

# DEVON AIR AMBULANCE TRUST

A company limited by guarantee

## REPORT AND FINANCIAL STATEMENTS

For the year ended

31 December 2010



# DEVON AIR AMBULANCE TRUST

## FINANCIAL STATEMENTS

for the year ended 31 December 2010

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# DEVON AIR AMBULANCE TRUST

## REPORT OF THE TRUSTEES

For the year ended 31 December 2010

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Patrons  
Mrs Mary King  
Lady Ivar Mountbatten  
The Earl of Devon

Current Trustees:  
Mrs J Dawkins (Chair) ~ +  
Mr J Lomas (Vice Chair)#  
Mr S Denton (Treasurer) \* Appointed 12 May 2010  
Mr L Glanville \*  
Ms G Bryce  
Mr P Persey\*~  
Mr P Roberts\*  
Mr W Price+ Appointed 10 November 2010  
Mr M Tyler~ Appointed 4 August 2010

*~ member of the PR & Fundraising Cub Committee*  
*\* member of the Finance Sub Committee*  
*+ member of the HR Sub Committee*  
*# member of the Operations Sub Committee*

Trustees who served during  
the year:  
Mr J Casson (resigned 21 January 2010)  
Mr D Charlesworth (resigned 23 February 2010)  
Miss A Holmes (resigned 4 August 2010)

Senior Management Team:  
Ms H Holt (Chief Executive )  
Mrs C Creer (Fundraising Director)  
Mr S Tupper (Finance Manager)  
Ms C Peel (Retail Manager)

Principal Address &:  
Registered Office  
Devon Air Ambulance Trust  
Unit 5, Sandpiper Court  
Harrington Lane  
Exeter  
EX4 8NS

Bankers:  
HSBC Bank plc  
9 St Thomas Centre  
Cowick Street  
Exeter  
EX4 1DD

Solicitors:  
Foot Anstey LLP  
Senate Court  
Southernhay Gardens  
Exeter EX1 1NT

Chartered Accountants and  
Registered Auditors:  
Francis Clark LLP  
Vantage Point  
Woodwater Park  
Pynes Hill  
Exeter  
EX2 5FD

# DEVON AIR AMBULANCE TRUST

REPORT OF THE TRUSTEES (*continued*)

For the year ended 31 December 2010

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Document

The Devon Air Ambulance Trust (DAAT) was formed in 1991 in order to raise and receive funds to provide an emergency response ambulance helicopter service primarily in the county of Devon. It became an incorporated company, limited by guarantee, on 30 September 1999 and is governed by its Memorandum and Articles of Association dated 29 September 1999.

### Appointment of Trustees

The board is aware of the need for a broad mix of skills and experience. It has undertaken a skills audit to ascertain criteria for recruitment of future trustees. Nominations may be received from Trustees, staff or direct from individuals. Trustees are appointed by the board having first met with the Chair and Chief Executive, circulated a personal statement in support of their nomination and attended a meeting as an observer.

### Trustee Induction and Training

An induction process has been developed and formal governance training is provided. A Trustee Handbook has been prepared. New Trustees have an orientation briefing on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes of the charity, the annual budget, strategic plan and recent financial performance of the charity. During the induction they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events to facilitate the undertaking of their role.

### Structure of the Organisation

The Board of Trustees administers the Charity. The board meets four times a year and there are 4 sub-committees: PR and Fundraising; Human Resources; Finance; Operations. These meet at least twice a year. Additional meetings are held as and when necessary and time-limited working parties are also formed to address specific strategic issues.

Trustees are appointed for an initial term of three years with the option for this to be extended by a further term of three years. The maximum term that a Trustee may serve is therefore six years. They may then be reappointed for one further term of three years after a three year break from office.

Trustees roles and responsibilities and in particular the roles of the honorary officers are clearly defined within a Scheme of Delegation.

A Chief Executive is appointed by the Trustees to manage the day to day operations of the Charity. To facilitate efficient management of the organisation the Chief Executive has delegated authority, within limits set by the Trustees, for matters including finance, fundraising, public relations and marketing, and employment. The parameters of the Chief Executive's authority are clearly defined within the Scheme of Delegation referred to above.

The charity employs professional staff in fundraising, financial management and retail. The staff are accountable, through a line management system to the Senior Management Team who are in turn, through the Chief Executive, accountable to the Trustees. Everyone within the charity understands that ultimate accountability is to the people, businesses and community groups of Devon who make the charity's activities and achievements possible through their ongoing support.

### Related Parties

The helicopters are part of an integrated response to medical sickness and emergencies provided by the South Western Ambulance Service NHS Foundation Trust (SWAST). SWAST deploy the helicopters from their Emergency Control Centre at Exeter under the terms of a Service Level Agreement with DAAT, Cornwall Air Ambulance Trust (CAAT) and Dorset & Somerset Air Ambulance Trust (DSAAT), which is regularly reviewed.

# DEVON AIR AMBULANCE TRUST

REPORT OF THE TRUSTEES (*continued*)

For the year ended 31 December 2010

The helicopter based in North Devon and the associated aviation management services are leased by DAAT from Bond Air Services Ltd, with whom regular contact is maintained, in order that the service is run in the most cost-effective way.

The helicopter based at Exeter is owned by Devon Air Ambulance Trading Co Ltd, the Charity's wholly owned subsidiary company, with aviation support services being provided by Devon and Cornwall Police Authority in conjunction with Eurocopter UK Ltd.

## Risk Management

The Trustees have put in place a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

The Trustees review the adequacy of the Charity's current financial controls on a regular basis and each of the identified risks on a rotational basis. The Trustees are able to report that, in their opinion, the Charity's internal financial controls conform to Charity Commission guidelines.

Currently, the biggest operational risk identified by the Trustees is a fall in income. In order to mitigate this risk considerable efforts are made to avoid dependence on any one income stream (with the exception of unpredictable legacy income). When planning budgets, setting the reserves policy and developing contingency plans, the Finance Sub Committee has taken into account a range of worst case scenarios. It has established monitoring procedures to ensure that action can be taken to address concerns in good time and make certain we have the resources to maintain full services in the meantime.

