

# The Air Ambulance Service 2018 Annual Report and Accounts



**The Air Ambulance Service**  
SAVING LIVES

Registered company number: 04845905  
Registered charity number: 1098874

**THE AIR AMBULANCE SERVICE**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**THE AIR AMBULANCE SERVICE**  
**(A company limited by guarantee)**

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# **THE AIR AMBULANCE SERVICE** **(A company limited by guarantee)**

## **CHAIRMAN'S STATEMENT**

This Annual Report covers the period from 1 January 2018 to 31 December 2018, during which time The Air Ambulance Service has continued to provide two Helicopter Emergency Medical Services (HEMS) operations covering Warwickshire and Northamptonshire (WNAA) and Derbyshire, Leicestershire and Rutland (DLRAA) and The Children's Air Ambulance (TCAA) that provides paediatric transfers across the UK. Each operation has been branded accordingly to reflect the differences between them though all three operate within the same charity framework and management structure, thus minimising overheads and ensuring common operating procedures and practices. The national operation of The Children's Air Ambulance continues to prove there is a demand for specialised paediatric transfers and the two HEMS operations continue to be as busy as ever in providing the traditional regional emergency services operated by an air ambulance.

The objective of the organisation is to save lives and improve patient outcomes. To do this our operations rely totally on the goodwill and generosity of the public and this has again been outstanding during 2018. Our volunteer fundraising teams are supported by a small team of professionals and I would be remiss if I did not thank everyone for their overwhelming efforts, without which we could not function. The involvement of local people in the provision of essential services is a recurring theme in today's world and organisations like ourselves have been operating successfully with volunteers and engaging with the public throughout the lifetime of this charity. Whether they are fundraising volunteers providing bucket collections or organising events, to volunteers in our retail shops, or volunteers in any aspect of our operations, they all are an essential part of the team that delivers our services.

We utilise specialist pilots, doctors and critical care paramedics and whilst their role may often appear glamorous, it actually requires enormous concentration and sound aircrew knowledge as well as clinical skills. They often fly under very difficult circumstances, relying on the excellent 'all weather' instrumentation that our Agusta Westland helicopters are equipped with and they are frequently confronted with some of the most challenging and distressing clinical situations in 'taking the hospital to the field'. In 2016 this was extended outside of normal daylight flying hours by the use of critical care cars and then further extended to a 24 hours service in 2018, once again taking our enhanced medical skills into the local communities at times when the helicopter is unavailable. We are constantly updating and developing our clinical skills with the sole purpose of benefiting the patients we attend and we were the first air ambulance to achieve Care Quality Commission (CQC) registration which is renewed on an annual basis. In early 2018 the CQC conducted a normal inspection of our operations which resulted in excellent feedback as to how we exceed their requirements in a safe, effective, caring, responsive and well-led operation. In addition to this the continuing enhancement of our clinicians' skills in the pre-hospital environments within which we operate, results in positive experiences and outcomes for patients.

The Children's Air Ambulance continues to provide a service for both the movement of seriously ill children to specialist units and also the movement of specialised medical personnel around the country and this was enhanced during 2018 with the addition of upgraded helicopters operating out of strategically placed national bases. Once more, extending our philosophy of taking the 'hospital to the patient' and the 'patient to the required medical unit' both providing enhanced patient benefits. The public have been very generous because they know we are a worthy cause – our aim is to remain worthy of them and continue to deliver the best possible service.

The Trustees are delighted that the organisation continues to achieve increases in growth on an annual basis which has resulted in continued development of our lifesaving services and enhanced our financial stability. This is attributable to the generosity of the public and the commitment, skill and enthusiasm of the staff and volunteers in all areas of operation.

This will be my last report as chair of trustees at TAAS, as having served for the constitutional three terms of three years it is time for me to hand over to another trustee to further develop this incredible organisation. I will however, subject to trustees' approval, continue as a trustee.

Thank you to everyone who has supported us – you have helped us save lives that otherwise would have been lost and improved countless patient outcomes.

**John Williams (FCCA – Retired)**

**Outgoing Chair of Trustees**

# **THE AIR AMBULANCE SERVICE (A company limited by guarantee)**

## **CHIEF EXECUTIVE'S REPORT**

2018 proved to be another challenging year on several fronts for the charity, but once again we are proud to demonstrate our operational and financial success which continues our history of year on year growth since we began. We have continued to expand our services and grow as an organisation and still achieve a significant surplus. This marks an outstanding performance by everyone in the prevailing climate.

2018 saw us lose two of our long serving staff to cancer. Kerry Burton was one of our first ever retail employees back in 2010 and she was instrumental in helping develop the first shops and our trading department before then moving into fundraising and helping our development of local support and volunteers. Kerry was an immensely popular member of staff who will be sadly missed by us all. Alexandra Pope, our Director of People and Organisational Development, and also Deputy CEO was one of the most influential and talented people I have had the privilege to work with. Her efforts ensured that our service became fully independent from the NHS and allowed us to recruit and employ our own paramedics. She was instrumental in the development of the charity as a whole and was a staunch advocate of The Children's Air Ambulance. We achieved great things with Alexandra at my side and the best tribute to her and Kerry will be that we carry on achieving great things.

The dreaded C word has cost us dearly this year and we are also not immune to the dreaded B word – Brexit does affect us. We may well face increased operating costs due to the uncertainty around trading within Europe. Our aircraft come from Italy and they are leased with some payments in Euro's. This may affect our monthly standing charge in the future but for this year it has been managed with no detriment to the charity.

The charity environment throughout the country is still very challenging. Increased regulatory costs and a media led trust and confidence issue in marketing has affected the ability to attract donations but again I am pleased to say that we have ensured all our data protection, marketing integrity and care of our supporters has proven successful and we continue to be successful in income generation.

Passing the £20m income milestone was important for us last year and this year that has soared beyond £25 million as our previous investments in new income generation bear fruit. We have continued that investment as we will for another year until we are confident of the net income reaching the position we need to be in by 2022. We are still very much on the right track as we develop our services even further and ensure their sustainability.

### **Warwickshire & Northamptonshire Air Ambulance**

This service celebrates 16 years of making a difference to its community in 2019. In 2018 it carried out 1,478 missions in total, 578 by air and 900 by road. It continues to operate from our airbase at Coventry Airport with a crew comprising of doctors and paramedics of the highest clinical standards and dedication. We work in a successful partnership with both the East Midlands Ambulance Service and West Midlands Ambulance Service to reach as many patients as need us and I would like to place on record my thanks to all involved. I'd like to share another example of our work in these counties with you:

*Ryan Mullins (13) sustained a serious brain injury and nearly lost his life when he was involved in a collision with a car whilst riding his bike home from school in Hinckley, Leicestershire.*

*At the time he was being bullied for wearing a cycle helmet so he didn't have it on when the accident happened - which meant his skull took the full impact of the fall when he hit the ground.*

*Minutes before the collision, Ryan had phoned his Mum Nicola Jordan at work to tell her he was on his way home. Not long after that her husband Paul got in touch to say there had been a serious road accident and to warn her colleagues about traffic delays in the area.*

*"I said in jest that I hoped it didn't involve Ryan and Paul said of course not. Then ten minutes later he phoned back to say it was Ryan. I was in shock. I work five minutes away and a colleague drove me as close to the accident scene as she could get, I then ran the rest of the way crying. I wasn't allowed near Ryan, it was horrific," says Nicola.*

*By now Warwickshire & Northamptonshire Air Ambulance was at the scene, along with a land ambulance and fire engine which happened to be passing at the time of the accident.*

*Due to the seriousness of his injuries and his declining condition, Ryan was put into an induced coma by the air ambulance doctor. He had a fractured skull and collar bone and was fitting.*

## **THE AIR AMBULANCE SERVICE (A company limited by guarantee)**

### **CHIEF EXECUTIVE'S REPORT (CONTINUED)**

*"I was told that Ryan's condition was life threatening and his best chance of survival was to be taken to Birmingham Children's Hospital by road. It was getting dark and there isn't a landing pad at the hospital so it would be quicker to go by road. The air ambulance crew went with him and I followed in a police car."*

*"When we arrived at the hospital the air ambulance doctor gave a report of what had happened to the waiting medical team and Ryan was given a full body scan immediately."*

*"We were told later that if Ryan hadn't have been put into the induced coma by the air ambulance doctor he would not have survived. It didn't just save Ryan's life but prevented the whole family from having a life of trauma and sadness if we had lost him," says Nicola.*

*She and husband Paul spent three weeks constantly at their son's bedside, spending only a few hours with their daughters Cerys and Phoebe who were being looked after by friends and relatives.*

*"The doctors told us that because Ryan had suffered a serious brain injury they could not predict what the outcome would be. A MRI scan revealed that he had had lots of small bleeds on the brain. It would be months and years rather than days and weeks before we knew what the long term damage was," explains Nicola.*

*However, despite this frightening prognosis, when Ryan was taken out of his coma he made incredible progress and was eating, drinking, talking and walking within three days of waking up.*

*He was discharged from hospital three weeks after being admitted and after physiotherapy, occupational therapy and speech therapy was well enough to go back to school eight months later.*

*Ryan (now 14) says he is "very grateful" to the local air ambulance for saving his life. "I think all the crew are incredible," he adds.*

*He had an emotional reunion with Dr Ali Husain – who treated him at the scene of the accident – when the BBC made a film about Ryan's accident, rescue and recovery for The One Show.*

*The whole family has pledged to be lifelong supporters of the local air ambulance charity and have already raised over £1,500 by organising a raffle, selling goods on EBay and donating unwanted items to their local air ambulance charity shop.*

*"Without the air ambulance we wouldn't have Ryan. We are forever in their debt and, as a family, will do all we can to help keep the helicopters flying to save other lives," says Nicola.*

### **Derbyshire, Leicestershire and Rutland Air Ambulance**

Like its older sister, this service celebrates a milestone birthday in 2019 reaching 11 years old. In 2018 it carried out 2,042 missions, 755 by air and 1,287 by road. This work is carried out from our airbase at East Midlands Airport with the same quality of doctors and paramedics who are as equally dedicated. We work successfully with East Midlands Ambulance Service in this area and again I would place on record my thanks to everyone involved for the achievements we make.

