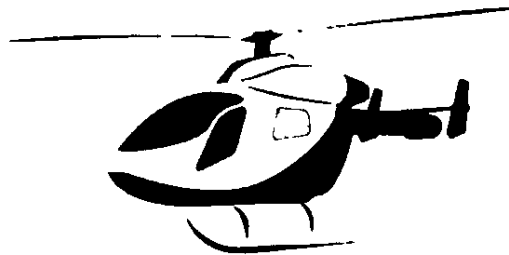


Kent Surrey Sussex



Air Ambulance

saving time - saving life

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

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 2010**

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**KENT AIR AMBULANCE TRUST
GENERAL INFORMATION
YEAR ENDED 31 MARCH 2010**

CHAIRMAN: A H V Monteuuis

OTHER TRUSTEES: Mrs G Allinson
P J C Canney
Revd Canon Dr E Condry
R Cripps
J R H Loudon
Mrs C M Martin
Mrs S W Simkins
C J L Strachan

CHIEF EXECUTIVE: A Bell (appointed 16 September 2010)

ACTING CHIEF EXECUTIVE: J Tickner (until 15 September 2010)

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
www.kentsurreysussexairambulance.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 2010

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 2010. 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 (Registered Company Number 2803242). 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 Registered Charity Number is 1021367, and the address can be found on page 1.

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

PERFORMANCE SUMMARY

The Group had a deficit for the year, before taking into account the unrealised gains on investments, of £625,857 (2009 – surplus of £202,357). Further information about the investments is detailed below under 'Investment Policy and Returns'.

After taking into account unrealised gains on investments of £911,828, the Group had a surplus of £285,971 (2009 – deficit of £518,693). Further comments on income and expenditure are detailed on pages 6 and 7.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The Trust continues to operate a fully equipped and manned helicopter from each of our two bases, one in Marden, West Kent and a sister operation on the Surrey / West Sussex border at Dunsfold. The two identical aircraft have continued as an effective partnership supporting each other to maintain our 365 day service to the people of Kent, Surrey and Sussex by providing a doctor / paramedic team to people at their most critical moment of need. Our Helicopter Emergency Medical Service (HEMS) operation is still controlled and despatched by a paramedic member of our own team sitting in the ambulance control room and reviewing every single emergency call to the ambulance service and despatching the nearest aircraft based on clinical need protocols, agreed between ourselves and the ambulance service. We continue to be assured that the aircraft is only despatched according to patient need and improvement of outcome, never for the convenience of the ambulance service alone.

During the year under review, the Kent based aircraft performed the following tasks:

	2009-10	2008-09
Road traffic crash	343	329
Medical (cardiac etc)	157	191
Sport & leisure (horse riding etc)	110	87
Hospital transfers	2	2
Other	215	199
Total	827	808

Of the above tasks, 526 patients were treated at the scene (485 in 2008/09) and of those 278 were carried to a hospital (229 in 2008/09).

**KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2010**

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS (continued)

The Dunsfold based aircraft performed the following tasks

	2009-10	2008-09
Road traffic crash	328	343
Medical (cardiac etc)	101	98
Sport & leisure (horse riding etc)	97	104
Hospital transfers	0	2
Other	137	143
Total	<u>663</u>	<u>690</u>

Of the above tasks, 369 patients were treated at the scene (337 in 2008/09) and of those, 158 were carried to hospital (161 in 2008/09)

Key Performance Indicators

Although it has been possible to benchmark our performance against earlier years, it is the intention of this Trust to improve our own audit by benchmarking against all other HEMS operations nationally. There are still no reliable like for like statistics currently produced nationally. However, the new national body (Association of Air Ambulances) has been formed by a bringing together by membership of every air ambulance charity operating a helicopter and every NHS Ambulance Trust in England and Wales. The association has stated its intention of producing a nationally agreed benchmarking tool of Key Performance Indicators, and work is currently underway in sub committee to produce this. We will cooperate fully with this work and look forward to the belated benefit of this additional audit tool.

Collaborative working

Although the Trust wishes to maintain its independence, it has been our policy to cooperate and collaborate with our neighbouring charity operations where this can be demonstrated to be of mutual benefit.

We have agreed a series of partnership initiatives with our neighbours in the Essex and Herts Air Ambulance Trust, who operate a HEMS service broadly the same as ourselves, with two aircraft operating from two bases, jointly covering the whole of their charity area.

- a) We have jointly appointed a Medical Director to both of our organisations to safely and effectively oversee the clinical service provided by both operations.
- b) We have jointly appointed an outside organisation to provide the highest possible standard of clinical governance to our teams of doctors.
- c) We have jointly negotiated a revision of our aviation contracts to allow an upgrade of our replacement aircraft from an old technology Bolkow 105 (which could not carry patients directly to London) to a more modern MD902 which is the aircraft type that both charities use for normal operations.

All of these initiatives demonstrate both an improvement in service and economies of scale.