Other operational risks include reputational risks, which might arise, for example, through dishonesty or bad practice on the part of volunteers, staff or partners. The Trustees have mitigated such risks by developing excellent relationships with third party partners and establishing clear protocols for managing public relations both within the charity, with its partners and with the press and media. It has clear internal procedures for preventing fraud and theft and protecting the charity and the public and it has a policy of zero tolerance of the same.

The Trustees are investigating mechanisms for criminal records checking for volunteers and staff who are involved in money-handling without supervision and/or who have any contact with children or vulnerable adults, for example through our junior crew club and education programmes.

## OBJECTIVES AND ACTIVITIES

### Charitable Objects and Aims

The Charity's governing document states that its charitable object is "to relieve sickness and injury primarily in the County of Devon by assisting in the provision of an air ambulance service". This is used as part of our statement of vision, mission and values setting out the charity's over-arching aims.

- **Vision** - Our vision for Devon is an outstanding, independent and efficient air ambulance service, available to all, 24 hours a day
- **Mission** - Our mission is to relieve sickness and injury in the county of Devon by assisting in the provision of an Air Ambulance Service
- **Values** - All our activities are informed by our values, which include community, voluntary service, professionalism, independence and availability to all
  - **Community** – the Trust's roots are firmly planted within the needs and wishes of the community we serve
  - **Volunteers** – the Trust recognises that its volunteers are essential to the charity through their contribution to fundraising, community involvement, public relations, administration, practical support and campaigning and will invest in training and developing our volunteer force

# DEVON AIR AMBULANCE TRUST

REPORT OF THE TRUSTEES (*continued*)

For the year ended 31 December 2010

- **Professionalism** –the Trust is committed to professionalism in all aspects of its work in order to ensure it delivers the best possible service within the resources available
- **Independence** – the Trust is completely independent of central or local government
- **Availability to all** – the Devon Air Ambulance service is free of charge and available to everyone

## Strategic Planning

These statements form a touchstone for development of strategic and operational plans including the setting of annual and longer term aims and objectives. They were developed by the staff team as part of the process of developing our strategic objectives and priorities.

This process included an analysis of the charity's strengths, weaknesses, opportunities and threats against six key factors: political, economic, social, technological, legal/regulatory and environmental. Contributions to this analysis were sought from across the whole organisation and comments invited from other interested parties like the aircrew and volunteers. From this, the key strategic priorities for the next five years were identified and finalized in 2009:

- **Developing the service** – investing in research and training & development for aircrew and charity
- **Investing in people** – improving employee engagement and support for volunteers
- **Building resilience** –protecting and developing the diversity of our income streams, preserving our independence
- **Excellent communications** – improving internal and external communications to raise awareness of the charity, promote the service, reinforce our values, build loyalty and provide clear strategic and policy direction for staff and volunteers
- **Continual improvement** – looking for continual improvement across all our business systems and processes including data management, financial management and IT systems
- **Accessibility** – providing straightforward ways for people to support us and clear, simple honest information about the charity and our performance

## Public Benefit

The public benefit provided by the charity is the relief of injury or sickness through rapid treatment and/or transport to a hospital or other care facility as appropriate.

This benefit is available to anyone and everyone in Devon and neighbouring counties, resident or visitor, on the grounds of a fixed set of criteria which take account of factors including clinical need, urgency, accessibility and distance to hospital. The use of these criteria in deploying the aircraft is regularly monitored and reviewed to ensure they are rigorously applied.

No private benefit is given to anyone.

## Main Objectives for the Year

The main objectives for 2010 were to:

- Launch the BBC Radio Devon Air Ambulance Appeal, a fundraising and awareness raising partnership which aims to raise £600,000 towards the cost of our new aircraft to replace G-DAAT in 2013.
- Audit of our internal controls.
- Application for Beacon South West company status. Beacon South West is a key business initiative of the South West of England Regional Development Agency (SWRDA) it acknowledges and brings together companies with a proven track record of success, from a diverse range of industries, to showcase good practice, share ideas and exchange experience.
- Introduce a new Trustee Handbook.
- Initiate research into the impact air ambulances have on patient outcomes, in partnership with the NHS and sister charities in neighbouring counties.

# DEVON AIR AMBULANCE TRUST

REPORT OF THE TRUSTEES (*continued*)  
For the year ended 31 December 2010

## Strategies for Achieving the Objectives

The strategies employed to achieve these objectives were:

- develop and maintain excellent working relationships with key operational, advisory, supply, fundraising and media partners;
- development of clear brand guidelines to support both internal and external communications
- invest in improving employee and volunteer engagement

## Significant Activities

Our main areas of activity to implement these strategies were:

- development of operations
- fundraising and income generation
- promotional activities

## ACHIEVEMENTS AND PERFORMANCE

### Operational Development Activities and Achievement

#### Activities Funded

The Trust funds:

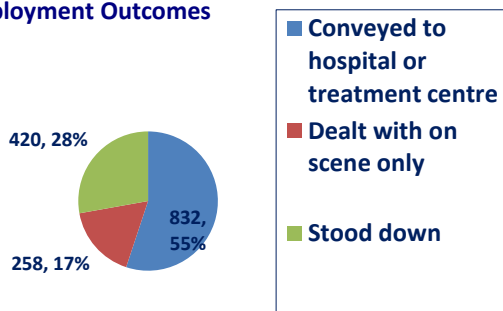
- all aspects of the operation of the aircraft including airbase costs, pilots, maintenance, repairs, fixtures and fittings, flight suits, boots and helmets, specialist medical equipment and fuel
- 1/7<sup>th</sup> of the cost of the paramedics (the rest of the cost being met by SWAST)
- 1/3<sup>rd</sup> of the cost of the HEMS despatch team
- specialist software to maintain detailed operational records relating to both tasking and flights

**Statistics** – As explained every year, it is often impossible for the despatch team to know for certain an aircraft is needed. The dispatcher must make a decision based on the best knowledge at the time the call comes in to the control centre. Often, what appears to be a potentially life-threatening situation, for example a person trapped in an over-turned car, turns out to be less serious but by this time the aircraft will be on its way. In this case the aircraft will be stood down. Our tasking criteria dictate that the aircraft be deployed rather than wait because the whole point of the service is speed and we cannot sacrifice this advantage for the sake of saving a few minutes flying costs.

