927		138,028		5,197,790
Total income	3,062,926		414,980		594,992		4,072,898		-		-		-		4,072,898
Total expenditure	(2,005,937)		(528,270)		(832,863)		(3,367,070)		(506,827)		(170,273)		(138,028)		(4,182,198)
Gains on investments	-		-		-		-		(3,594)		1,346		-		(2,248)
Transfers	-		-		-		-		-		-		-		-
Balance at 31 March 2008	5,314,964		(94,298)		(134,426)		5,086,240		2		-		-		5,086,242

Charity	Designated Funds				Restricted Funds				Total Funds £						
	Kent		Surrey		Sussex		Total	Kent		Surrey		Sussex		Total	
	£		£		£		£	£		£		£		£	£
Balance at 1 April 2007	4,257,975		18,992		103,445		4,380,412		510,421		168,927		138,028		5,197,788
Total income	3,062,926		414,980		594,992		4,072,898		-		-		-		4,072,898
Total expenditure	(2,005,937)		(528,270)		(832,863)		(3,367,070)		(506,827)		(170,273)		(138,028)		(4,182,198)
Gains on investments	-		-		-		-		(3,594)		1,346		-		(2,248)
Transfers	-		-		-		-		-		-		-		-
Balance at 31 March 2008	5,314,964		(94,298)		(134,426)		5,086,240		-		-		-		5,086,240

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

12. ANALYSIS OF FUNDS (CONTINUED)

Designated Funds

Designated funds represent funds received from individual counties since the change in the Trust's Charitable Objects in May 2006.

The Trustees have designated funds to each individual county to reflect that while the charity's activities encompass all three counties, the contribution of each county to its Air Ambulance should also be shown individually.

Where a specific appeal has been launched for a county, income in respect of that appeal is restricted to that county.

Following the opening of a full service at Dunsfold to specifically cover Surrey and Sussex, the funds for both these counties are in deficit at the end of this period. The Trustees' were aware that both counties would be reliant on loans from the Kent fund in these initial stages of the new operation. There is a robust budget and forecast (based on the performance of all other Air Ambulance start-ups), which indicates that within five years of inception, this service will move into surplus and be in a position to reimburse Kent.

Restricted Funds

Restricted funds for Kent represent all funds raised before the Charity's change in objects in May 2006. Funds restricted for use in Surrey and Sussex are represented by the balances of funds received for the respective Appeals.

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

12. ANALYSIS OF FUNDS (CONTINUED)

Analysis of Assets Between Funds									
Group	Designated Funds				Restricted Funds				Total Funds £
	Kent £	Surrey £	Sussex £	Total £	Kent £	Surrey £	Sussex £	Total £	
Tangible fixed assets	340,740	41,943	62,914	445,597	-	-	-	-	445,597
Investments	3,157,101	-	-	3,157,101	2	-	-	2	3,157,103
Cash	1,878,252	(187,198)	(278,109)	1,412,945	-	-	-	-	1,412,945
Other assets and liabilities	(61,129)	50,957	80,769	70,597	-	-	-	-	70,597
Balance at 31 March 2008	5,314,964	(94,298)	(134,426)	5,086,240	2	-	-	2	5,086,242

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

12. ANALYSIS OF FUNDS (CONTINUED)

Analysis of Assets Between Funds	Designated Funds				Restricted Funds				Total Funds
	Kent	Surrey	Sussex	Total	Kent	Surrey	Sussex	Total	
Charity	£	£	£	£	£	£	£	£	£
Tangible fixed assets	340,740	41,943	62,914	445,597	-	-	-	-	445,597
Investments	3,157,103	-	-	3,157,103	-	-	-	-	3,157,103
Cash	1,587,980	(187,198)	(278,109)	1,122,673	-	-	-	-	1,122,673
Other assets and liabilities	229,141	50,957	80,769	360,867	-	-	-	-	360,867
Balance at 31 March 2008	5,314,964	(94,298)	(134,426)	5,086,240	-	-	-	-	5,086,240

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

13. TRANSFERS BETWEEN FUNDS

There were no transfers during the year.

14. OPERATING LEASE COMMITMENTS

At the balance sheet date, the company's annual commitments under operating leases to pay rentals during the next year were as follows:

	Land and buildings* £	Helicopter £
Operating leases which expire:		
- less than 5 years : Marden unit	54,638	-
Dunsfold unit	40,000	-
Helicopters	-	1,366,320
	<u>94,638</u>	<u>1,366,320</u>

Expiry date: Marden unit	31 December 2009	
Dunsfold unit	03 August 2012	
Helicopters		20 April 2014

Length of unexpired leases at 31 March 2008:

Marden unit	1.75 years	
Dunsfold unit	4.33 years	
Helicopters		6.05 years

* The landlords have indicated their willingness to waive annual rent amounting to £27,913.

15. CAPITAL COMMITMENTS

At 31 March the charitable company had capital commitments as follows:

	2008 £	2007 £
Helilift	-	30,944
Marden building improvements	<u>50,312</u>	<u>96,695</u>
	<u>50,312</u>	<u>127,639</u>
Contracted for but not provided in these financial statements	<u>50,312</u>	<u>112,167</u>

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

16. RELATED PARTY TRANSACTIONS

The following related party transactions took place in the year:

£4,995 (2007 - £3,000) was paid to KM Radio Ltd, a subsidiary company of the Kent Messenger Group of which Geraldine Allinson is the Chairperson. Approval for similar payments to be made to Kent Messenger Group companies has been given by the Charity Commission under section 26 of the Charities Act 1993.

£629 (2007 - £Nil) was paid to Gullands Solicitors, of which Richard Cripps is a Partner, for legal advice.

The above transactions were at no more than the market rate for the service provided.

Amounts paid to Trustees

Ramzi Freij, a Trustee and the Trust's Medical Director, was paid £20,000 during the year (2007 - £6,667).

No other amounts were paid to Trustees during the year (2007 - £Nil).

Trustee expenses

£304 was paid to Ramzi Freij during the year (2007 - £nil)

No other expenses were paid to Trustees during the year (2007 - £Nil).

Included in Management and Administration costs is the cost of trustees' liability insurance (including professional indemnity cover) amounting to £3,750 (2007 - £3,750).

The Trustees have taken advantage of the exemption in FRS 8, paragraph 3(c), and have not disclosed related party transactions with the subsidiary undertaking.