We have agreed a further initiative with the London Air Ambulance charity and the Essex and Herts charity to jointly recruit and appoint doctors for all three operations. The enhanced reputation of the three charities working together is such that we have been able to appoint from a much larger pool of applications, which for the last recruitment process reached an unprecedented 50 applicants from all parts of the world.

KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2010

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS (continued)

Collaborative working (continued)

We have a reciprocal arrangement with both of these neighbouring charities to offer operational support to each other in times of particular need or challenge. A good example of this agreement working to the benefit of patient need has just been demonstrated during the weekend of writing this report. A collision between a lorry and three cars, with three serious injuries, occurred in Surrey, whilst the Surrey aircraft was committed on another task. The Kent aircraft attended the task and was supported by the London Air Ambulance also attending to deal with the high number of major trauma patients. The following day (Sunday) another major incident in West Sussex received support from our own aircraft as well as the Essex Aircraft and the Sussex Police Helicopter. Three major trauma casualties were taken to the nearest major trauma centres, which in this case were both in London.

Night Flying

On 9 December 2009, the Trustees held a visioning day to re-examine the progress that we had made since our last 5 year plan and to examine the appropriate way forward. It was agreed that the most important objective would be to find a way to deliver our service for the full 24 hours of the day rather than limited to daylight only operations, as at present. It was accepted that this represents a major challenge to the Trust to achieve this with the safety implications of landing at incident scenes at night and that this might have to be a stepped strategy.

The Trust intends to explore ways to start night operations perhaps from or to lit hospital helipads at night, and to investigate night visioning equipment that would allow safe progress towards our goal of a full night-time service. In future the Board intend to set aside funds to allow a night time trial to go ahead with our aviation contractor during this autumn to perform non operational, safe testing of a thermal image camera to be fitted to one of our aircraft.

European HEMS and Air Ambulance Committee (EHAC)

Our charity is committed to delivering the World Congress Airmed 2011 medical aviation conference on behalf of EHAC and it will be held at the Brighton Conference Centre in May 2011. Work is currently underway within the Trust that is supported by professional outside conference arrangers, but is fully project managed by ourselves. This is an exciting and demanding role that currently focuses our attention, but all of us look forward to delivering our charity as hosts at a world stage.

Public Benefit Statement

We have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit contained therein. The Trustees have in particular considered their future vision of the Trust's activities with regard to continuing to provide public benefit.

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 normally up to a maximum period of six years.

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.

KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2010

GOVERNANCE (CONTINUED)

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

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

Once again, to give more transparency, the Trust's AGM was advertised as being open to the public and was held at the Westerham Golf Club in February 2010. Members of the public, volunteers, staff, members of the medical team and crew were able to hear reports from the Chairman and Chief Executive, followed by a question and answer session.

The Trustees delegate the day to day running of the charity to the Chief Executive. He manages a staff of twenty eight (plus seconded pilots, doctors and paramedics numbering nineteen people), that includes a management team of five 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 Monteuiis - Chairman	F
Mrs G Allinson (resigned 3 August 2010)	HR
R Cripps	HR
J R H Loudon	F
Mrs S W Simkins	V
P J C Canney	F
Rev'd Canon Dr E Condry	HR
Mrs C M Martin	
C J L Strachan	

Rev'd Canon Condry, Mrs Martin and Mr Loudon 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))

KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2010

VOLUNTEERS AND STAFF

The charity benefits immensely from over two hundred volunteers who freely give of their time to support us in a number of ways, including giving presentations and talks, selling our merchandise, representing us at events and cheque presentations and giving support generally to our administration. They also assist by placing, collecting and managing our static collection boxes and offering their support and expertise in a diverse and very broad range of skills. Once again the Trustees would like to use this report to say a very big 'thank you' to all those volunteers who have assisted the charity in maintaining its position as one of the leading charities in the area. The volunteers are undoubtedly the lifeblood of the charity and without whom we could not succeed.

In recognition of the importance of volunteers to the charity, the County Fundraisers have direct responsibility for the management of their own county's volunteers and one of the Trustee Board also takes a direct interest and regularly holds drop-in coffee mornings at the two bases to directly liaise with them. They all receive a structured induction training course and are issued with a volunteer handbook. The Trust were mindful of the importance of the Investors in People accreditation relating to our staff that was renewed during the year and applied for Investors in Volunteers accreditation, to equally recognise the importance of our relationship with volunteers. We are very proud of the fact that in July 2009 we were awarded the accreditation of Investors in Volunteers as well as Investors in People and are the first Air Ambulance Charity to achieve this.

We are also pleased to support Volunteering England who wished to highlight the benefit of our achievement in accreditation, to encourage other charities to follow the same lead.

The Chief Executive of the Trust, David Philpott, left in July 2009 and the role of Acting Chief Executive was taken on by the Director of Operations, John Tickner. Following a planned period of stabilisation, an open recruitment process was commenced and in April 2010 a new post holder, Adrian Bell, was identified. He will take up his appointment in September 2010, when John Tickner will stand down. He does so with grateful thanks from the Trustees and staff for his loyalty and devotion to the charity.

The Trust has continued its policy of staff investment and development and during the year four staff have benefited from support in higher level diploma or degree courses that they are undertaking.