*Motor racing marshal Tony Knell was knocked unconscious and propelled 30 feet when a rally car travelling at 60 miles an hour crashed into him during an event at Fulbeck Airfield near Grantham.*

*His role as a volunteer marshall, which he had been doing for more than 10 years without any previous incident, was to safeguard spectators. Ironically, although he was standing behind a safety barrier at the side of the track, Tony sustained life threatening injuries as a result of the impact.*

*As well as fracturing his skull and suffering a bleed on the brain, he sustained fractures to his mouth, eye, ankle, tibia and fibula. He also had a ruptured ear drum and torn tendons in his biceps.*

*Onlookers rushed to the scene to help him and he was immediately put into the recovery position. The on-site rescue ambulance went to his aide and he was driven to another part of the airfield where Derbyshire, Leicestershire & Rutland Air Ambulance had landed.*

*The air ambulance crew were very concerned about Tony's condition and his friend, who was marshalling with him at the time, was given the opportunity to say a final goodbye before the helicopter took off - just in case he didn't survive the flight to Queen's Medical Centre, Nottingham.*

*"I knew his condition was serious when I saw the air ambulance and it was heart breaking when the helicopter took off as I didn't know if Tony was going to make it," his fellow marshal says.*

*Tony was sedated by the air ambulance doctor and the team applied a pelvic binder to reduce the potential for major blood loss from his injuries.*

*It took under ten minutes to fly him to the Queen's Medical Centre – the nearest major trauma centre to where the accident happened.*

*Due to his head injuries, Tony has no recollection of most of what happened during the ten days he was a patient there.*

## **THE AIR AMBULANCE SERVICE (A company limited by guarantee)**

### **CHIEF EXECUTIVE'S REPORT (CONTINUED)**

*He has been told that he was taken to the operating theatre three times to have his leg and ankle pinned, but surgery didn't proceed on the first two occasions because of concerns about his head injuries.*

*"Because I don't remember anything it is as if it didn't happen to me. I can watch the video of the accident time and time again, but it means nothing to me and is like watching someone else," he explains.*

*However, one thing Tony is certain about is the lifesaving role Derbyshire, Leicestershire & Rutland Air Ambulance played in getting him to hospital as quickly as possible – successful treatment for injuries like those he suffered being time critical.*

*"I am sure I would have died if I had gone by land ambulance as Queen's Medical Centre is over an hour away by road with no traffic problems," he says.*

*Tony worked as an emergency care assistant with East of England Ambulance Service at the time of his accident. He had been in the job since 2008 and attended numerous incidents attended by the Essex & Herts Air Ambulance.*

*"I never thought that one day it might be me needing the help of an air ambulance. You just don't know what's around the corner for you," he says.*

*Tony returned to the job but was forced to take early retirement on medical grounds in 2016 due to permanent memory loss and co-ordination problems, which he has had to live with since being injured.*

*He considers himself lucky to be alive saying: "I would not have survived if I didn't get the urgent medical care I needed as quickly as I did – and that's because of the air ambulance."*

*To thank the charity, Tony presented a cheque for £2,500 to air ambulance doctor Mark Folman who treated him at the scene of his accident.*

*"That hopefully pays for the mission that saved my life and partly towards the cost of another flight to help someone else," he says.*

### **The Children's Air Ambulance**

This was a monumental year for The Children's Air Ambulance as we took delivery of our two brand new state of the art Agusta 169 helicopters which began operating from their new airbases in Doncaster and Oxford. It marked the culmination of 7 long years of hard work and dedication to be able to provide this vital service free of charge to the NHS and its critically ill children and neo natal patients. This part of our charity is now really thriving and growing as its value becomes more and more apparent to the clinical sector and to the wider public audience and their understanding of why it is needed becomes more clear. I am personally very proud of what we have achieved with this service and very proud of all the people who made it happen. In 2018 we transferred 35 children and made 6 clinical team transfers. These numbers will start to grow much faster and higher as the two helicopter operation and quadrupling of available hours takes affect. Here are two examples of just how much of a difference we make:

*Toddler Phoebe Honour was admitted to her local hospital in Margate, Kent after her mum took her to the Accident & Emergency Department with a fever and breathing difficulties.*

*What had been diagnosed as a virus by their GP two days before had now developed into pneumonia and the 17-month-old was very poorly. She was given a bed on the children's ward.*

*Single parent Amy Honour stayed with Phoebe day and night while her older daughter Bethany (9) was looked after by relatives.*

*"It was so overwhelmingly scary. It was awful," she says.*

*After four days on the children's ward Phoebe appeared to be improving and she was playing in the play room. But in the early hours of the next day she had to be moved to the High Dependency Unit as her condition was deteriorating.*

*Fluid had collected on her right lung and it had nearly collapsed. She was struggling to breathe, her heart rate was rapid and her temperature was dangerously high.*

*With no paediatric intensive care facilities at the Queen Elizabeth Queen Mother Hospital in Margate it was vital that Phoebe was transferred to a hospital where she could get the specialist care she so urgently needed.*

*That's where the Children's Air Ambulance was able to help out.*

*The helicopter took off from our Oxford base, picked up a children's intensive care team from South Thames Retrieval Service – based at Evelina London Children's Hospital - and flew them to Margate.*

*When the STRS team arrived, Phoebe had been sedated and intubated and a ventilator was breathing for her. Her blood oxygen levels had been stabilised and she was ready to be flown to London.*

*"Phoebe was very calm and settled. I felt very useless and was crying and emotional as I hadn't slept for days. But everyone made me feel involved in what was happening and explained about the flight and what they were doing to Phoebe and why," says Amy.*

**THE AIR AMBULANCE SERVICE**  
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**CHIEF EXECUTIVE'S REPORT (CONTINUED)**

*She accompanied her daughter on the 30 minute flight to Battersea Heliport where the STRS intensive care ambulance was waiting to transfer them to the Evelina. It would have taken over two hours to get there by road.*

*"I'm not frightened of flying but I hadn't been in a helicopter before. The pilots put me at ease. They were very friendly and concerned about how I was feeling. They explained what they were doing and made me feel involved which really helped me at the time."*

*"The STRS team were also second to none with the care they gave to Phoebe and the amazing reassurance for me which made things a lot less stressful," says Amy.*

*When Phoebe got to the Evelina, doctors inserted a drain into her chest to clear the fluid that had accumulated in her lung. She was kept under sedation for three days and came off the ventilator after six days.*

*Phoebe was discharged after spending nine days in the Evelina and she and Amy were reunited with Bethany when she accompanied her grandmother to the hospital to drive them home.*

*"The Children's Air Ambulance is amazing. I think getting Phoebe to the specialist care she needed so urgently saved her and certainly improved her recovery time. She is now back to her usual self and I will always be very grateful for what they did," says Amy.*

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*When he is well Buzz Shelley lives up to his name – his mum Melissa describes him as "a very busy little boy".*

*But, unfortunately, he has a very rare genetic disorder called Leopard Syndrome which has resulted in him being an intensive care patient six times since he was born.*

*Buzz suffers regular episodes of croup and is very vulnerable to chest infections which are exacerbated by the fact that, due to his condition, he has a very narrow airway. He takes antibiotics during the winter to prevent any infections developing and often has to stay indoors resting.*

*He had enjoyed 15 months without a croup episode when in March this year he developed another chest infection and the coughing and laboured breathing started again.*

*Just before midnight Buzz's condition was so bad he was fighting for breath so Melissa and her husband Bobby called an ambulance and he was taken to the local Conquest Hospital in Hastings.*

*Buzz started to improve when he was given an adrenaline nebuliser and he was able to sleep but as soon as the effects of the nebuliser wore off he was struggling to breathe again.*

*This was familiar territory for the family and medical staff at the hospital who had treated Buzz before. They knew the only thing left to do was to transfer him to Evelina London Children's Hospital where he could get the specialist care he urgently needed.*

*This had happened four times before with Buzz and Melissa making the journey to Central London by land ambulance – a road trip of two hours. But the transfer by air took just 27 minutes using the Children's Air Ambulance.*

*The helicopter took off from our Oxford base, picked up a specialist children's intensive care team who are based at the Evelina London Children's Hospital, and flew them to Hastings.*

*By the time the South Thames Retrieval team arrived, Buzz had been sedated and intubated and was on a ventilator. The STRS team prepared him for the journey to the capital before transferring him onto the helicopter's specially designed stretcher.*

*Melissa was able to travel with her son and the STRS team on the helicopter.*

*"It was amazing how quickly we got to London. I was very distressed as I hadn't slept for 48 hours and I was petrified about going on a helicopter. However everybody was so kind, caring and supportive. They put me at ease and I knew Buzz and I were in safe hands."*

*"Once we took off and flew over the A21 and M25 I could see the heavy traffic and I knew we would get to the hospital much quicker than by road," she says.*

*As there is no Heli pad at the Evelina, the helicopter landed at nearby King's College Hospital where the STRS intensive care ambulance was waiting to transfer Buzz and his mum.*

*"Once we got to Evelina I was able to breathe a huge sigh of relief as I knew Buzz was going to be OK. He's been treated at the hospital so many times it was like coming home. Unfortunately our local hospital is not qualified or equipped to treat children like Buzz so getting to Evelina so quickly was crucial," says Melissa.*

*Buzz was kept sedated in the Evelina's paediatric intensive care unit for three days while he was treated with antibiotics and steroids to clear the infection and give his body time to recover. Just a day after he was woken up he was well enough to be discharged and go home.*



# **THE AIR AMBULANCE SERVICE** **(A company limited by guarantee)**

## **CHIEF EXECUTIVE'S REPORT (CONTINUED)**

*"He has amazing bounce back ability and soon returned to being the busy little boy he is normally," says Melissa.*

*Despite his condition, Buzz leads a very independent life at a local mainstream school, has lots of friends and is adored by everyone that knows him.*

*Melissa says:*

*"We are so grateful to the Children's Air Ambulance for getting us to the specialist hospital so quickly. We live on the south coast and the roads are so heavily congested so to know we can be at the Evelina in around 20 minute is a huge comfort. A massive thank you to everyone involved."*

### **Income generation**

We had another successful year overall achieving the figures we needed to achieve. Our Retail and Trading company had an excellent year and showed why investment in this area in the past was so important. At the end of 2018 we had 55 shops in operation with significant plans to open the very first charity superstore in 2019.

We made a further large investment into recruiting more donors and regular givers and this also proved successful from past investments. We now have 5,714 individual regular givers to our local air ambulances and 5,494 individual regular givers to Children's. This is another big leap from the previous year and although the cost of recruiting regular donors and supporters is high initially, it pays huge dividends after a short time and we intend to keep investing in this area.

Legacies, In memoriam gifts and Trusts also grew significantly in 2018 as did income from small and medium businesses and enterprises.

As always our volunteers provided a strong and stable flow of funds throughout the year, mostly for the HEMS area but our influence and presence for children's is growing across the country at a rapid rate, all of which is good news for the patients we serve.

### **Our Values**

We live and thrive with our three core values of Compassion, Courage and Creativity and it really does manifest itself in many ways, large and small. Our back office support staff in Finance, HR, Administration, and Supporter Care all continually drive to make things better and there is many an unsung hero in these teams that don't get the limelight of front line operations and high profile fundraisers but remain an integral part of our charity. No single part of our diverse, complex and ever growing operations can function without the other and I pay a sincere tribute to all our staff and volunteers for all that they do.