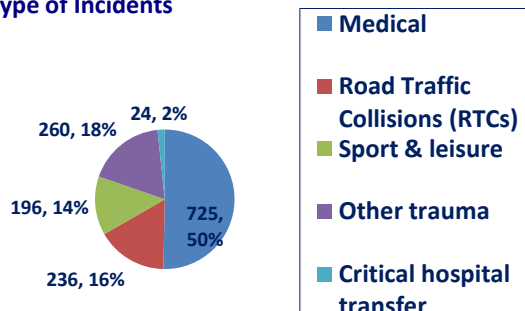
This said, with specialist training and understanding of air ambulance operations and the particular skills of the aircrew, the dedicated despatch team, developed by Devon Air Ambulance Trust and now funded by the three South West air ambulance charities at ambulance control, are able to use their unique insight to make informed decisions. We are delighted to report that, reflecting the increased investment in training and development of this team of specialist dispatchers, the stand down rate fell again from 30% last year to 28% this year.

It is interesting that this year we have also seen a higher proportion of tasking to medical incidents and a reduced number of RTCs. We suspect this is the result of better informed tasking than any shift in the pattern of road collisions or illness in the county.

### Deployment Outcomes



### Type of Incidents



# DEVON AIR AMBULANCE TRUST

REPORT OF THE TRUSTEES (*continued*)

For the year ended 31 December 2010

**Operational Availability** – We have been able to maintain the same level of operational availability, 7 days a week, 10 hours a day, rising to 12 hours a day in the summer. This is achieved by staggering the summer start times of the two services. Through the despatch team, we have been able to monitor the number of incidents which occur ‘after hours’ and we are using this to inform our plans for 2011, covered under Future Plans.

**Partnership Working** – The Charity’s view is that working in partnership with expert agencies to achieve our objectives is the best use of our resources, leaving us free to focus on what we are experts in: fundraising and ensuring the services match the needs and aspirations of the people of Devon. To this end we were very pleased to be able to work with SWAST, who employ the paramedics, Bond Air Services who operate the North Devon aircraft and Devon & Cornwall Police who provide the operating facilities for the Exeter aircraft which is owned by our trading subsidiary.

The Charity funds all of the operational costs except the paramedics, although it contributes 1/7<sup>th</sup> of the cost in recognition that SWAST are placed under greater pressure by the fact that we are the only single county service with two aircraft to crew. The aircrew are seconded to the Air Ambulance team for a period of three years, which may be extended to six. Each airbase has a paramedic CSO who is responsible for ensuring the clinical standards and standard operational procedures (SOPs) are adhered to. They also provide a key link between the Charity and the Ambulance Service on day to day issues.

DAAT liaises regularly with its partners and is part of the Joint Air Ambulance working group which also involves the two other air ambulance charities in the South West and the operators.

The Charity defines the tasking criteria and is responsible for defining the strategic direction of the service, taking into account the expert opinions of the crew and the operators. Day to day operations are prescribed by the SOPs which are agreed jointly.

**Outcomes and Impact** – Because of patient confidentiality, the Charity is unable to quantify patient outcomes. We can quantify the number of patients treated on scene or conveyed to hospital, the types of incidents dealt with and the criteria for despatch. However, we are not able to track their recovery further than handover to the receiving hospital unless the patient or their family contact us afterwards or by contacting them in those cases where the press have been able to identify the patient and report their story.

Through these, we have received some very strong and often moving anecdotal evidence of the impact the service has had, not only for the patients but also their families, friends and wider communities. Where patients give us their permission, these stories are featured in our newsletters, websites and other publications to demonstrate to the public the real difference their support has made.

For example, last year we airlifted Sam who was just a year old when he was badly scalded after knocking a cup of boiling black tea over himself, receiving burns to his face, chest and arm. The family told us of their relief when they knew that help was on its way from the Devon Air Ambulance. Sam was treated and conveyed direct to the specialist children’s burns unit at Frenchay Hospital in Bristol. Becca followed with Sam’s baby brother Harry, just 4 days old, whilst older brother Jack, aged 2, was looked after by his godparents.

After spending 4 days in special care, Sam suffered from suspected Toxic Shock Syndrome, as his body fought off the infection from the burns. Although still undergoing treatment, this is now able to be administered by mum Becca at home. Becca recalls:

‘There wasn’t room for me and Harry to go in the Air Ambulance, but I’m so glad that Ian could travel with Sam. We are all so grateful that the helicopter got Sam to hospital so quickly – his recovery has been so much smoother for receiving urgent treatment.’

The family have since undertaken fundraising events in order to say thank you to the charity but their story highlights a number of vital advantages the air ambulance offers. Firstly, getting some of the most

# DEVON AIR AMBULANCE TRUST

## REPORT OF THE TRUSTEES (*continued*)

For the year ended 31 December 2010

experienced paramedics to the scene rapidly to make an expert assessment of the patient's needs and immediate treatment, followed by the fastest possible transfer to the most appropriate hospital, as opposed to simply the nearest.

### **Fundraising and Income Generation Activities and Achievements**

The financial performance of the main income streams is covered in more detail in the Finance Review below but once again we were pleased to be able to maintain our income levels during another tough year for the economy. We have stuck to our core fundraising strategy of providing as many straightforward ways to support the charity at all levels as possible and our primary focus remains on encouraging and supporting fundraising by the community rather than trying to do it all ourselves.

A network of dedicated volunteers assist the fundraising team by collecting boxes, attending cheque presentations, running stalls, organising events and giving talks.

With support from Vospers and Fiat we were once again able to offer a car as first prize in our annual summer draw. With the help of volunteers and lottery members across the county we were able to sell nearly 58,000 tickets at £1, generating a net return of £37,000 after printing, distribution, administration and prize costs, which was another great achievement. This is now an annual event.

We were delighted to be the main beneficiaries of the Commando Challenge run by Eventful Ltd once again, this time alongside the Royal Marines Charity "C Group". The Charity organised a band of 114 volunteers to assist with setting up, registration, cash handling, marshalling the course and clearing up after the event. The event had another record-breaking year raising £316,000 in total, of which Devon Air Ambulance received £202,000.