The Trustees as ever are immensely grateful to all the staff, whether they be in the air or on the ground, for all they do. Their hard work and devotion makes the charity all it is today.

INCOME GENERATION

Overall income fell in the year to £4,822m – a decrease of 9% on the previous year.

General donations of £616k were down by 13% on the previous year, whilst income from collection boxes (£104k) was also a 13% reduction on the previous year – symptoms of the general economic downturn. However, by far the biggest reason for the drop in our overall income was the fall in legacy income. Despite being bequeathed a total of £656k during the year, this was some £945k less than the exceptional 2009 figure. In memoriam receipts were up by 7%, as awareness across Surrey and Sussex increased. Investment income fell sharply by 72% due to both the low bank interest rates on offer as well as a slight drop in overall cash reserves. 'Other' income, which consists mainly of donated services, increased by 14%.

Once again, the Donations heading also includes the waiving of part of the rent due on the Marden head office as well as a discount on the Dunsfold lease. The Trust is extremely grateful to the respective landlords.

Income from Group Fundraising and Events of £1,192k was similar to last year's figure of £1,183k.

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.

KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2010

INCOME GENERATION (CONTINUED)

The trading subsidiary had another excellent year with turnover increasing by 52% to a record £1,599k

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 of £638k were on a par with last year's figure of £637k. Whilst there was an increase in staff costs, there was a compensating fall in advertising, promotion and publicity costs.

Governance costs comprising audit fees, Trustee training and related management charges totalled £35k (2009 £37k).

Trading subsidiary cost of sales increased by £63k to £252k. The overall gross profit of £1,347k was an increase of 56% on the previous year (2009 £863k).

CHARITABLE EXPENDITURE AND TOTAL RESOURCES EXPENDED

Charitable expenditure increased by 7% to £4.52m (2009 £4.24m). The direct charitable expenditure of £3.39m, which includes the lease, flying time and crew costs of the helicopter, accounted for 62% of total resources expended (2009 67%).

Included in charitable expenditure are management and administration costs that increased by £304k to £887k (mainly due to the extra administration expenses of the trading subsidiary relating to canvassers costs), together with support (mainly property costs) and depreciation costs that increased by £8k to £242k.

Total employee costs that are allocated over the above headings increased by £68k to £909k.

Total resources expended increased to £5.45m (2009 £5.10m). 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

Once again the Trust's trading subsidiary had an excellent year. Although there was only a small increase in sales of merchandise and Christmas cards of 2% to £125k (2009 £122k), lottery sales continued to grow. This was mainly due to a new door-to-door canvassing initiative across all three counties which proved to be highly successful. Total sales from the main draw, Superdraw and raffle amounted to £1,474k – an increase of 58% on the previous year (2009 £930k). The overall gross margin was 84% (2009 82%) and with a resulting net operating profit of £106k (2009 £154k), the company was able to gift aid this amount to the Trust. The net proceeds of the lottery, £727k (2009 £475k), were also paid to the Trust along with management charges of £92k (2009 £81k).

Lottery membership rose impressively throughout the year, and the total number on the database at the end of the year under review stood at 28,825 (2009 17,678).

KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2010

RESERVES

The reserves policy is continually 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 free reserves equivalent to 10 months' resources expended.

Consolidated reserves increased by 6% to £4.85m

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 charity currently has £3.342m invested with Sarasin & Partners in their Alpha CIF for Endowments Fund - a fund which seeks long-term capital and income growth for registered charities only. Dividends are rolled over and there is no entry in these accounts, therefore, for investment income from this source.

Once again the Finance Committee held two meetings with our Fund Manager during the year under review. After the banking and worldwide economic problems of the previous period, the Committee were pleased to see that the Fund had performed well in the year, more than reversing the unrealised losses of 2009.

The Trustees monitor Sarasin & Partners own benchmarking as follows:

Investment Performance	Portfolio	Benchmark	FTSE All Share Index
Year ended 31 March 2010	+37.50%	+37.00%	+52.30%
Since inception (Jan 06) to 31 March 2010	+19.70%	+23.10%	+10.40%
Since inception (Jan 06) to 31 August 2010	+11.70%	+13.70%	+3.80%
Since 1 April 2010 to 31 August 2010	-3.30%	-3.90%	-5.90%

In these accounts an amount of £912k of an unrealised gain had accrued by the year end (2009: £721k loss). Included in the figure of £912k is the unrealised profit from the gifts to Surrey (Standard Life shares) and Kent (Lloyds banking shares). This amounted to £1k at the year end (2009: 2k loss).

Investments are also made as cash deposits with banks (NatWest, Clydesdale 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. Although we constantly monitor interest rates, the low interest rates available during the year, together with a reduction in our available cash, gave rise to a fall in interest receivable to £18k (2009: £63k). As at 16 August 2010, 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

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2010

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

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the profit or loss of the charity for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website.

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 at each board meeting.