Our ethos remains, and has been the same since 2003 when we began, to deliver excellent patient care, do more of it until no more can be done, be brave and challenging but always with respect. As we proved with the Children's Air Ambulance it is always better to do what is right, rather than what is easy, popular or safe. It is the duty of the voluntary sector to make an impact and that is what we do.

**Andy Williamson**  
**Chief Executive**

**THE AIR AMBULANCE SERVICE  
(A company limited by guarantee)**

**TRUSTEES' ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary ("the Group") for the year ending 31 December 2018 which are also prepared to meet the requirements of a Directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

**LEGAL AND ADMINISTRATION INFORMATION**

Charity Name	The Air Ambulance Service
Charity Registration Number	1098874
Company Registration Number	04845905
Registered Office	Blue Skies House Butlers Leap Rugby Warwickshire CV21 3RQ
Independent Auditors	PKF Cooper Parry Group Limited One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG
Bankers	Barclays Bank PLC Meridian Business Park Leicester LE19 1RP

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Principal Activities**

The principal activities of The Air Ambulance Service ("TAAS") are the relief of sickness and injury and the protection of human life, principally (but not exclusively), by the provision of an air ambulance service.

**Statement of public benefit**

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Air Ambulance Services' charitable objects are stated within its memorandum and articles of association and as such the trustees ensure that the charity's activities are carried out for the public benefit through its strategic priorities. This is done primarily through the delivery of services by the provision of an emergency and children's air ambulance service. This report allows us to show how our charitable funds are spent and the impact and benefits that has on those requiring our services, as well as the wider impact on the communities we operate in.

**THE AIR AMBULANCE SERVICE  
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**TRUSTEES' ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Our fundraising standards**

As a charity reliant on voluntary income we take an active and responsible approach to our fundraising. We are registered with the Fundraising Regulator and are firmly committed to ensuring we are compliant with their Code of Practice.

Our fundraising activity is carefully planned and all supporter data on our fundraising database is governed by strict consent, unsubscribe and complaints processes. Oversight of these processes is carried out by an internal Data Protection Officer, ensuring we are kept up to date with new legislation as well as supporter feedback.

The Charity is committed to providing an excellent service to supporters and retail customers but we recognise that occasionally things don't always go according to plan. With this in mind, we encourage complaints and suggestions to help shape the ongoing development of our services and the way in which we work with our supporters.

**Company Status**

The charity is a company limited by guarantee (registration number - 04845905), and as such has no share capital. The company is governed by its Memorandum and Articles of Association which were adopted in February 2013. The liability of the members of the company, as set out in the Memorandum of Association, is limited to £1 per member.

**Board of Trustees**

The Trustees of the charitable company, who are directors for the purpose of company law, who served during the year and up to the date of this report are set out as follows:

Mr M Burgoyne  
Mr C M Faircliffe (Chair of Finance Committee)  
Mr R D Jones  
Mr J L Williams (Chair and Finance Committee member)  
Mr P Wilson (resigned 12<sup>th</sup> September 2018)  
Mr P Holdcroft  
Mr N Bandtock  
Mr P Whatmore (appointed 21<sup>st</sup> November 2018)  
Mrs M Bradley (appointed 17<sup>th</sup> March 2019)  
Mrs N L Moylett (appointed 20<sup>th</sup> December 2017 & resigned 1<sup>st</sup> March 2018)

Since the year end and in line with our constitution, John Williams stepped down as Chairperson, though continues to serve as Trustee and was replaced by Chris Faircliffe following a rigorous selection process.

Directors are selected against pre-determined skills criteria designed to ensure that the Board has the necessary knowledge with which to direct The Air Ambulance Service.

**Key Management Personnel:**

**Senior Management Team of The Air Ambulance Service and its Subsidiary at the year end**

A Williamson	Chief Executive Officer (CEO)
H Hogben	Director of Human Resources
K Tailor	Director of Finance
E Peake	Director of Retail/Trading
R Clayton	Director of Operations
J Osborne	Director of Income Generation

**Trustee and Director induction and training**

Trustees are inducted to the organisation on appointment and are briefed as appropriate. As part of ongoing training, trustees have received formal charity law updates, strategic sessions and presentations in relation to operational requirements during the year.

# **THE AIR AMBULANCE SERVICE (A company limited by guarantee)**

## **TRUSTEES' ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018**

### **Organisational Structure**

The Air Ambulance Service Board of Trustees meets at least 4 times per year to oversee the development of the charity and the work of the Senior Management Team.

The Air Ambulance Service Trading Company Board also meets at least 4 times a year, to oversee the work and development of the trading subsidiary.

There is a Finance Committee which considers matters of finance, audit, governance and control for both the Charity and the Trading company. The Finance Committee meets two weeks prior to the Boards so that the committee can report the discussions and actions arising from their meeting.

The Trustees are responsible for the control over all activities and authorise all major transactions of the charitable company and its subsidiaries. Day to day activities are overseen by the Chief Executive and the Senior Management Team on a delegated basis.

### **Pay policy for Senior Staff**

The Trustees consider the senior management team comprise the key management personnel of the Charity in charge of directing, running and operating the Charity on a day to day basis. The pay of the senior staff is reviewed annually by the Finance Committee, who also act as the remuneration committee and is reviewed based on performance and average earnings across the sector.

### **Risk Management**

A detailed risk management process is in place in respect of clinical operations, which is in accordance with the Care Quality Commission guidelines and advice. In addition a wider organisation focussed Risk Management process is in place and is monitored regularly by the Senior Management Team and Board.

In line with best practice and the requirements of the Charities SORP (FRS 102), the Trustees have reviewed all major potential risks for the charity and taken appropriate measures to mitigate their impact.

## **OBJECTIVES AND ACTIVITIES**

The objects of the charitable company have not changed and are as stated earlier under the Principal Activities.

The activities of the Charitable company continue to be:

- The delivery of Helicopter Emergency Medical Services (HEMS), a trauma service responding to road accidents, falls of many kinds, medical emergencies, injuries received in remote locations and many other scenarios. These services are based in Warwickshire, Northamptonshire, Derbyshire, Leicestershire and Rutland.
- The Delivery of the Children's Air Ambulance, a hospital to hospital paediatric transfer service. This is a national service and involves liaison with critical care hospitals and paediatric retrieval teams across England.

Our work makes a difference to people, to communities and to society as a whole. Our responsibility is far reaching. The obvious impact is on saving lives, improving clinical outcomes and being able to react quickly and efficiently to emergencies but our influence is also able to challenge, and when necessary, try to change Government policies on health; we are able to innovate in clinical care, challenge the boundaries that often exist in state run services and invest heavily in the development of the people who deliver that care.

Our primary purpose is healthcare and we will lead the way in our chosen fields of operation in trauma and medical emergencies via our HEMS services and in the innovation and development of the unique critical transfer and retrieval service that is The Children's Air Ambulance. However our reach goes much further in our impact on society. We are a significant employer and contributor to our local economies; we are a socially responsible organisation that values the very communities that support us. Our expertise is made available to smaller charities, to education establishments and to organisations with similar goals. We care about our environment and we must use our abilities to change, shape or challenge the voluntary sector as a whole for genuine public benefit.

We are an organisation that engenders pride and purpose in every individual associated with us.

**THE AIR AMBULANCE SERVICE  
(A company limited by guarantee)**

**TRUSTEES' ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

**Overview**

The whole of the voluntary sector continues to face a challenging financial climate, although the economic situation has improved generally there is still a reluctance to spend and therefore give by many individuals and organisations. We have experienced this reluctance within the Charity however the continued growth of our retail operation has meant that we have not just sustained our income but have grown and developed over 2018. This achievement has been possible by opening new shops and continuing to manage costs in accordance with the levels of income being achieved.

Our retail operation has now risen to 55 outlets across the country, each reflecting the part of the organisation local to their area. We are also growing our internet and recycling activity with the number of clothing banks on various sites growing rapidly.

We continue to be at the forefront of service development and continue to achieve our aspiration of having full doctor cover on both of our HEMS services. We have developed our clinical expertise and continue to be registered with the Care Quality Commission achieving all the required standards.

The Children's Air Ambulance goes from strength to strength as we now have eight Clinical Partner Teams working with us and obtaining their own stretcher equipment that has been uniquely developed and is certified by the Civil Aviation Authority. The time saved on air transfer rather than road transfer is recognised as being significant and as well as helping the patient undergoing transfer, allows the medical team to get back to home base quickly therefore being available for other potentially lifesaving duties.

Contingency plans are in place to always protect the HEMS services first and foremost but the innovative and excellent service provided by Children's Air Ambulance requires us to engage the mass public in an awareness of their work. The financial support required to facilitate our growing services requires us to be dynamic. We very much appreciate the support of our donors, supporters and volunteers and feel it is incumbent upon us to stretch their contribution as far as possible.

**Clinical and Operational Report**

The Air Ambulance Service (TAAS) remains one of the busiest air ambulance service providers in the country, attending 1,592 critical care missions by helicopter and a further 1,957 critical care missions by our Rapid Response Vehicles (RRV) – a total of 3,549 critical care missions in 2018; totalling over 35,000 missions since services commenced in 2003.

Our Helicopter Emergency Medical Services celebrated 2 significant milestone anniversaries this year – Warwickshire and Northampton Air Ambulance celebrated its 15<sup>th</sup> year of operation, and its sister service, Derbyshire, Leicestershire and Rutland Air Ambulance celebrating its 10<sup>th</sup> year. A special reception was held at the Palace of Westminster for longstanding members of the team and supporters of the Derbyshire, Leicestershire and Rutland Air Ambulance to commemorate the occasion.

Education and research opportunities for our clinical teams to further improve the service we provide our patients was a key strategic aim in 2018. Research opportunities includes 4 pieces of research presented at the 2018 International Trauma Conference and presentations at the Royal College of Surgeons BASICS Conference. We continue to support the East Midlands Ambulance Service throughout 2018 with presentations and education to their trainee ambulance technician and paramedic courses on Pre-Hospital Emergency Medicine (PHEM).

As a registered independent healthcare provider the Care Quality Commission (CQC) undertook a scheduled 'Comprehensive' inspection of services in January 2018 focusing on 5 key lines of enquiry; are services Safe – Caring – Effective – Responsive – Well Led. Inspector's feedback on all 3 of our services was overwhelmingly positive commenting that The Air Ambulance Service showed a 'commitment to learning' displayed 'a drive and passion to deliver services' was 'compliant with Infection, Prevention and Control' was 'caring, compassionate' and well led.