The BBC Radio Devon Air Ambulance Appeal commenced in early 2010 and will run until 31 December 2011. In its first year, the appeal incurred a relatively high level of costs but by the end of the year had begun to make a profit and now looks set to hit its target by the end of 2011. Importantly, it has also given us an unprecedented opportunity to showcase the work of the Trust, patient stories and daily operational reports.

The Charity is registered with the Fundraising Standards Board and the Lotteries Council.

### **Promotional Activities and Achievements**

**Website** – In 2010 additional features were added to the website, including new pages for financial reporting and for the Junior Crew Club members.

**Communications** – We have continued our promotional work building relationships with supporters, patients and the wider community through social media including Facebook and Twitter.

In 2010, we reviewed and revised our branding and issued new guidance to all staff to ensure our brand messages and visual identity are consistent. In 2011 we will be running brand workshops facilitated pro bono by leading brand and communications consultants Blazye Pearce to raise awareness and understanding of the role that branding plays in building and maintaining the charity's valuable reputation.

### **Other Factors Relevant to the Achievement of the Objectives**

**Training and Development** – In 2010 we introduced annual staff awaydays and developed plans for regular team-building exercises to be implemented in 2011 to encourage inter-departmental communication across what is a geographically dispersed team.

**Business Processes** – Auditors Francis Clark LLP were commissioned to undertake a review of our internal financial controls against best practice guidance issued by the Charity Commission and produced a report confirming that for the most part these are excellent and advising us of very few recommendations for further improvement, which have been implemented.

# DEVON AIR AMBULANCE TRUST

REPORT OF THE TRUSTEES (*continued*)

For the year ended 31 December 2010

**Problems** – During 2010, the greatest challenge faced by the charity was the sheer number of events and activities we were asked to support or were involved in organising. We will aim to anticipate particularly busy periods in 2011 and organise temporary and/or volunteer support to avoid stretching resources too far.

Alongside these local demands, the creation of the Care Quality Commission (CQC) appeared to represent a further potential problem as it was very unclear for most of the year whether we would be required to register or what this would entail if we did. As it turned out, the CQC eventually issued clear guidance confirming that air ambulance charities who outsource both operations and clinical services and governance did not have to register. The service is of course still regulated through the registration of the ambulance service and air operators.

## FINANCE REVIEW

### Consolidated Accounts

Consolidated accounts for both Devon Air Ambulance Trust and its subsidiary, Devon Air Ambulance Trading Company Limited are presented. Where the accounts refer to the Company this means Devon Air Ambulance Trust. Where the accounts refer to the Group, this means the Company plus the subsidiary.

### Performance Review

Overall income in 2010 was £4,473,000 a 1.25 % decrease on the previous year. Excluding unpredictable legacy income all other streams were in aggregate 5.6 % higher than for 2009. This is most encouraging in view of the continuing economic situation.

Income from donations, excluding legacies, together with funds raised by community groups increased very marginally in 2010 to £1,652,000. Legacy income decreased from £1,189,000 in 2009 to £945,000, this was however above the £800,000 forecast for the year.

The average annual legacy income for the last 5 years amounted to £1.38 million and average notifications received over the same period were 64. Notifications received in 2010 numbered 55. The number of notifications received is expected to increase at a modest rate in the medium term with the average value of each falling. Legacy income is rightly viewed by the Board as a most unpredictable source of income and a cautious approach is taken when forecasting likely future values.

In December 2010 the Trust's Lottery sales canvassing team were transferred to Engage People Ltd who have a proven record of running and managing sales teams. This will allow the Trust's lottery administration team to concentrate on communicating with current and also lapsed players of the Trust's lottery.

Gross income from shops and merchandise sales in 2010 increased by £80,000 (12 %) over 2009. Net income increased by 84% from £96,000 to £177,000. It is intended that Shops should be generating a contribution equating to 10% of Helicopter Operational costs by 2013. The Gift Aid on donated goods continued to be promoted to customers and there were further improvements to layouts at more outlets during 2010 as well as further staff and volunteer training. Benchmarking against comparable local charities is a continuing process to ensure that the Trust's retail operation is striving to match the best performers in the South West.

On 16 December 2010 the Company entered into a purchase agreement for the acquisition of a further helicopter, which is scheduled to enter service in Summer 2013. Further details are provided in Note 19.

### Investment Powers and Policy

Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees wish.

The Trustees, having regard to the liquidity requirements of funding two helicopters and the uncertainty in predicting the number of flying hours that will be undertaken and hence the costs, have operated a policy of keeping available at least £500,000 in interest bearing deposit accounts tied to the Bank of England base rate.

# DEVON AIR AMBULANCE TRUST

REPORT OF THE TRUSTEES (*continued*)

For the year ended 31 December 2010

The Trustees, having sought specialist advice, invested £2m in July 2008 initially with two firms of stockbrokers. The two portfolios were subsequently merged and placed under the management of Brewin Dolphin with the requirement to show a real rate of return over the period to 2013. During the year a further £500,000 was placed with Brewin Dolphin and invested on a low risk basis but with the aim of achieving a better rate of return than bank deposits. The long term strategy is that these investments will be used to fund the acquisition of a replacement helicopter for North Devon in 2013 when the current lease expires.

## **Reserves Policy**

The Trustees deem it prudent to have the security of reserves to enable improvement and development of the service to be made with confidence where there may be a timing delay between implementing more costly operational activities and the response from the public to any fundraising appeal.

The Trustees have reviewed the allocation of the Charity's reserves having committed to purchasing a replacement aircraft in 2013. The new aircraft is expected to cost some £4.5 million so a further £2.25 million was so designated in the year. The funds designated for the refurbishment or replacement of the charity's head office have been reduced by £200,000 as our requirements have been clarified.

The Trustees consider that no upper limit should be set on the level of reserves for the medium term as substantial resources will be needed to meet the cost of plans to improve the provision of the service.

## **Plans for Future Periods**

We are looking forward to another year of the BBC Radio Devon charity appeal launched in January 2010. This fundraising and awareness raising partnership will continue until December 2011 and continues to present a superb opportunity for the charity to increase understanding of what we do and how we operate.