GOING CONCERN

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees confirm that they consider that the going concern basis remains appropriate. The Trustees have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', which requires the reasons for this decision to be explained. The Trustees regard the going concern basis as remaining appropriate as the company has adequate resources to continue in operational existence for the foreseeable future. There are considerable cash reserves and at the present time the Charity's general reserves amount to £4,852,983 (2009: £4,567,047) and remain as the previous year at 10 months running costs.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as each of the Trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing the audit report) of which the company's auditors are unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

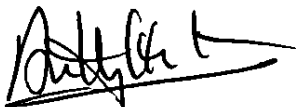
**KENT AIR AMBULANCE TRUST
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 MARCH 2010**

AUDITORS

The auditors, Horwath Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 21 September 2010 and signed on its behalf



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 2010 set out on pages 13 to 30. 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 Chapter 3 of Part 16 of the Companies Act 2006. 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 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under the Companies Act 2006 and report to you in accordance with that Act. 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you if in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charity's financial statements are not in agreement with those records, if we have not received all the information and explanations we require for our audit or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it. 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 trustees 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 2010 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 United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees Annual Report is consistent with the financial statements

Ian Weekes

Senior Statutory Auditor

For and on behalf of

Horwath Clark Whitehill LLP

Chartered Accountants & Registered Auditors

10 Palace Avenue

Maidstone

Kent

ME15 6NF

21 SEPTEMBER 2010

KENT AIR AMBULANCE TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
YEAR ENDED 31 MARCH 2010

	Notes	General Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
		£	£	£	£
Incoming resources					
Donations	2	801,895	-	801,895	905,997
Legacies	2	830,774	-	830,774	1,764,854
Investment income	2	17,823	-	17,823	62,691
Other income	2	380,429	-	380,429	333,502
<i>Activities to generate funds</i>					
Fundraising events	2	1,191,420	400	1,191,820	1,183,393
Income from trading subsidiary	3	1,599,364	-	1,599,364	1,052,567
Total incoming resources		4,821,705	400	4,822,105	5,303,004
Fundraising and governance costs					
<i>Cost of generating funds</i>					
Fundraising and publicity	4	638,378	-	638,378	637,268
Governance costs	4	34,974	-	34,974	36,906
Cost of sales trading subsidiary	3, 4	252,105	-	252,105	189,380
		925,457	-	925,457	863,554
Net incoming resources available for charitable application		3,896,248	400	3,896,648	4,439,450
Charitable expenditure					
Operation of HEMS service	4	4,522,140	365	4,522,505	4,237,093
Total resources expended		5,447,597	365	5,447,962	5,100,647
Net income and expenditure for the year		(625,892)	35	(625,857)	202,357
Unrealised gains/(losses) on investments	7	911,828	-	911,828	(721,050)
Net movement in funds before and after taxation	12	285,936	35	285,971	(518,693)
Fund balances brought forward	12	4,567,047	502	4,567,549	5,086,242
Fund balances carried forward	12	4,852,983	537	4,853,520	4,567,549

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 30 form part of these financial statements

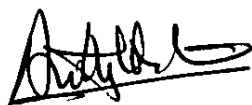
KENT AIR AMBULANCE TRUST
CONSOLIDATED BALANCE SHEET

31 MARCH 2010
REGISTERED NUMBER: 2803242

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	6	337,311	414,652
Investments	7	<u>3,348,267</u>	<u>2,436,051</u>
		3,685,578	2,850,703
CURRENT ASSETS			
Stocks	8	50,959	51,268
Debtors	9	346,650	444,197
Cash at bank and in hand	10	<u>1,223,143</u>	<u>1,656,661</u>
		1,620,753	2,152,126
CREDITORS: amounts falling due within one year	11	<u>452,811</u>	<u>435,280</u>
NET CURRENT ASSETS		<u>1,167,942</u>	<u>1,716,846</u>
NET ASSETS		<u>4,853,520</u>	<u>4,567,549</u>
RESERVES			
General funds	12	4,852,983	4,567,047
Restricted funds	12	<u>537</u>	<u>502</u>
		<u>4,853,520</u>	<u>4,567,549</u>

The financial statements have been prepared in accordance with the Special Provisions relating to companies subject to small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board on 21 September 2010
and signed on its behalf



Trustee

A H V Monteuuis

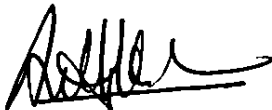
The notes on pages 16 to 30 form part of these financial statements.

KENT AIR AMBULANCE TRUST**BALANCE SHEET****31 MARCH 2010****REGISTERED NUMBER: 2803242**

	Notes	2010 £	2009 £
FIXED ASSETS			
Tangible assets	6	337,311	414,652
Investments	7	<u>3,348,269</u>	<u>2,436,053</u>
		3,685,580	2,850,705
CURRENT ASSETS			
Debtors	9	427,820	576,567
Cash at bank and in hand	10	<u>919,943</u>	<u>1,344,775</u>
		1,347,763	1,921,342
CREDITORS , amounts falling due within one year	11	<u>179,823</u>	<u>204,498</u>
NET CURRENT ASSETS		<u>1,167,940</u>	<u>1,716,844</u>
NET ASSETS		<u>4,853,520</u>	<u>4,567,549</u>
RESERVES			
General funds	12	4,852,983	4,567,047
Restricted funds	12	<u>537</u>	<u>502</u>
		<u>4,853,520</u>	<u>4,567,549</u>

The financial statements have been prepared in accordance with the Special Provisions relating to companies subject to small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board on 21 September 2010
and signed on its behalf



A H V Monteuuis

Trustee

The notes on pages 16 to 30 form part of these financial statements.