**THE AIR AMBULANCE SERVICE  
(A company limited by guarantee)**

**TRUSTEES' ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

TAAS began recruiting patients to the 'RePHILL' trial in 2018. RePHILL is a national 3 year randomised trial aimed at evidencing the clinical benefits of administering pre hospital blood and blood products to severely traumatised patients. We are delighted to report that by December 2018 TAAS was the top patient recruiter to the trial, also boasting the quickest times to recruit patients and transfer to emergency departments.

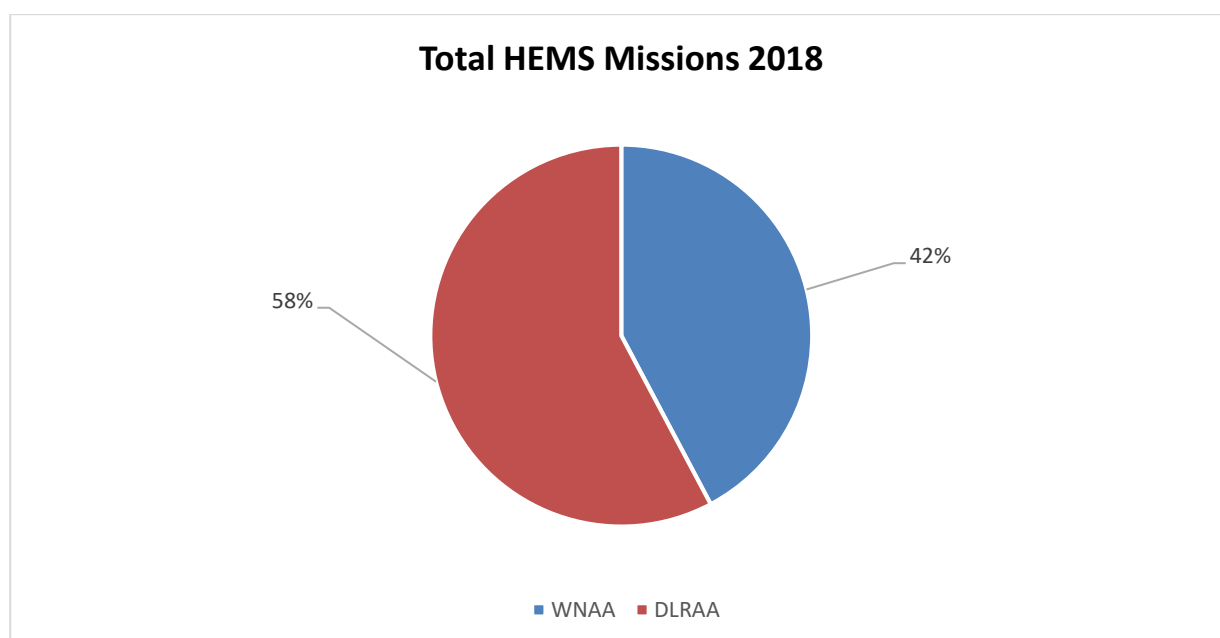
As a service that is committed to delivering excellent clinical services, we continue to improve our doctor cover on all four of our operational platforms (>99% cover). We have actively recruited additional doctors during 2018, and we are delighted to report that we now have a bank of over 45 highly trained doctors providing cover on helicopters and Rapid Response Vehicles (RRV). This includes recruiting 2 additional doctors who will commence their full-time secondments with TAAS in 2019/20.

Critical Care Paramedic/paramedic recruitment, in preparation for the commencement of 24 hour operations in 2019, commenced in 2018. TAAS received over 160 applications for 3 vacancies which is a fantastic response, and a clear indicator of TAASs reputation for clinical excellence and commitment to patient care. We are also extremely pleased to report that 2 paramedics recruited in 2017 achieved their Post Graduate Certificate in Critical Care Practice from the Warwick University in 2018.

2018 was a monumental year for The Children's Air Ambulance with the launch of the new service including; 2 new state-of-the-art larger AgustaWestland 169 aircraft, a much improved clinical interior, new specialist transfer stretchers, dedicated 4<sup>th</sup> seat for a parent, extended operating hours and 2 new operating bases at London Oxford and Doncaster Sheffield Airports. Both aircraft launched in September 2018 and are already changing the way specialist paediatric and neonatal aeromedical transport is provided in the UK.

Further developments for TCAA are already planned for 2019 with the design and development of a flight certified Extra Corporeal Membrane Oxygenation (ECMO - a procedure to take over both the heart and lung functions of the sickest patients) system and a Nitric Oxide gas therapy system used to treat severe breathing difficulties. In addition; clinical requirements for the incubator transport system have now been defined, with works scheduled to commence and conclude in 2019. The introduction of a helicopter certified incubator system will be an incredible advancement in neonatal care as it will be the first and only helicopter incubator system available free-of-charge to the NHS.

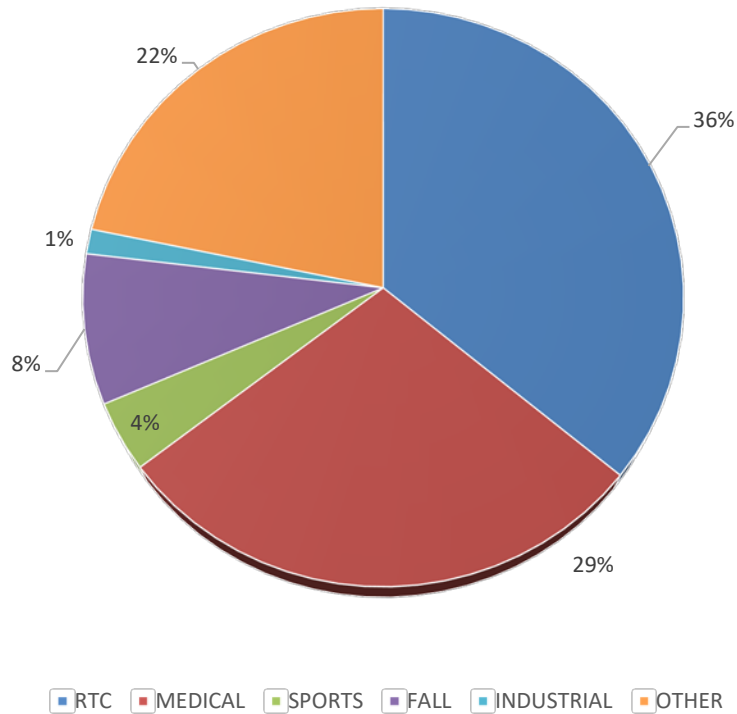
The following charts illustrate the number, type and spread of missions in 2018.



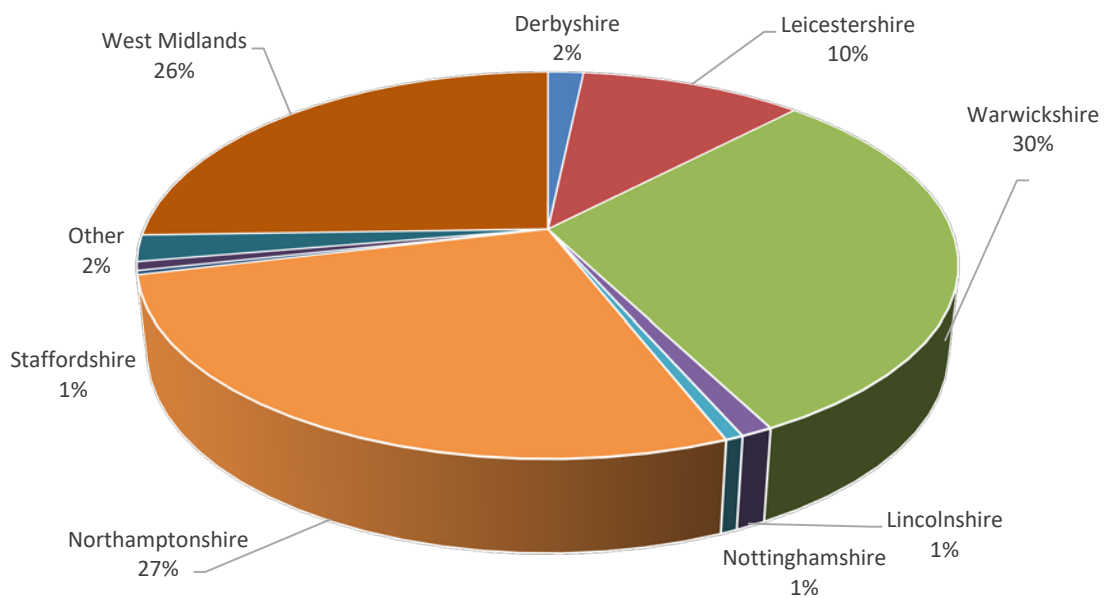
**THE AIR AMBULANCE SERVICE  
(A company limited by guarantee)**