In the Spring, we will be inviting our auditors to conduct a review of our efficiency in maximising the opportunities to reclaim gift aid on donations from tax payers.

*During the year we will be working with the ambulance service and local physicians, led by Richard Walker of Torbay Hospital, to develop an innovative training and development programme to further build upon the skills and experience of the aircrew to deal with the most seriously ill and injured patients.*

We will be recruiting to a new part time post of Operations Manager to provide support for these developments alongside other operational improvements including a further extension of summer operating hours to maximise the potential number of patients we can assist.

A business review of the retail department identified that our most profitable lines were ladies clothing and bric-a-brac and that, although of higher sale value, furniture was the least because of the resources required to sell it. As a result, various changes will be made to the layout of the shops and we will be reducing the cost of transport by buying in van services only as required to support the second Topsham shop, which has dedicated space for furniture.

Given the excellent performance by the shops in 2010 the charity is keen to expand and is actively searching for suitable new premises in new parts of the county.

# DEVON AIR AMBULANCE TRUST

REPORT OF THE TRUSTEES (*continued*)

For the year ended 31 December 2010

## **Trustees' Responsibilities in Relation to the Financial Statements**

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make sound judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for maintaining proper accounting records that disclose, with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## **Auditors**

A resolution to appoint Francis Clark LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 489 of the Companies Act 2006.

For and on behalf of the Trustees

Mrs J Dawkins, Chair  
18 May 2011

# **DEVON AIR AMBULANCE TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF DEVON AIR AMBULANCE TRUST**

We have audited the financial statements of Devon Air Ambulance Trust for the year ended 31 December 2010 which comprise the Group Statement of Financial Activities, Group and Parent Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the parent 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees (who are also directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

### Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2010 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# DEVON AIR AMBULANCE TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF DEVON AIR AMBULANCE TRUST

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CHRISTOPHER BUSH FCA (Senior Statutory Auditor)  
For and on behalf of  
FRANCIS CLARK LLP  
Chartered Accountants & Statutory Auditor  
Vantage Point  
Woodwater Park  
Pynes Hill  
Exeter  
EX2 5FD

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# DEVON AIR AMBULANCE TRUST

## GROUP STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2010

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total Funds 2010 £'000	Total Funds 2009 £'000
<b>Incoming resources</b>					
<b><i>Incoming resources from generated funds:</i></b>					
<i>Voluntary income:</i>					
Donations including legacies	3	1,467	1	1,468	1,643
Funds raised by community groups	3	1,007	122	1,129	1,196
<i>Activities for generating funds:</i>					
DAAT events		68	-	68	81
Commercial trading operations	4	760	-	760	680
DAAT lottery	4	975	-	975	858
<i>Investment income</i>	5	73		73	72
<b>Total incoming resources</b>		<b>4,350</b>	<b>123</b>	<b>4,473</b>	<b>4,530</b>
<b>Resources expended</b>					
<b><i>Costs of generating funds:</i></b>					
Fundraising costs of donations		90	-	90	90
Fundraising costs of income raised by community groups		382	88	470	380
DAAT Events		43	-	43	51
Commercial trading operations	4	583	-	583	584
DAAT Lottery	4	284	-	284	289
Investment management costs		12	-	12	13
<b><i>Charitable activities:</i></b>					
Operation of Helicopters		2,440	-	2,440	2,418
<b><i>Governance costs</i></b>		<b>33</b>	<b>-</b>	<b>33</b>	<b>30</b>
<b>Total resources expended</b>	6	<b>3,867</b>	<b>88</b>	<b>3,955</b>	<b>3,855</b>
Net income for the year		483	35	518	675
Transfers between funds		-	-	-	-
Net income before other recognised losses		483	35	518	675
Unrealised gains investments	11	276	-	276	358
Realised gains on investments	11	11	-	11	130
<b>Net movement in funds</b>		<b>770</b>	<b>35</b>	<b>805</b>	<b>1,163</b>
<i>Reconciliation of funds</i>					
Total funds brought forward		7,484	28	7,512	6,349
<b>Total funds carried forward</b>		<b>8,254</b>	<b>63</b>	<b>8,317</b>	<b>7,512</b>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 17 to 27 form part of these financial statements.

# DEVON AIR AMBULANCE TRUST

## GROUP BALANCE SHEET

31 December 2010

	Notes	2010 £'000	£'000	2009 £'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	10a		3,961		4,155
Investments	11		<u>3,539</u>		<u>2,858</u>
			<u>7,500</u>		<u>7,013</u>
<b>CURRENT ASSETS</b>					
Stocks	12	47		36	
Debtors	13a	569		778	
Investments	11	600		600	
Cash at bank and in hand	14a	<u>741</u>		<u>386</u>	
			1,957		1,800
<b>Creditors: amounts falling due within one year</b>	15a		<u>(628)</u>		<u>(647)</u>
<b>NET CURRENT ASSETS</b>			<u>1,329</u>		<u>1,153</u>
<b>Creditors: amounts falling due after one year</b>					
Long term loan	15c		<u>(512)</u>		<u>(654)</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>			<u>8,317</u>		<u>7,512</u>
<b>THE FUNDS OF THE CHARITY</b>					
Restricted income funds	16a		63		28
Unrestricted income funds:					
<i>General</i>	16a	4,154		5,433	
<i>Designated</i>	16a	<u>4,100</u>		<u>2,051</u>	
Total unrestricted funds			<u>8,254</u>		<u>7,484</u>
<b>Total Charity funds</b>			<u>8,317</u>		<u>7,512</u>

Approved by the Trustees of Devon Air Ambulance Trust on 18 May 2011

and signed on its behalf

Mrs J Dawkins  
*Chair*

The notes on pages 17 to 27 form part of these financial statements.