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

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 2005 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', which requires the reasons for this decision to be explained. The Trustees regard the going concern basis as remaining appropriate as the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

b) Basis of consolidation

The Group is exempt from the requirement of Financial Reporting Standard 1 (revised) to prepare a cash flow 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.

In accordance with Section 408 of the Companies Act 2006 and paragraph 304 of the SORP the charity has not presented its statement of financial activities. The excess of expenditure over income of the charity was £625,857 (2009: £202,357 – surplus).

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.

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.

Investment income and gains are allocated to the appropriate fund. The aim and use of each restricted fund is set out in note 12.

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.

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.

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES (CONTINUED)

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 13.

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.

m) Corporation Tax

No provision has been made for corporation tax as the charity is able to claim full statutory exemption subject to the proper application of all its charitable reserves.

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

2 INCOMING RESOURCES

A segmental analysis of general funds has been provided

	General				Restricted		2010	2009
	Kent	Surrey	Sussex	Total	Equipment Fund	Total	Funds	Funds
	£	£	£	£	£	£	£	£
Donations								
Donations (not arising from events)	418,804	140,525	56,688	616,017	-	-	616,017	709,634
Collection Boxes	90,093	5,135	8,419	103,647	-	-	103,647	118,511
Payroll Giving	52,083	838	1,885	54,806	-	-	54,806	50,061
Waiver on rent	22,425	2,000	3,000	27,425	-	-	27,425	27,791
	<u>583,405</u>	<u>148,498</u>	<u>69,992</u>	<u>801,895</u>	<u>-</u>	<u>-</u>	<u>801,895</u>	<u>905,997</u>
Legacies								
Legacies	601,593	532	54,477	656,602	-	-	656,602	1,601,917
In Memoriam	138,171	20,139	15,862	174,172	-	-	174,172	162,937
	<u>739,764</u>	<u>20,671</u>	<u>70,339</u>	<u>830,774</u>	<u>-</u>	<u>-</u>	<u>830,774</u>	<u>1,764,854</u>
Investment income								
Bank deposit interest	14,836	-	-	14,836	-	-	14,836	51,483
Dividends	-	369	-	369	-	-	369	366
	<u>14,836</u>	<u>369</u>	<u>-</u>	<u>15,205</u>	<u>-</u>	<u>-</u>	<u>15,205</u>	<u>51,849</u>
Bank deposit interest - Trading subsidiary	2,618	-	-	2,618	-	-	2,618	10,842
	<u>17,454</u>	<u>369</u>	<u>-</u>	<u>17,823</u>	<u>-</u>	<u>-</u>	<u>17,823</u>	<u>62,691</u>
Other income								
Donated services - cars loaned by sponsor	1,477	4,898	3,728	10,103	-	-	10,103	2,668
Donated services – paramedics funded by Ambulance Trust	184,500	73,800	110,700	369,000	-	-	369,000	324,000
Paramedics costs paid by Ambulance Trust	-	-	-	-	-	-	-	6,834
Profit on disposal of fixed assets	1,326	-	-	1,326	-	-	1,326	-
	<u>187,303</u>	<u>78,698</u>	<u>114,428</u>	<u>380,429</u>	<u>-</u>	<u>-</u>	<u>380,429</u>	<u>333,502</u>
Fundraising events								
Group fundraising and events	669,171	222,819	299,430	1,191,420	400	400	1,191,820	1,183,393
Income from Trading Subsidiary	<u>1,320,544</u>	<u>107,471</u>	<u>171,349</u>	<u>1,599,364</u>	<u>-</u>	<u>-</u>	<u>1,599,364</u>	<u>1,052,567</u>
TOTAL INCOME	<u>3,517,641</u>	<u>578,526</u>	<u>725,538</u>	<u>4,821,705</u>	<u>400</u>	<u>400</u>	<u>4,822,105</u>	<u>5,303,004</u>

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

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.