**TRUSTEES' ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Total HEMS Breakdown 2018**

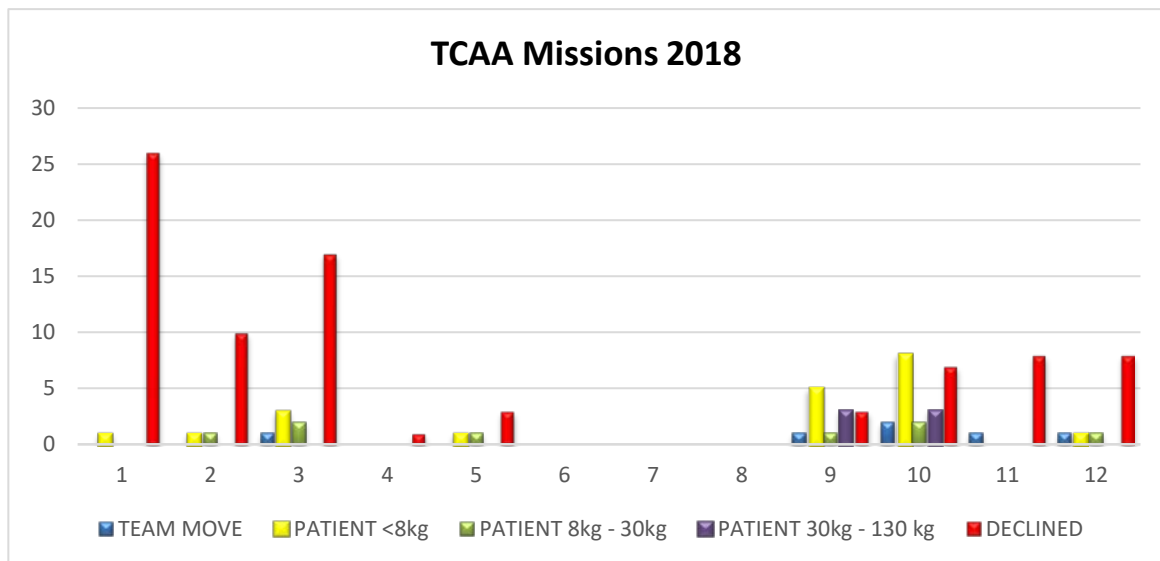
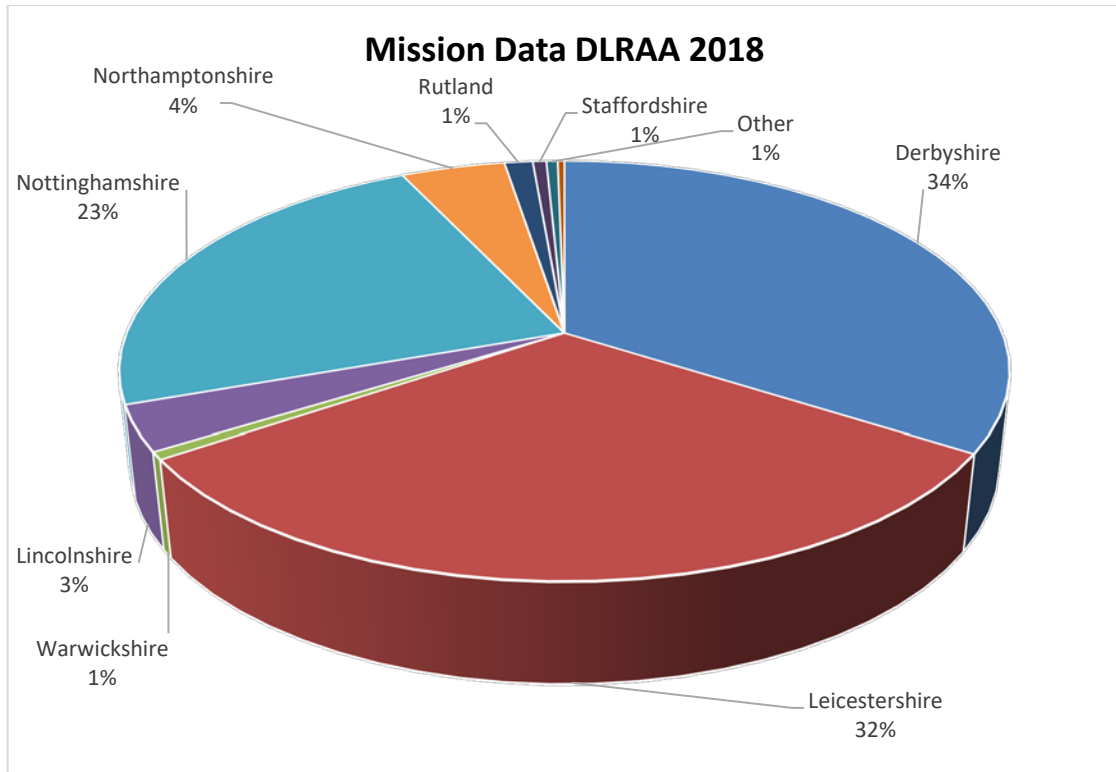


**Mission Data WNAA 2018**



**THE AIR AMBULANCE SERVICE  
(A company limited by guarantee)**

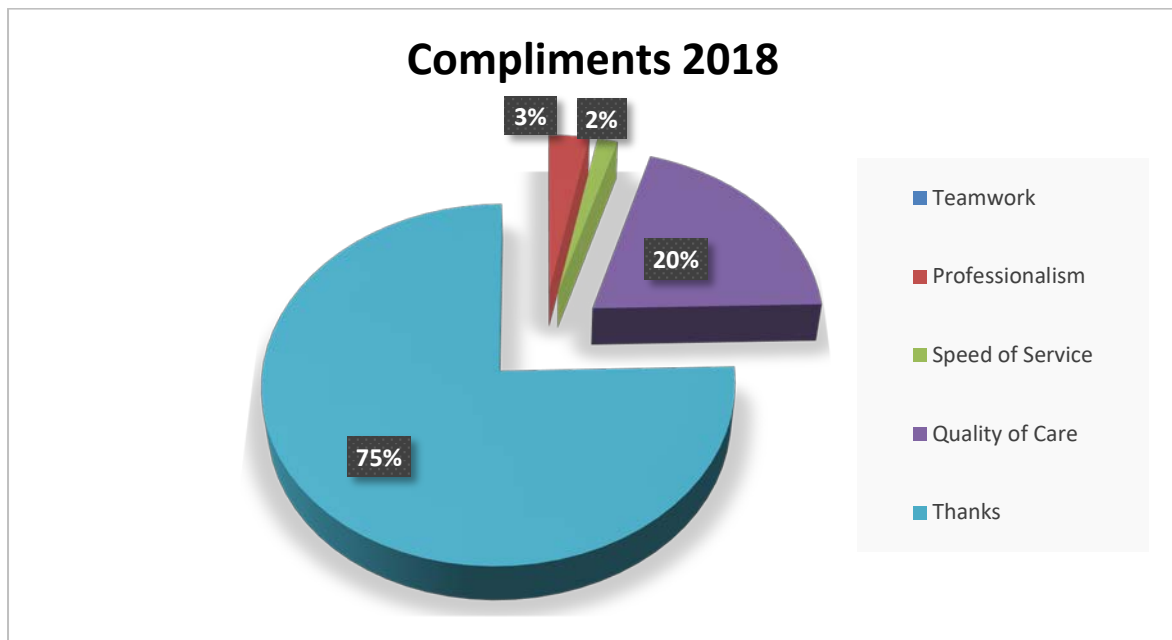
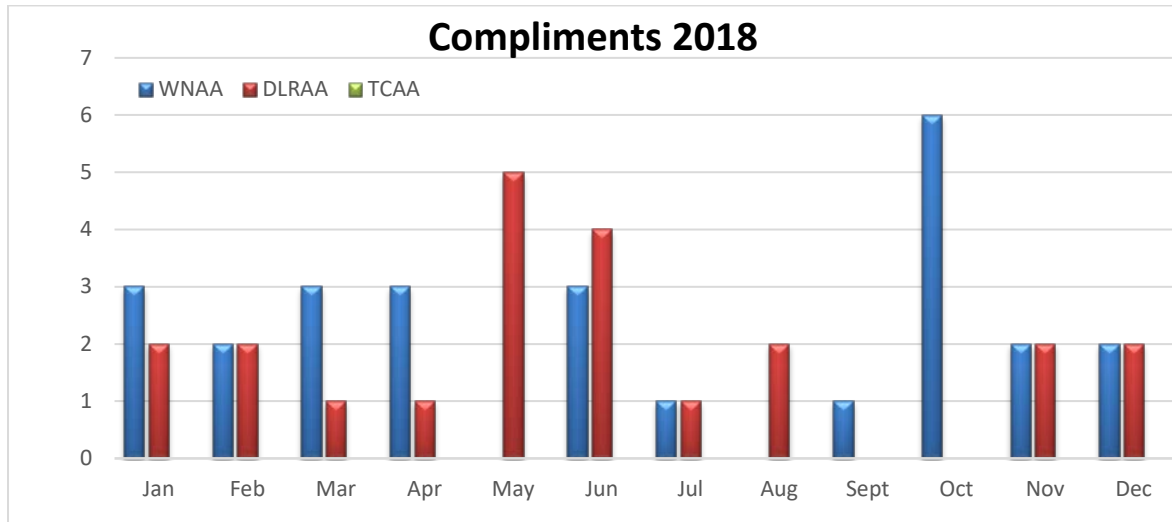
**TRUSTEES' ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**





**THE AIR AMBULANCE SERVICE  
(A company limited by guarantee)**

**TRUSTEES' ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**



**THE AIR AMBULANCE SERVICE  
(A company limited by guarantee)**

**TRUSTEES' ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**FINANCIAL REVIEW**

**Financial Position**

We receive no government support, we rely solely on donations, legacies, sponsorship, grants, fundraising events and our retail operations. We do not see this as a financial burden though instead believe that it enables us to ensure that we put the needs of the patient at the top of our entire decision making.

It is a measure of the services we provide and a credit to our dedicated supporters and staff that in these challenging financial times we have grown financially again this year. Our group income increased by 27% in 2018 to £27m.

The increase in income allows us to cope with increasing costs, secure the stability of the charity by moving towards our reserves policy and continue building towards the funding of a second helicopter for the Children's Air Ambulance. The Children's Air Ambulance is a transfer service moving specialist paediatric teams and critically ill babies to and from children's hospitals nationally.

Our aim, as always, is to ensure the maximisation of funds raised in the operation and running of the Helicopter Emergency Medical Services and The Children's Air Ambulance.

**Reserves policy**

We have improved our reserves position in 2018, in line with the desire to secure the stability of the Charity by holding 12 months operational costs, which are approximately £21m. As at 31 December 2018 the Charity held unrestricted free reserves of £14m and has a long term plan to fill this funding gap through further fundraising. This provides us with the necessary fall-back position to maintain our operational capabilities in periods of downturn and invest in new equipment as it becomes available.

**Going concern**

The financial statements have been prepared on a going concern basis as the trustees consider that adequate reserves continue to be available to fund the activities of the charity and group for the foreseeable future and believe no material uncertainties exist. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**Financial Instruments**

The charity does not use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk and manages this through credit control procedures. The trustees do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or performance.

**Employee involvement and employment of the disabled**

Staff communication meetings are held on a quarterly basis for presentations and discussion of key areas including business updates and projects.

The Air Ambulance Service has a number of policies and procedures in relation to all personnel matters, including:

- Equal opportunities; and
- Health & Safety

The recruitment and training of staff is undertaken in accordance with the charity's equal opportunities policy and in line with the Disability Discrimination Act (1995).

**Funds held as Custodian Trustees**

The Charity has access to and control over the funds held for The Children's Air Ambulance Service lottery. These funds are held in a separate bank account from the funds of the charity. The Charity is registered with the Gambling Commission to run this lottery with day to day operations being under the control of a third party. Funds are released to the Charity in accordance with accounts submitted by the third party.

**THE AIR AMBULANCE SERVICE**  
**(A company limited by guarantee)**

**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Principal Risks and Uncertainties**

The Board and Senior Management Team have established a risk register which identifies the current perceived risks and which is reviewed at all monthly Senior Management Team and quarterly Trustee meetings.

We have a formal process in place whereby all types of risks faced by the Charity have been considered as to their probability and impact, measures and strategies have been documented and implemented to deal with the identified risks on both an individual and overall basis. All activity is reviewed in the context of these risks and our principal risks are noted.