Company registered number 3855746

# DEVON AIR AMBULANCE TRUST

## PARENT COMPANY BALANCE SHEET

31 December 2010

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		2010		2009	
	Notes	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	10b		1,139		1,196
Investments	11		<u>3,539</u>		<u>2,858</u>
			<u>4,678</u>		<u>4,054</u>
<b>CURRENT ASSETS</b>					
Stocks	12	47		36	
Debtors	13b	3,284		3,952	
Investments	11	600		600	
Cash at bank and in hand	14b	<u>657</u>		<u>199</u>	
			4,588		4,787
<b>Creditors: amounts falling due within one year</b>	15b		<u>(437)</u>		<u>(676)</u>
<b>NET CURRENT ASSETS</b>			<u>4,150</u>		<u>4,111</u>
<b>Creditors: amounts falling due after one year</b>					
Long term loan	15c		<u>(512)</u>		<u>(654)</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>			<u>8,317</u>		<u>7,511</u>
<b>THE FUNDS OF THE CHARITY</b>					
Restricted income funds	16b		63		28
<i>Unrestricted income funds:</i>					
General	16b	4,204		5,483	
Designated	16b	<u>4,050</u>		<u>2,000</u>	
Total unrestricted funds			<u>8,254</u>		<u>7,483</u>
<b>Total Charity funds</b>			<u>8,317</u>		<u>7,511</u>

Approved by the Trustees of Devon Air Ambulance Trust on 18 May 2011

and signed on its behalf

Mrs J Dawkins  
Chair

The notes on pages 18 to 27 form part of these financial statements.

Company registered number 3855746

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# DEVON AIR AMBULANCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

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### 1 ACCOUNTING POLICIES

#### **Basis of Preparation**

The financial statements have been prepared under the historic cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

#### **Incoming Resources**

Voluntary income including donations, legacies, and lottery sales that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income from commercial trading activities is recognised as earned as the related goods and services are provided.

Investment income is recognised on a receivable basis.

#### **Volunteers and Donated Services**

The value of services provided by volunteers is not incorporated into these financial statements. Further details can be found in the Trustees' Annual Report.

#### **Resources Expended**

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods or services are supplied.

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with the operation of the two helicopters, airbase facilities and medical equipment.

SWAST pay 6/7<sup>th</sup> of the salaries of ambulance staff aircrew and for drugs and medical consumables – all other costs are met by the Charity.

Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional, regulatory and statutory requirements.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources e.g. staff costs by time spent and other costs by their usage.

#### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended on the basis of overall inputs applicable to that category.

#### **Operating Leases**

The Charity classifies the lease of vehicles and office equipment as operating leases; the title to these items remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

#### **Tangible Fixed Assets**

Individual fixed assets costing £1,000 or more are capitalised at cost.

# DEVON AIR AMBULANCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

for the year ended 31 December 2010

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### 1 ACCOUNTING POLICIES *continued*

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives as follows:

Asset Category	Annual rate
EC135 Helicopter	6%
Helicopter factory fitted role equipment	10%
Helicopter medical equipment	33%
Long leasehold buildings	2%
Office equipment & furniture	25%
IT equipment	33%

#### Stock

Stock of new merchandise is included at the lower of cost or net realisable value.

Stocks of second hand donated goods for resale are not valued in these financial statements.

#### Funds Structure

The Trust has two restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose.

All other funds are unrestricted income funds.

#### Pensions

The Charity makes a contribution of 6% of salary for each employee to a personal pension scheme of their own choice.

### 2 LEGAL STATUS OF THE TRUST

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

3 VOLUNTARY INCOME	Unrestricted	Restricted	Total Funds	Total Funds
	Funds	Funds	2010	2009
	£'000	£'000	£'000	£'000
Donations including legacies				
Legacies	945	-	945	1,189
Donations incl. 'in memory' and anniversaries	459	1	460	346
Regular giving schemes	50	-	50	35
Charitable Trust donations	13	-	13	73
	<u>1,467</u>	<u>1</u>	<u>1,468</u>	<u>1,643</u>
Funds raised by community groups	788	-	788	967
BBC Radio Devon AA Appeal	-	122	122	-
Schools and youth organisations	27	-	27	32
Box and street collections	192	-	192	197
	<u>1,007</u>	<u>122</u>	<u>1,129</u>	<u>1,196</u>

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# DEVON AIR AMBULANCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 December 2010

4	<b>ACTIVITIES FOR GENERATING FUNDS</b>	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2010 £'000	Total Funds 2009 £'000
	<b>Shops &amp; Merchandise Trading</b>				
	Sales	760	-	760	680
	Cost of goods sold	4	-	4	8
	Overheads and expenses	524	-	524	533
	Support costs	55	-	55	43
		<u>583</u>	<u>-</u>	<u>583</u>	<u>584</u>
	Contribution to the Charity's funds	<u>177</u>	<u>-</u>	<u>177</u>	<u>96</u>
	<b>Lottery</b>				
	Sales	975	-	975	858
	Prizes	114	-	114	111
	Overheads and expenses	151	-	151	146
	Support costs	19	-	19	32
		<u>284</u>	<u>-</u>	<u>284</u>	<u>289</u>
	Contribution to the Charity's funds	<u>691</u>	<u>-</u>	<u>691</u>	<u>569</u>
5	<b>INVESTMENT INCOME</b>	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2010 £'000	Total Funds 2009 £'000
	Bank deposit accounts	18	-	18	33
	Dividend income from quoted stocks & shares	55	-	55	39
		<u>73</u>	<u>-</u>	<u>73</u>	<u>72</u>