	2010 £	2009 £
Turnover	1,599,364	1,052,567
Cost of sales	<u>252,105</u>	<u>189,380</u>
Gross profit	1,347,259	863,187
Interest receivable	<u>2,618</u>	<u>10,842</u>
	1,349,877	874,029
Less overheads		
Administrative expenses	<u>425,278</u>	<u>163,532</u>
Consolidated income from subsidiary	<u>924,599</u>	<u>710,497</u>
Paid to KAAT - Lottery donations	726,619	475,474
Paid to KAAT - Management charge	91,678	80,681
Profit for the year Gift Aided to Trust	<u>106,302</u>	<u>154,342</u>
Consolidated income paid to parent	<u>924,599</u>	<u>710,497</u>

The amount paid to the Trust in respect of lottery donations has been allocated to Kent, Surrey and Sussex General 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 2010

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

							2010	2009
	General				Restricted Equipment Fund	Total	Funds	Funds
	Kent	Surrey	Sussex	Total				
	£	£	£	£	£	£	£	£
Fundraising and Publicity								
Staff costs	201,040	74,877	124,817	400,734	-	-	400,734	338,864
Consultancy fees	500	200	300	1,000	-	-	1,000	1,200
Advertising, promotion and publicity	60,603	41,534	41,463	143,600	-	-	143,600	202,005
Other costs	61,983	15,241	15,820	93,044	-	-	93,044	95,199
	<u>324,126</u>	<u>131,852</u>	<u>182,400</u>	<u>638,378</u>	<u>-</u>	<u>-</u>	<u>638,378</u>	<u>637,268</u>
Governance costs								
Audit	6,250	2,500	3,750	12,500	-	-	12,500	12,500
Other	11,238	4,495	6,741	22,474	-	-	22,474	24,406
	<u>17,488</u>	<u>6,995</u>	<u>10,491</u>	<u>34,974</u>	<u>-</u>	<u>-</u>	<u>34,974</u>	<u>36,906</u>
Cost of sales of trading subsidiary	<u>222,870</u>	<u>12,078</u>	<u>17,157</u>	<u>252,105</u>	<u>-</u>	<u>-</u>	<u>252,105</u>	<u>189,380</u>
Direct Charitable expenditure								
Air Ambulance running costs	1,155,367	456,911	685,001	2,297,279	365	365	2,297,644	2,417,466
Air Ambulance crew costs	184,500	73,800	110,700	369,000	-	-	369,000	324,000
Paramedics salaries	53,856	21,342	32,013	107,211	-	-	107,211	99,753
Doctors on board	200,812	103,508	155,262	459,582	-	-	459,582	435,143
Operational employees	54,990	22,196	33,295	110,481	-	-	110,481	97,609
Dep'n of helicopter equipment	33,874	6,622	9,932	50,428	-	-	50,428	45,539
	<u>1,683,399</u>	<u>684,379</u>	<u>1,026,203</u>	<u>3,393,981</u>	<u>365</u>	<u>365</u>	<u>3,394,346</u>	<u>3,419,510</u>
Management and Administration								
Staff costs	176,942	65,923	109,889	352,754	-	-	352,754	298,896
Professional fees	4,870	1,960	2,400	9,230	-	-	9,230	18,842
Other costs	75,259	10,188	13,838	99,285	-	-	99,285	102,112
Administration expenses of trading subsidiary	425,278	-	-	425,278	-	-	425,278	163,532
	<u>682,349</u>	<u>78,071</u>	<u>126,127</u>	<u>886,547</u>	<u>-</u>	<u>-</u>	<u>886,547</u>	<u>583,382</u>
Support costs and depreciation								
Property expenses	83,590	28,647	42,974	155,211	-	-	155,211	146,775
Depreciation	65,125	8,511	12,765	86,401	-	-	86,401	87,446
	<u>148,715</u>	<u>37,158</u>	<u>55,739</u>	<u>241,612</u>	<u>-</u>	<u>-</u>	<u>241,612</u>	<u>234,201</u>
Total Charitable expenditure	<u>2,514,463</u>	<u>799,608</u>	<u>1,208,069</u>	<u>4,522,140</u>	<u>365</u>	<u>365</u>	<u>4,522,505</u>	<u>4,237,093</u>
TOTAL EXPENDITURE	<u>3,078,947</u>	<u>950,533</u>	<u>1,418,117</u>	<u>5,447,597</u>	<u>365</u>	<u>365</u>	<u>5,447,962</u>	<u>5,100,647</u>

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

5. TOTAL RESOURCES EXPENDED

Total resources expended is stated after charging	2010	2009
	£	£
Auditors' remuneration - as auditors	12,400	11,500
- for taxation services	500	500
- for professional advice provided	500	500
Operating leases - land and buildings	110,664	100,592
- helicopter (standing charges)	1,037,752	985,173
Depreciation	136,289	132,985
	<hr/>	<hr/>
Staff costs (excluding temporary staff)	2010	2009
	£	£
Wages and salaries	802,539	739,006
Social security costs	81,998	76,108
Pension costs	24,464	25,647
	<hr/>	<hr/>
	909,001	840,761
	<hr/>	<hr/>

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

	No.	No
Management and administration	11	11
Fundraising and publicity	13	12
Direct charitable expenditure	4	4
	<hr/>	<hr/>
	28	27
	<hr/>	<hr/>

One employee earned between £70,000 and £80,000 during the year, including pension contributions of £2,197 (2009 one employee earned between £100,000 and £110,000, and one employee earned between £60,000 and £70,000)

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 mainly relates to the cost of doctors on board the helicopters who are employed directly by the NHS and were subsequently recharged to the Trust. From November 2009, our Medical Director was officially employed by our colleagues in Essex who then recharge 50% of his salary costs to the Trust in recognition of his shared time between the two organisations. A total amount of £482,080 (2009 £435,143) was invoiced by Barts and The London NHS Trust and the Essex & Herts Air Ambulance Trust.