<b>Principal risks</b>	<b>What the risks mean to The Air Ambulance Service</b>	<b>How we manage the risks</b>
Maintaining financial stability	The risk is that we don't have sufficient income to operate.	We have regular cash flow forecasts and a robust budgeting process. We also have different income streams to avoid dependence on any one income stream.
Governance and strategy	The risk is that we don't have the right governance structures in place to drive our strategy.	We regularly review our performance and governance structures. There are processes in place to lead strategic change.
People capability and capacity	The risk is that talented staff are not attracted, developed and retained in a competitive labour market.	Recruitment, appraisal and training processes are regularly reviewed. We benchmark our pay and benefits across the sector.
External influence and perception	There is a risk of loss of public trust and confidence and people do not understand our purpose because our messaging is not clear.	We are transparent in the delivery of our services and have a strategy to develop our brand.

**PLANS FOR THE FUTURE**

At the end of 2014 the Group developed a strategic, tactical and implementation plan for 2015-2020. This document reviewed our Vision, Mission, Core Values and Core Principles. It then set out six strategic aims for 2015-2020.

Our Vision is that we want children to grow into adults and adults to live longer, making bereavement through trauma rare.

Our Mission Statement "Our rapid response services work tirelessly to save lives and alleviate pain and suffering, wherever and whenever needed" is reflected in our core values which are Compassion, Courage and Creativity.

As an organisation we are clear on three things, our ultimate aim (The Vision), the impact we make on Society (The Mission) and the way we go about achieving this important work (The Values). Every individual in every part of the organisation holds these three things dear to them, for we are not here to do a job: we are here for a purpose driven by passion, commitment and humanity.

The six strategic aims which are to be developed over the 2015-2020 period are:

- Continuously advance rapid response critical care services to patients
- Be recognised as a leading authority on pre-hospital emergency care and paediatric transfer services
- Raise awareness, understanding and engagement with our charity across the country
- Unite people in the common purpose of our charity
- Be the organisation of choice and opportunity for the most talented and driven from diverse backgrounds
- Grow income to £20 million in a diverse and sustainable manner to continue and develop our services.

Each of these has a detailed plan behind it which involves the whole of the Charity and measures to check and report our progress towards these aims.

**THE AIR AMBULANCE SERVICE  
(A company limited by guarantee)**

**TRUSTEES' ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also Directors of The Air Ambulance Service for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepting Accounting Practice).

Company 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 charitable company and the group and of the incoming resources and application of resources, including income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Provision of information to auditor**

So far as each of the trustees is aware at the time this report is approved:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Approved by the Board of Trustees on 22nd May 2019 and signed on its behalf by:**

**John Williams (FCCA – Retired)  
Trustee**

**THE AIR AMBULANCE SERVICE**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AIR AMBULANCE SERVICE**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Opinion**

We have audited the financial statements of The Air Ambulance Service (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidate Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2018, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**THE AIR AMBULANCE SERVICE  
(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AIR AMBULANCE SERVICE  
(CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**THE AIR AMBULANCE SERVICE  
(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AIR AMBULANCE SERVICE  
(CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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

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

**Use of our report**

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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Atkins FCA

Senior Statutory Auditor  
for and on behalf of:

**PKF Cooper Parry Group Limited**  
Chartered Accountants  
Statutory Auditor

Park View  
One Central Boulevard  
Blythe Valley Business Park  
Solihull  
West Midlands  
B90 8BG

Date: 22<sup>nd</sup> May 2019

**THE AIR AMBULANCE SERVICE**  
**(A company limited by guarantee)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating an Income and Expenditure Account)**

For the year ended 31 December 2018

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2018 Total £'000	2017 Total £'000
<b>Income</b>					
<i><b>Incoming resources from generated funds</b></i>					
Donations and legacies	2	10,821	409	11,230	8,087
Other trading activities	2	15,190	218	15,408	12,899
Investment income	4	34	-	34	36
<b>Total income</b>		26,045	627	26,672	21,022
<b>Expenditure</b>					
<i><b>Costs of raising funds</b></i>					
Costs of generating voluntary income		4,420	-	4,420	5,208
Commercial trading operations and other costs		10,094	-	10,094	8,411
<i><b>Charitable activities</b></i>					
Operation of Air Ambulances		5,660	827	6,487	6,069
<b>Total expenditure</b>	5	20,174	827	21,001	19,688
<b>Net income</b>		5,871	(200)	5,671	1,334
Transfer between funds	14	(300)	300	-	-
<b>Net movement in funds</b>		5,571	100	5,671	1,334
<b>Reconciliation of funds</b>					
Total Funds brought forward at 1 January 2018		9,371	588	9,959	8,625
Total Funds carried forward at 31 December 2018		14,942	688	15,630	9,959

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenses are derived from continuing activities.



**THE AIR AMBULANCE SERVICE**  
**(A company limited by guarantee)**

**CONSOLIDATED BALANCE SHEET**  
**Company number: 04845905**

**As at 31 December 2018**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>			
Tangible assets	10	1,578	1,815
<b>Current assets</b>			
Debtors	12	5,610	3,436
Stocks		166	159
Cash at bank and in hand		11,778	8,206
		<u>17,554</u>	<u>11,801</u>
<b>Creditors:</b> amounts falling due within one year	13	(3,502)	(3,657)
		<u></u>	<u></u>
<b>Net current assets</b>		14,052	8,144
		<u></u>	<u></u>
<b>Net assets</b>		15,630	9,959
		<u></u>	<u></u>
<b>Funds</b>			
<b>Unrestricted funds</b>			
General funds	15	14,942	9,371
<b>Restricted funds</b>	14	688	588
		<u></u>	<u></u>
		15,630	9,959
		<u></u>	<u></u>

The notes on pages 25 to 41 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 22nd May 2019.

**John Williams (FCCA – Retired)**  
Trustee

**THE AIR AMBULANCE SERVICE**  
**(A company limited by guarantee)**

**CHARITABLE COMPANY BALANCE SHEET**  
**Company number: 04845905**

As at 31 December 2018				As Restated 2017	
	Note	£'000	2018 £'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	10		752		1,085
Investments	11		<u>1</u>		<u>1</u>
			753		1,086
<b>Current assets</b>					
Debtors	12	5,449		3,317	
Cash at bank and in hand		11,274		7,570	
		<u>16,723</u>		<u>10,887</u>	
<b>Creditors:</b> amounts falling due within one year	13	(2,779)		(2,841)	
		<u></u>		<u></u>	
<b>Net current assets</b>			13,944		8,046
			<u></u>		<u></u>
<b>Net assets</b>			14,697		9,132
			<u></u>		<u></u>
<b>Funds</b>					
<b>Unrestricted funds</b>					
General funds	15		14,009		8,544
<b>Restricted funds</b>	14		688		588
			<u></u>		<u></u>
			14,697		9,132
			<u></u>		<u></u>

The notes on pages 25 to 41 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 22nd May 2019.

**John Williams (FCCA – Retired)**  
Trustee

**THE AIR AMBULANCE SERVICE**  
**(A company limited by guarantee)**

**CONSOLIDATED STATEMENT OF CASH FLOW YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
<b>Reconciliation of net incoming resources to net cash flow from operating activities</b>		
Net income	5,671	1,334
Depreciation	509	436
Loss on disposal of fixed assets	24	9
Increase in stock	(7)	(76)
Decrease/(increase) in debtors	(2,174)	(196)
(Decrease)/Increase in creditors	(155)	36
Interest received	<u>(34)</u>	<u>(36)</u>
Net cash inflow from operating activities	<u><u>3,834</u></u>	<u><u>1,507</u></u>

**Cash Flow Statement**

Net cash inflow from operating activities	3,834	1,507
Cash flows from investing activities	34	36
Proceeds on sale of tangible fixed assets	328	-
Purchase of tangible fixed assets	<u>(624)</u>	<u>(795)</u>

**Increase in cash and cash equivalents in the year**

<u><u>3,572</u></u>	<u><u>748</u></u>
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**Analysis of changes in net cash**

	<b>At 1 January 2018</b> <b>£'000</b>	<b>Cash flow</b> <b>£'000</b>	<b>At 31 December 2018</b> <b>£'000</b>
Cash at bank and in hand	<u>8,206</u>	<u>3,572</u>	<u>11,778</u>

**Reconciliation of Movement in Cash**

	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
Net increase in cash and cash equivalents for the year	3,572	748
Cash and cash equivalents as at 1 January 2018	<u>8,206</u>	<u>7,458</u>
Cash and cash equivalents as at 31 December 2018	<u><u>11,778</u></u>	<u><u>8,206</u></u>

**Cash flows from investing activities**

	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
Interest received	<u><u>34</u></u>	<u><u>36</u></u>

**THE AIR AMBULANCE SERVICE  
(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018**

**1. Accounting policies**

The following accounting policies have been applied in dealing with items which are considered material in relation to the financial statements.

**Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Air Ambulance Service meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The consolidated accounts incorporate the accounts of the parent charitable company and all group undertakings. Consolidation has been undertaken on a line by line basis. A separate statement of financial activities for the parent charitable company is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

**Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charitable group is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

***Gifts in kind***

- i) Assets given for distribution by the charity are included in the Statement of Financial Activities only when distributed.
- ii) Assets given for use by the charity (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources when receivable.
- iii) Gifts made in kind but on trust for conversion into cash and subsequent application are included in the accounting period in which the gift is sold.

In all cases, the amount at which gifts in kind are brought into the accounts is either a reasonable estimate of their value to the charitable group or the amount actually realised.

**Donated services and facilities**

Donated services and facilities are included at the value to the charitable group where this can be quantified. In accordance with the Charities SORP (FRS 102), the value of services provided by volunteers has not been included in these accounts.

**Legacies**

Legacies are recognised at the earlier of the date that probate was granted or the legacy was received. Other legacies notified are not accrued due to uncertainty of value and timing.

**Trading outlets**

Retail sales are included in the period in which the sale is initiated.

**THE AIR AMBULANCE SERVICE  
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**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018**

**1. Accounting policies – continued**

**Structure of funds**

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the trustees have chosen to earmark for set purposes are designated funds.

**Resources expended**

All expenditure is accounted for on an accruals basis. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. Expenditure is matched against the restricted or unrestricted funds to which it relates. Support costs directly attributable to an activity are allocated to that activity. Other costs that cannot be directly attributed are allocated against the categories based on management's estimate of usage of those services.

**a) Costs of raising funds**

The costs of generating funds are the costs associated with generating income through fundraising and other activities, including the costs of the commercial trading operations.

**b) Charitable activities**

The trustees consider that there is only one charitable activity, that of the provision of an air ambulance service.

**c) Governance costs**

These are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. The costs include external audit and costs associated with constitutional and statutory requirements e.g. the cost of trustee meetings and preparing statutory accounts.

**Fixed assets**

**Capitalisation**

All assets falling into the following categories are capitalised.