# DEVON AIR AMBULANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

for the year ended 31 December 2010

6	TOTAL RESOURCES EXPENDED	Comm	BBC	Daat			Govern-	Heli	Invest			
		Donat'ns	F/raising	Appeal	Events	Shops	Lottery	Costs	Costs	Costs	2010	2009
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Costs directly allocated to activities</b>												
	Helicopter operating costs	-	-					2,404		2,404	2,373	
	Cost of F/raising merch sold		11							11	8	
	GAYE & other donor fees & expenses	4								4	4	
	Collection boxes, seals and security chains		1							1	1	
	Events costs		60	9	25					94	104	
	Cost of retail merchandise sold					4				4	8	
	Shops overheads					267				267	284	
	Shops payroll costs					257				257	249	
	Daat Lottery prizes						114			114	111	
	Daat Lottery & selling costs						152			152	146	
	Volunteer support costs	1	16		1	21				39	37	
	Fundraising dept general costs	5	44	3	1					53	36	
	Fundraising dept payroll costs	16	103	22	5					146	130	
	PR & Marketing dept costs	16	56	45	8	5	2			132	82	
<b>Support costs allocated to activities</b>												
	Staff costs	24	51	6	2	18	5	18	23	2	149	156
	Training costs	1	2					1			4	8
	Vehicle & travel costs		1			1		1	2		5	6
	Premises costs	2	7			3	2	1	2		17	15
	Printing and stationery	1	2		1		1				5	3
	Postage	4	5								9	8
	IT & Other Office costs	3	7	1		3		1	5		20	23
	Telephone & Internet chgs	1	2			1			1		5	5
	Insurances	1	3	1		1			2		8	2
	Bank charges & fees	1	2			2					5	4
	Non-recoverable VAT	10	8	1			8				27	30
	Legal & professional fees		1					11	1		13	10
	<b>Investment management costs</b>										10	12
	<b>Total resources expended</b>	<b>90</b>	<b>382</b>	<b>88</b>	<b>43</b>	<b>583</b>	<b>284</b>	<b>33</b>	<b>2,440</b>	<b>12</b>	<b>3,955</b>	<b>3,855</b>

# DEVON AIR AMBULANCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

for the year ended 31 December 2010

<b>7a</b>	<b>STAFF COSTS</b>	2010 £'000	2009 £'000
	Wages and salaries	663	623
	Social security costs	55	52
	Pension costs	34	32
		<u>752</u>	<u>707</u>

During the year no employee was paid £60,000 or more.

Particulars of employees:

The average number of staff employed by the charity during the financial year (full time equivalents) amounted to:	2010 Number	2009 Number
Administration	5	5
Charity shops	14	14
Fundraising and other charitable work	14	14
	<u>33</u>	<u>33</u>

## **7b** TRUSTEES' REMUNERATION

During the year no trustees received any remuneration or were paid expenses.

During the year the charity paid indemnity insurance totalling £670 (2009 - £670).

<b>7c</b>	<b>AUDITORS' REMUNERATION</b>	2010 £'000	2009 £'000
	<i>Audit fees charged in the period are analysed as follows:</i>		
	Audit services	8	7
	Non-audit services	2	1
		<u>10</u>	<u>8</u>

## **7d** RELATED PARTY TRANSACTIONS

£3,662 was paid to Cathedral Appointments, of which trustee Mrs J Dawkins was a director and subsequently a shareholder until 30<sup>th</sup> April 2010. £1,280 was paid to Shine Recruitment South West Ltd of which Mrs Dawkins is a director. These were for recruitment fees and hire of temporary staff. These services were provided on preferential terms.

<b>8</b>	<b>MOVEMENT IN TOTAL FUNDS FOR THE YEAR</b>	2010 £'000	2009 £'000
	<i>This is stated after charging:</i>		
	Operating leases – equipment	2	2
	Operating leases – vehicles	24	24
	Depreciation	322	272
	Auditor's remuneration	10	8
		<u>368</u>	<u>306</u>

## **9** TAXATION

The company is a registered Charity and is not subject to corporation tax.

# DEVON AIR AMBULANCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

for the year ended 31 December 2010

<b>10 (a) TANGIBLE FIXED ASSETS - GROUP</b>	Helicopter £'000	Assets in the course of construction £'000	Equipment £'000	Fixtures & Fittings £'000	Leasehold property £'000	Total £'000
<b>COST</b>						
At 1 January 2010	3,238	-	68	278	1,227	4,811
Additions	9	100	-	15	4	128
Disposals	-	-	-	-	-	-
At 31 December 2010	3,247	100	68	293	1,231	4,939
<b>DEPRECIATION</b>						
At 1 January 2010	279	-	66	229	82	656
Charge for the year	246	-	1	26	49	322
On disposals	-	-	-	-	-	-
At 31 December 2010	525	-	67	255	131	978
<b>NET BOOK VALUE</b>						
At 31 December 2010	<u>2,722</u>	<u>100</u>	<u>1</u>	<u>38</u>	<u>1,100</u>	<u>3,961</u>
At 31 December 2009	<u>2,959</u>	<u>-</u>	<u>2</u>	<u>49</u>	<u>1,145</u>	<u>4,155</u>

<b>10(b) TANGIBLE FIXED ASSETS - COMPANY</b>	Equipment £'000	Fixtures & Fittings £'000	Leasehold property £'000	Total £'000
<b>COST</b>				
At 1 January 2010	68	278	1,227	1,573
Additions	-	15	4	19
Disposals	-	-	-	-
At 31 December 2010	68	293	1,231	1,592
<b>DEPRECIATION</b>				
At 1 January 2010	66	229	82	377
Charge for the year	1	26	49	76
On disposals	-	-	-	-
At 31 December 2010	67	255	131	453
<b>NET BOOK VALUE</b>				
At 31 December 2010	<u>1</u>	<u>38</u>	<u>1,100</u>	<u>1,139</u>
At 31 December 2009	<u>2</u>	<u>49</u>	<u>1,145</u>	<u>1,196</u>

Assets in the course of construction relate to the manufacture and fitting out of a second helicopter, which is due for delivery in 2013. No depreciation has been charged on this asset. This asset will be reanalysed to the appropriate fixed asset category when it comes into operation, and depreciation will be charged from that date.