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

6. TANGIBLE FIXED ASSETS

GROUP AND CHARITY	Leasehold improvements £	Helicopter equipment (incl plant) £	Motor vehicles £	Computer equipment £	Office equipment £	Total £
Cost						
At 1 April 2009	385,366	312,488	73,045	95,162	182,356	1,048,417
Additions	12,688	39,477	-	1,817	7,180	61,162
Disposals	-	-	-	(7,303)	-	(7,303)
At 31 March 2010	398,054	351,965	73,045	89,676	189,536	1,102,276
Depreciation						
At 1 April 2009	218,157	186,028	51,269	55,180	123,131	633,765
Disposals	-	-	-	(5,629)	-	(5,629)
Charge for the year	35,066	50,429	14,505	16,588	20,241	136,829
At 31 March 2010	253,223	236,457	65,774	66,139	143,372	764,965
Net book values at 31 March 2010	144,831	115,508	7,271	23,537	46,164	337,311
<i>At 31 March 2009</i>	<i>167,209</i>	<i>126,460</i>	<i>21,776</i>	<i>39,982</i>	<i>59,225</i>	<i>414,652</i>

7. FIXED ASSET INVESTMENTS

GROUP	Listed Investments £	
Market value		
At 1 April 2009	2,436,051	
Purchases in year (including scrip dividends)	136	
Donated shares in year	252	
Increase in valuation	911,828	
At 31 March 2010	3,348,267	
<i>At 31 March 2009</i>	<i>2,436,051</i>	
Listed investments comprises the following		
	Cost £	Market Value £
Sarasin Chiswell		
Alpha CIF for Endowments (accumulation units)	2,935,000	3,341,630
Standard Life Share Account	6,317	6,233
Lloyds Banking Group Shares	136	404
	2,941,453	3,348,267

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

7. FIXED ASSET INVESTMENTS (CONTINUED)

CHARITY	Shares in subsidiary company £	Restricted listed investments £	Total £
Market value			
At 1 April 2009	2	2,436,051	2,436,053
Purchases in year (including scrip dividends)	-	136	136
Donated shares in year	-	252	252
Increase in valuation	-	911,828	-
At 31 March 2010	2	3,348,267	3,348,269
<i>At 31 March 2009</i>	<i>2</i>	<i>2,436,051</i>	<i>2,436,053</i>

Listed investments comprises the following

	Cost £	Market Value £
Sarasin Chiswell		
Alpha CIF for Endowments (accumulation units)	2,935,000	3,341,630
Standard Life Share Account	6,317	6,233
Lloyds Banking Group Shares	136	404
	2,941,453	3,348,267

	2010 £	2009 £
Movement on investments		
Market value at the beginning of year	2,436,053	3,157,103
Purchases in year	136	-
Donated shares in year	252	-
	2,436,441	3,157,103
 Market value at end of year	 3,348,269	 2,436,053
 Increase in value	 911,828	 (721,050)

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

7. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY BALANCE SHEET

The assets and liabilities of the subsidiary were	2010 £	2009 £
Current assets		
Stock	50,959	51,268
Debtors	110,114	28,816
Cash at bank	303,200	311,886
	464,273	391,970
Creditors: amounts falling due within one year	464,271	391,968
	2	2
Representing:		
Called up share capital	2	2
Profit and loss account	-	-
	2	2

Creditors includes the current account balance with Air Ambulance Promotions Limited totalling £191,284 (2009 £159,211) as detailed in note 9. This amount includes profits gift aided to the charity of £106,302 (2009 £154,342). 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	
	2010 £	2009 £	2010 £	2009 £
Goods for resale at cost	-	-	50,959	51,268

9. DEBTORS

	Charity		Group	
	2010 £	2009 £	2010 £	2009 £
Trade debtors	-	-	594	875
Current account with subsidiary	191,284	159,211	-	-
Other debtors	197,713	384,386	307,233	385,529
Prepayments and accrued income	38,823	32,970	38,823	57,793
	427,820	576,567	346,650	444,197

The Current account with subsidiary balance of £191,284 includes £106,302 of gift aided profits that were paid to the Trust on 17 August 2010.