- i) Tangible assets which are capable of being used for more than one year and have a cost equal to or greater than £500, (£200 for The Air Ambulance Service Trading Limited)
- ii) Groups of tangible fixed assets which are interdependent or would normally be provided or replaced as a group with a total value in excess of £5,000 and an individual value of £500 or more, (£200 for The Air Ambulance Service Trading Limited)
- iii) Computer software licenses are capitalised as intangible assets where they are capable of being used for more than one year and have a cost, individually or as a group, equal to or greater than £500, (£200 for The Air Ambulance Service Trading Limited)

**THE AIR AMBULANCE SERVICE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

**1. Accounting policies – continued**

**Tangible Fixed Assets and Depreciation**

Fixed assets are recorded at cost or, in the case of assets where assets have been donated to the group, at valuation at the time of acquisition. Depreciation is provided on all tangible fixed assets excluding freehold land, at rates calculated to write off the cost, less estimated residual value, based on values prevailing at the date of acquisition, of each asset, on a straight line basis, over its expected useful life, as follows:

Buildings	7%
Fixtures and fittings	20%
Medical equipment	20%
Office equipment	20%
Motor vehicles	25%
Computer equipment	33%

The holding value of assets is regularly reviewed for impairment and where deemed appropriate assets are written down.

**Fixed Asset investments**

Investments in unlisted shares, where there is no readily identifiable market value, are recorded at best available price as at 31 December 2018.

**Current Asset Investments**

Investments are valued at market value.

**Stock**

Stock consists of purchased goods for resale and items to be given to volunteers and people who participate in fundraising events. Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The value of goods donated for sale in the group's charity shops is not included in stock. Instead, they are accounted for as income in the period in which the goods are sold.

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of any transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible into known amounts of cash with insignificant risk of change in value.

**THE AIR AMBULANCE SERVICE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

**1. Accounting policies – continued**

**Financial instruments**

The charitable company enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**Creditors and provisions**

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**Pensions**

The charitable company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the Statement of Financial Activities.

**Operating leases**

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the lease term. Lease incentives are charged on a straight line basis over the term of the lease.

**Gift aid payments receivable**

The parent charity receives income from its trading subsidiary under the gift aid scheme, which are recognised as distributions to owners in equity within retained earnings of that company.

At the reporting date there was no legal obligation in place for the charity to receive this gift aid payment, although prior to the reporting date the trading subsidiary board had indicated its intention to pay the taxable profits to the parent charity in respect of the reporting date.

There is no tax charge in the year due to the exception under 29.14A of FRS 102. Relief is allowed as the gift aid payment will be made by the trading subsidiary to the parent company within 9 months of the year end.

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**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018**

**1. Accounting policies – continued**

**Judgements in applying accounting policies and key sources of estimation uncertainty**

The charitable company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the charitable company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the trustees have made the following judgements:

- Determine whether leases entered into by the charitable company either as a lessor or a lessee are operating leases or finance leases. The decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor or lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.
- Provisions. A provision is recognised when the charitable company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgment. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

- Depreciation and residual values. The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

2. Donations and legacies	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017
	£'000	£'000	£'000	£'000
Donations	5,699	-	5,699	4,975
Legacies	5,122	-	5,122	2,745
Grants receivable (see note 3)	-	409	409	367
	<hr/>	<hr/>	<hr/>	<hr/>
	10,821	409	11,230	8,087
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other trading activities</b>				
Charity shop income (see note 11.1)	8,818	-	8,818	7,251
Lottery income	5,352	-	5,352	4,877
Event income	231	-	231	427
Other	789	218	1,007	344
	<hr/>	<hr/>	<hr/>	<hr/>
	15,190	218	15,408	12,899
	<hr/>	<hr/>	<hr/>	<hr/>

Income from donations and legacies in 2017 was £8.087m of which £7.547m was attributable to unrestricted funds and £0.540m to restricted funds. Income from other trading activities in 2017 amounting to £12.899m was all attributable to unrestricted funds.

3. Material grants received by category	2018 £'000	2017 £'000
Sources of material grants:		
The Eric Stanton Northampton Trust	-	10
Dumbreck Charity	-	10
General Charities of the City of Coventry	90	85
The Margaret Giffen Charitable Trust	25	25
Rugby Group Benevolent Fund	10	10
The Bernard Sunley Trust	20	10
Kirby Laing Foundation	25	-
O'Brien Charitable Trust	10	-
WPH Charitable Trust	-	10
EBM Charitable Trust	-	10
G J W Charitable Trust	10	-
Other < £10,000	219	197
	<hr/>	<hr/>
Total	409	367
	<hr/>	<hr/>

**THE AIR AMBULANCE SERVICE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

<b>4. Investment income</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest	26	36
Other	<u>8</u>	<u>-</u>
	<u><u>34</u></u>	<u><u>36</u></u>

**5. Resources expended by activity**

		Costs of Fundraising				2018	2017
		Basis of <i>Generating</i> Trading <i>Charitable</i> Governance					
		Allocation	Voluntary	costs	activities	costs	
		£'000	£'000		£'000	£'000	£'000
Costs directly allocated to activities							
Fundraising Costs	Direct	1,008	-	-	-	1,008	1,252
Operations	Direct	-	-	5,745	-	5,745	5,262
Marketing and PR	Direct	2,369	-	-	-	2,369	3,158
Trading costs	Direct	-	9,780	-	-	9,780	8,228
Depreciation	Direct	-	259	250	-	509	436
Support costs allocated to activities							
Support Services	Hours	<u>1,043</u>	<u>-</u>	<u>492</u>	<u>55</u>	<u>1,590</u>	<u>1,352</u>
		<u>4,420</u>	<u>10,039</u>	<u>6,487</u>	<u>55</u>	<u>21,001</u>	<u>19,688</u>

Operational and fundraising staff are allocated directly, management and administration are allocated on a time apportioned basis.

The expenditure in 2017 was £19.688m of which £19.222m was attributable to unrestricted funds and £0.466m to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

**6. Staff costs**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	5,901	4,901
Social security costs	477	423
Pension costs	118	109
Redundancy and termination payments	44	28
	<u>6,540</u>	<u>5,461</u>

The average number of employees during the year was as follows:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Aviation Operations	25	23
Fundraising	21	22
Trading	254	206
Administration	30	28
	<u>330</u>	<u>279</u>

**Pensions contributions**

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Annual contributions amounting to £118,136 (2017: £108,690) were charged to the Statement of Financial Activities during the year. At the balance sheet date, there were £25,003 outstanding contributions (2017: £16,255).

**Key Management Personnel (Senior management) remuneration**

There were eight members of the senior management team and their aggregate remuneration in respect of qualifying services for the Group was:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Remuneration receivable	536	556
Social security costs	55	57
Pension contributions	27	17
	<u>618</u>	<u>630</u>

The number of employees whose remuneration for the year fell within the following bands were:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
£120,000 to £129,999	1	-
£110,000 to £119,999	-	1
£90,000 to £99,999	1	2
£80,000 to £89,999	1	2
£70,000 to £79,999	1	-
£60,000 to £69,999	1	1
£10,000 to £59,999	<u>3</u>	<u>-</u>

No other employees earned more than £60,000 in the year.

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**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2018**

**7. Trustees and connected persons' transactions**

**Trustees' expenses reimbursed**

During the year expenses of £642 (2017: £1,249) were reimbursed to 3 (2017: 3) Trustees.

**Trustees' remuneration**

No trustees received remuneration during the year (2017: Nil).

The Charity pays an insurance premium in respect of Trustees' and Individuals' liability cover at a cost of £1,119 (2017: £1,092).

**Details of transactions with trustees or connected persons**

During the year ended 31 March 2012, Mrs A Pope, a senior executive of The Air Ambulance Service and a director of The Air Ambulance Service Trading Limited, was provided a loan by the parent charitable company. The loan was provided to secure A Pope's continuing employment. At the year end an amount of £Nil (2017: £2,250) was outstanding to the charity. The loan accrued interest at 0.5% per annum and was repayable in 60 equal monthly instalments, with repayments commencing in June 2013. The loan was guaranteed by Mr A Williamson, the CEO of the parent charitable company.

<b>8. Net incoming resources</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
This is stated after charging:		
Auditors' remuneration - audit services	17	17
Depreciation – owned assets	509	436
Loss on disposal of tangible fixed assets	24	-
Operating Lease Costs	<u>4,982</u>	<u>4,596</u>

**9. Taxation**

The charitable company, as a registered charity, is exempt from tax on income and gains falling within section 478 of the Taxes Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. Tangible fixed assets**

**GROUP**

	<b>Freehold Property £'000</b>	<b>Leasehold Property £'000</b>	<b>Fixtures &amp; fittings £'000</b>	<b>Equipment £'000</b>	<b>Motor Vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>						
At 1 January 2018	491	139	1,168	1,595	81	3,474
Additions	-	3	195	426	-	624
Disposals	(491)	(1)	(8)	(3)	-	(503)
<b>At 31 December 2018</b>	<b>-</b>	<b>141</b>	<b>1,355</b>	<b>2,018</b>	<b>81</b>	<b>3,595</b>
<b>Depreciation</b>						
At 1 January 2018	133	61	655	775	35	1,659
Charge for the year	15	10	184	280	20	509
Disposals	(148)	-	(2)	(1)	-	(151)
<b>At 31 December 2018</b>	<b>-</b>	<b>71</b>	<b>837</b>	<b>1,054</b>	<b>55</b>	<b>2,017</b>
<b>Net book value</b>						
<b>At 31 December 2018</b>	<b>-</b>	<b>70</b>	<b>518</b>	<b>964</b>	<b>26</b>	<b>1,578</b>
At 31 December 2017	358	78	513	820	46	1,815

**CHARITY**

	<b>Freehold Property £'000</b>	<b>Leasehold Property £'000</b>	<b>Fixtures &amp; fittings £'000</b>	<b>Equipment £'000</b>	<b>Motor Vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>						
At 1 January 2018	491	132	297	1,206	68	2,194
Additions	-	3	-	264	-	267
Disposals	(491)	(1)	(8)	-	-	(500)
<b>At 31 December 2018</b>	<b>-</b>	<b>134</b>	<b>289</b>	<b>1,470</b>	<b>68</b>	<b>1,961</b>
<b>Depreciation</b>						
At 1 January 2018	133	56	245	646	29	1,109
Charge for the year	15	9	27	182	17	250
Disposals	(148)	-	(2)	-	-	(150)
<b>At 31 December 2018</b>	<b>-</b>	<b>65</b>	<b>270</b>	<b>828</b>	<b>46</b>	<b>1,209</b>
<b>Net book value</b>						
<b>At 31 December 2018</b>	<b>-</b>	<b>69</b>	<b>19</b>	<b>642</b>	<b>22</b>	<b>752</b>
At 31 December 2017	358	76	52	560	39	1,085

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**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

**11. Investments in subsidiary undertaking**

	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
Cost as at 31 December 2018 and 31 December 2017	1	1

The following are subsidiary undertakings at 31 December 2018:

<b>Name</b>	<b>Holding</b>	<b>Principal activity</b>	<b>Proportion held by the charity</b>
The Air Ambulance Service Trading Limited	Ordinary shares	Retail charity outlet	100%
The Air Ambulance Service Events Limited	Ordinary shares	Dormant	100%
The Air Ambulance Service Recycling Limited	Ordinary shares	Dormant	100%
The Air Ambulance Service Aviation Limited	Ordinary shares	Dormant	100%
TAA Service	Company limited by guarantee	Dormant	n/a
The Children's Air Ambulance	Company limited by guarantee	Dormant	n/a

All of the above companies are incorporated in England & Wales.

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**11.1 Net income from trading activities of subsidiary**

The Air Ambulance Service Trading Limited, the wholly owned subsidiary of the charity is a retail charity outlet. A summary of its trading results for the year to 31 December 2018 are shown below. Audited accounts will be filed with the Registrar of Companies.

	<b>2018</b>	<b>As restated</b>
	<b>£'000</b>	<b>2017</b>
		<b>£'000</b>
<b>Turnover</b>	8,818	7,251
Cost of sales	(666)	(515)
Administration expenses	<u>(7,219)</u>	<u>(5,909)</u>
<b>Operating profit</b>	933	827
	<u>=====</u>	<u>=====</u>
<b>Profit after tax</b>	933	827
	<u>=====</u>	<u>=====</u>
Retained earnings at the beginning of the year	827	470
Profit for the year	933	827
Gift aid payment	<u>(827)</u>	<u>470</u>
<b>Retained earnings at the end of the year</b>	933	827
	<u>=====</u>	<u>=====</u>
<b>The assets and liabilities at 31 December were:</b>		
Fixed assets	825	730
Current assets	1,196	1,338
Current liabilities	<u>(1,088)</u>	<u>(1,241)</u>
<b>Total net assets</b>	933	827
	<u>=====</u>	<u>=====</u>
<b>Aggregate share capital and reserves</b>	933	827
	<u>=====</u>	<u>=====</u>

<b>12. Debtors</b>	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>As restated</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>2017</b>
				<b>£'000</b>
<b>Amounts falling due within one year</b>				
Amounts due from group undertaking	-	-	365	426
Trade debtors	147	184	34	90
Other debtors	12	64	-	52
Prepayments	659	709	347	403
Accrued income	4,612	2,311	4,612	2,311
VAT	180	168	91	35
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
	5,610	3,436	5,449	3,317
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**

**13. Creditors**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year</b>				
Trade creditors	719	865	482	523
Taxation and social security	148	124	79	69
Other creditors	20	13	19	11
Accruals and deferred income	2,615	2,655	2,199	2,238
	<u>3,502</u>	<u>3,657</u>	<u>2,779</u>	<u>2,841</u>

Included within accruals and deferred income is an amount of £1.7m (2017 £2m) received from Libor banking fines.

**14. Restricted funds**

	<b>Balance at 1 Jan 2018 £'000</b>	<b>Incoming Resources £'000</b>	<b>Outgoing Resources £'000</b>	<b>Transfers £'000</b>	<b>Balance at 31 Dec 2018 £'000</b>
Children's Air Ambulance Helicopter Appeal	174	4	178	-	-
The Children's Air Ambulance – Incubator	18	-	-	-	18
The Bernard Sunley Charitable Foundation	-	20	20	-	-
AAA LIBOR Funding	3	-	3	-	-
Rugby Group Benevolent Fund	2	-	2	-	-
CAA Helicopter lease appeal	-	45	45	-	-
DLRAA Helicopter lease appeal	-	90	90	-	-
WNAA Helicopter lease appeal	155	241	396	-	-
Lloyds Charities Trust	49	-	-	-	49
Various Other Trusts and Foundations	43	9	6	-	46
LIBOR Funding	-	218	19	300	499
Restricted Fixed Asset	<u>144</u>	<u>-</u>	<u>68</u>	<u>-</u>	<u>76</u>
	<u>588</u>	<u>627</u>	<u>827</u>	<u>300</u>	<u>688</u>

	<b>Balance at 1 Jan 2017 £'000</b>	<b>Incoming Resources £'000</b>	<b>Outgoing Resources £'000</b>	<b>Transfers £'000</b>	<b>Balance at 31 Dec 2017 £'000</b>
Children's Air Ambulance Helicopter Appeal	155	19	-	-	174
The Children's Air Ambulance – Incubator	18	-	-	-	18
The Bernard Sunley Charitable Foundation	10	10	20	-	-
AAA LIBOR Funding	5	-	2	-	3
Rugby Group Benevolent Fund	4	-	2	-	2
CAA Helicopter lease appeal	-	34	34	-	-
DLRAA Helicopter lease appeal	-	46	46	-	-
WNAA Helicopter lease appeal	-	398	243	-	155
Lloyds Charities Trust	-	-	-	49	49
Various Other Trusts and Foundations	40	33	30	-	43
Restricted Fixed Asset	<u>233</u>	<u>-</u>	<u>89</u>	<u>-</u>	<u>144</u>
	<u>465</u>	<u>540</u>	<u>466</u>	<u>49</u>	<u>588</u>



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**14. Restricted funds - continued**

**Purposes of restricted funds**

The Children's Air Ambulance Helicopter Appeal. This relates to funds provided to the charity for the sole purpose of acquiring, fitting and maintaining The Children's Air Ambulance (TCAA).

The Children's Air Ambulance – Incubator was an appeal launched to purchase an incubator for TCAA before it was part of TAAS.

The Bernard Sunley Charitable Foundation donated a Grant towards the expenditure of the WNAA night car service.

The AAA LIBOR funding have provided funds to meet the costs of the rapid response vehicles.

The Rugby Group Benevolent Fund gave us a grant to buy an oxylog 3000 ventilator.

The CAA helicopter lease appeal represents funds received specifically towards CAA lease costs.

The DLRAA helicopter lease appeal represents funds received specifically towards DLRAA lease costs.

The WNAA helicopter lease appeal represents funds received specifically towards WNAA lease costs.

The Lloyds Charities Trust donated a granted to purchase a new detachable stretcher for one of our clinical partners (Evelina Children's Hospital or Great Ormond Street Hospital).

Various other trusts and foundations have provided donations for specific restricted projects.

The LIBOR funding was awarded to meet the capital costs associated with the two new Children's helicopters.

Restricted fixed asset fund represents funding received from various donors towards the purchase of fixed assets. This fund will be charged with the depreciation on assets purchased.

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**15. Unrestricted funds (group)**

	<b>1 Jan 2018 £'000</b>	<b>Incoming £'000</b>	<b>Outgoing £'000</b>	<b>Transfers £'000</b>	<b>31 Dec 2018 £'000</b>
General funds	9,371	26,045	20,174	(300)	14,942

	<b>1 Jan 2017 £'000</b>	<b>Incoming £'000</b>	<b>Outgoing £'000</b>	<b>Transfers £'000</b>	<b>31 Dec 2017 £'000</b>
General funds	8,160	20,482	19,222	(49)	9,371

**Unrestricted funds (charity)**

	<b>As restated 1 Jan 2018 £'000</b>	<b>Incoming £'000</b>	<b>Outgoing £'000</b>	<b>Transfers £'000</b>	<b>31 Dec 2018 £'000</b>
General funds	8,544	18,054	12,289	(300)	14,009

	<b>1 Jan 2017 £'000</b>	<b>Incoming £'000</b>	<b>Outgoing £'000</b>	<b>Transfers £'000</b>	<b>As restated 31 Dec 2017 £'000</b>
General funds	8,160	12,404	11,971	(49)	8,544

**16. Analysis of net assets between funds**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2018 Total</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>As restated 2017 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>	989	589	1,578	1,662	153	1,815
<b>Net current assets</b>	13,953	99	14,052	6,882	435	7,317
	<u>14,942</u>	<u>688</u>	<u>15,630</u>	<u>8,544</u>	<u>588</u>	<u>9,132</u>

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**17. Operating lease commitments**

At 31 December 2018 the charitable group had future minimum lease payments under non-cancellable operating leases as set out below.

**Group**

	<b>2018</b>		<b>2017</b>	
	<b>Land and Buildings £'000</b>	<b>Other items £'000</b>	<b>Land and buildings £'000</b>	<b>Other items £'000</b>
Operating leases which expire:				
Within 1 year	1,517	7,018	1,394	7,509
Between 1 to 5 years	4,684	24,352	4,221	26,877
More than 5 years	2,249	2,882	1,683	4,323
	<hr/>	<hr/>	<hr/>	<hr/>
	8,450	34,252	7,298	38,709
	<hr/>	<hr/>	<hr/>	<hr/>

**Charity**

	<b>2018</b>		<b>2017</b>	
	<b>Land and Buildings £'000</b>	<b>Other items £'000</b>	<b>Land and buildings £'000</b>	<b>Other items £'000</b>
Operating leases which expire				
Within 1 year	85	6,841	190	7,360
Between 1 to 5 years	463	24,140	562	26,606
More than 5 years	162	2,882	347	4,323
	<hr/>	<hr/>	<hr/>	<hr/>
	710	33,863	1,099	38,289
	<hr/>	<hr/>	<hr/>	<hr/>

**18. Financial Commitments**

As a result of group registration arrangements for value added tax (VAT), the charitable company is jointly and severally liable together with other members of the group for any VAT due by the representative member of the group.

**19. Capital Commitments**

At 31 December 2018, the group had capital commitments amounting to **£Nil** (2017 £285,700) in respect of capital expenditure contracted but not provided in the financial statements.

**20. Membership**

The Air Ambulance Service is incorporated under the Companies Act 2006 as a company limited by guarantee having no share capital. The liability of members to contribute towards the debts of the charity in the event of a deficit on winding up is limited to £1.

**21. Controlling parties**

In the opinion of the trustees, given the structure of the charity, there is no ultimate controlling party.

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**22. Prior year adjustment**

The charity receives gift aid payments from its trading subsidiary, however at the reporting date there was no legal obligation in place for the trading subsidiary to make this gift aid payment, although prior to the reporting date the trading board had indicated its intention to pay the taxable profits to the parent charity in respect of the reporting date.

The trading subsidiary previously recognised gift aid payments in the equity in the year that profits arose. During the year, the trading subsidiary has taken the decision to early adopt the amendments to FRS 102 issued by the Financial Reporting Council in respect of accounting for gift aid payments made by The Air Ambulance Service Trading to its parent company The Air Ambulance Service. Therefore the prior year figures have been restated to reflect this change.

There is no tax charge in the year due to the exception under paragraph 29.14A of FRS 102. Relief is allowed as the gift aid payment will be made by the company to the parent charity within 9 months of the year end.