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

10. CASH AT BANK AND IN HAND

	Charity		Group	
	2010	2009	2010	2009
	£	£	£	£
Investment deposit accounts	200,938	1,000,000	400,938	1,150,000
Other bank accounts	718,362	344,084	820,942	505,525
Petty cash	643	691	1,263	1,136
	<u>919,943</u>	<u>1,344,775</u>	<u>1,223,143</u>	<u>1,656,661</u>

11. CREDITORS: amounts falling due within one year

	Charity		Group	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	111,897	161,469	123,245	162,200
Other taxation and social security	30,028	24,266	32,251	25,336
Accruals and deferred income	37,898	18,763	297,315	247,744
	<u>179,823</u>	<u>204,498</u>	<u>452,811</u>	<u>435,280</u>

Included in accruals are outstanding pension contributions of £2,138 (2009 £2,991)

KENT AIR AMBULANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2010

12. ANALYSIS OF FUNDS

Movements in Funds	General Funds						Restricted Funds		
	Group	Kent	Surrey	Sussex	Total	Equipment Fund	Emergency Fuel Fund	Total	Total Funds
		£	£	£	£	£	£	£	£
Balance at 1 April 2009	5,888,799	(521,503)	(800,249)		4,567,047	2	500	502	4,567,549
Total income	3,517,641	578,526	725,538		4,821,705	400	-	400	4,822,105
Total expenditure	(3,078,947)	(950,533)	(1,418,117)		(5,447,597)	(365)	-	(365)	(5,447,962)
Gains on investments	910,764	1,064	-		911,828	-	-	-	911,828
Balance at 31 March 2010	7,238,257	(892,446)	(1,492,828)		4,852,983	37	500	537	4,853,520

	General Funds				Restricted Funds			
	Kent £	Surrey £	Sussex £	Total £	Equipment Fund £	Emergency Fuel Fund £	Total £	Total Funds £
Charity								
Balance at 1 April 2009	5,888,799	(521,503)	(800,249)	4,567,047	2	500	502	4,567,549
Total income	3,517,641	578,526	725,538	4,821,705	400	-	400	4,822,105
Total expenditure	(3,078,947)	(950,533)	(1,418,117)	(5,447,597)	(365)	-	(365)	(5,447,962)
Gains on investments	910,764	1,064	-	911,828	-	-	-	911,828
Balance at 31 March 2010	7,238,257	(892,446)	(1,492,828)	4,852,983	37	500	537	4,853,520

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

12. ANALYSIS OF FUNDS (CONTINUED)

General Funds

General funds represent funds available to meet the objective of the Trust

The Trustees have produced a segmental analysis of the funds resourced for each county to illustrate that while the charity's activities encompass all three counties, the contribution of each county to its Air Ambulance should also be shown individually

Following the opening of a full service at Dunsfold in 2007 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 this service should move into surplus and be in a position to begin reimbursement of Kent.

Restricted Funds

Restricted funds represent funds held for the provision of emergency equipment for use in Kent, Surrey and Sussex.

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

12. ANALYSIS OF FUNDS (CONTINUED)

Analysis of Assets Between Funds		General Funds				Restricted Funds		
		Kent	Surrey	Sussex	Total	Equipment Fund	Emergency Fuel Fund	Total Funds
Group	£	£	£	£	£	£	£	£
Tangible fixed assets	253,238	33,629	50,444	337,311	-	-	-	337,311
Investments	3,342,034	6,233	-	3,348,267	-	-	-	3,348,267
Cash	3,710,579	(933,372)	(1,554,599)	1,222,608	35	500	535	1,223,143
Other assets and liabilities	(67,594)	1,064	11,327	(55,203)	2	-	2	(55,201)
Balance at 31 March 2010	7,238,257	(892,446)	(1,492,828)	4,852,983	37	500	537	4,853,520
Charity		General Funds				Restricted Funds		
		Kent	Surrey	Sussex	Total	Equipment Fund	Emergency Fuel Fund	Total Funds
£	£	£	£	£	£	£	£	£
Tangible fixed assets	253,238	33,629	50,444	337,311	-	-	-	337,311
Investments	3,342,034	6,233	-	3,348,267	2	-	2	3,348,269
Cash	3,407,010	(933,205)	(1,554,397)	919,408	35	500	535	919,943
Other assets and liabilities	235,975	897	11,125	247,997	-	-	-	247,997
Balance at 31 March 2010	7,238,257	(892,446)	(1,492,828)	4,852,983	37	500	537	4,853,520

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

13. 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* £	Helicopters £
Operating leases which expire:		
- less than 5 years Dunsfold unit	59,314	
Helicopters		1,512,803
- more than 5 years Marden unit	54,637	
	<u>113,951</u>	<u>1,512,803</u>
 Expiry date Dunsfold unit	 03 August 2012	
Marden unit	19 September 2029	
Helicopters		20 April 2014
 Length of unexpired leases at 31 March 2010		
Dunsfold unit	2 33 years	
Marden unit	19 47 years	
Helicopters		4 05 years

* The landlords have indicated their willingness to waive annual rent amounting to £22,425

14. CAPITAL COMMITMENTS

At 31 March 2010 the charitable company had capital commitments of £nil (2009 £nil)

KENT AIR AMBULANCE TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2010

15. RELATED PARTY TRANSACTIONS

The following related party transactions took place in the year

£nil (2009 £1,359) was paid to Kent Messenger 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.

£nil (2009 £5,000) 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.

£nil (2009 £2,625) 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

No amounts were paid to Trustees during the year (2009 £20,000).

Trustee expenses

£364 was paid to a Trustee during the year (2009 £536).

Included in Management and Administration costs is the cost of Trustees' Liability Insurance (including professional indemnity cover) amounting to £2,765 (2009 £3,151).

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.