# DEVON AIR AMBULANCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

for the year ended 31 December 2010

### 11 INVESTMENTS – GROUP AND COMPANY

	2010	2009
	£'000	£'000
<b>Fixed asset investments</b>		
Investments at market value	<u>3,536</u>	<u>2,853</u>
At 1 January 2010	2,858	2,568
Additions	900	1,167
Disposals	(550)	(1,367)
Income re-invested	54	15
Commission charged on purchase of quoted investments	(10)	(13)
Unrealised gain/(loss)	276	358
Realised gain/(loss)	<u>11</u>	<u>130</u>
At 31 December 2010	<u>3,539</u>	<u>2,858</u>
<i>Investments comprise:</i>		
Fixed Term Deposits - Santander	-	550
Fixed Term Deposit - Clydesdale Bank	400	-
Managed funds - Brewin Dolphin	<u>3,139</u>	<u>2,308</u>
Market value at 31 December 2010	<u>3,539</u>	<u>2,858</u>
Historical cost at 31 December 2010	<u>2,918</u>	<u>2,568</u>
<b>Current asset investment</b>		
HSBC Deposit Account	600	600

The charity owns the entire issued share capital of 2 ordinary shares of £1 each of Devon Air Ambulance Trading Company Limited, incorporated in England & Wales. Devon Air Ambulance Trading Company Limited provides helicopter services to the charity. The assets and liabilities of the subsidiary were:

	2010	2009
	£'000	£'000
Fixed assets	2,821	2,959
Current assets	221	314
Current liabilities	(814)	(605)
Long term loan	(2,228)	(2,667)
Aggregate share capital and reserves	<u>-</u>	<u>1</u>
A summary of its results is as follows:		
Turnover	1,045	1,225
Expenditure	(1,005)	(984)
Amount gift aided to charity	(40)	(77)
Profit for the year	<u>-</u>	<u>164</u>

# DEVON AIR AMBULANCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

for the year ended 31 December 2010

<b>12</b>	<b>STOCK – GROUP AND COMPANY</b>	2010	2009
		£'000	£'000
	Stock	47	36
		<u>47</u>	<u>36</u>
<b>13 (a)</b>	<b>DEBTORS – GROUP</b>	2010	2009
		£'000	£'000
	Legacies receivable	289	570
	Other debtors	122	72
	Prepayments	158	136
		<u>569</u>	<u>778</u>
<b>13 (b)</b>	<b>DEBTORS – COMPANY</b>	2010	2009
		£'000	£'000
	DAA Trading Co Ltd (due within one year)	484	480
	DAA Trading Co Ltd (due after more than one year)	2,228	2,668
	DAA Trading Co Ltd gift aided donation	40	77
	Legacies receivable	289	570
	Other debtors	22	72
	Prepayments	221	85
		<u>3,284</u>	<u>3,952</u>
<b>14 (a)</b>	<b>CASH AT BANK AND IN HAND – GROUP</b>	2010	2009
		£'000	£'000
	HSBC bank accounts	615	258
	Alliance & Leicester	1	4
	National Westminster	74	72
	Escrow accounts	50	51
	Cash in hand	1	1
		<u>741</u>	<u>386</u>
<b>14 (b)</b>	<b>CASH AT BANK AND IN HAND – COMPANY</b>	2010	2009
		£'000	£'000
	HSBC bank accounts	581	122
	Alliance & Leicester	1	4
	National Westminster	74	72
	Cash in hand	1	1
		<u>657</u>	<u>199</u>

# DEVON AIR AMBULANCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

for the year ended 31 December 2010

<b>15 (a)</b>	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - GROUP</b>			2010		2009
				£'000		£'000
	Trade creditors			279		241
	Clydesdale Asset Finance 7 yr Loan			143		143
	Lottery entry monies received in advance			135		148
	Taxation and Social Security			17		17
	Other creditors			1		4
	Accruals			53		94
				<u>628</u>		<u>647</u>
<b>15 (b)</b>	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - COMPANY</b>			2010		2009
				£'000		£'000
	Trade creditors			97		274
	Clydesdale Asset Finance 7 yr Loan			143		143
	Lottery entry monies received in advance			135		148
	Taxation and Social Security			17		17
	Other creditors			1		-
	Accruals			44		94
				<u>437</u>		<u>676</u>
<b>15 (c)</b>	<b>CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR – GROUP AND COMPANY</b>			2010		2009
				£'000		£'000
	Clydesdale Asset Finance 7 yr Loan currently at a variable rate of 1.20% over Base Rate with the option to fix the rate at some future date			512		654
				<u>512</u>		<u>654</u>
<b>16 (a)</b>	<b>ANALYSIS OF FUNDS - GROUP</b>	Balance at	Incoming			Balance at
		1 January	resources	Resources	Transfers	31 December
		2010	& gains	expended		2010
		£'000	£'000	£'000	£'000	£'000
	<b>Unrestricted income funds</b>					
	<i>Designated funds<sup>†</sup>:</i>					
	Escrow accounts	51	-	-	(1)	50
	Helicopter Acquisition	1,500	-	-	2,250	3,750
	Trust HQ Premises	500	-	-	(200)	300
		<u>2,051</u>	<u>-</u>	<u>-</u>	<u>2,049</u>	<u>4,100</u>
	<i>General</i>	5,433	4,637	3,867	(2,049)	4,154
	<b>Total unrestricted funds</b>	<u>7,484</u>	<u>4,637</u>	<u>3,867</u>	<u>-</u>	<u>8,254</u>
	<b>Restricted income funds<sup>‡</sup>:</b>					
	BBC Radio Devon Appeal	-	123	88	-	35
	Newman's Own Helicopter Fund	28	-	-	-	28
		<u>28</u>	<u>123</u>	<u>88</u>	<u>-</u>	<u>63</u>
	<b>Total restricted funds</b>	<u>28</u>	<u>123</u>	<u>88</u>	<u>-</u>	<u>63</u>
	<b>Total funds</b>	<u>7,512</u>	<u>4,760</u>	<u>3,955</u>	<u>-</u>	<u>8,317</u>

# DEVON AIR AMBULANCE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (*continued*)

for the year ended 31 December 2010

16 (b) ANALYSIS OF FUNDS - COMPANY	Balance at 1 January 2010 £'000	Incoming resources & gains £'000	Resources expended £'000	Transfers £'000	Balance at 31 December 2010 £'000
<b>Unrestricted income funds</b>					
<i>Designated funds<sup>†</sup>:</i>					
Helicopter Acquisition	1,500	-	-	2,250	3,750
Charity HQ Premises	500	-	-	(200)	300
	2,000	-	-	2,450	4,050
<i>General</i>	5,483	4,719	3,948	(2,050)	4,204
<i>Total unrestricted funds</i>	7,483	4,719	3,948	-	8,254
<b>Restricted income funds<sup>‡</sup>:</b>					
BBC Radio Devon Appeal	-	123	88	-	35
Newman's Own Helicopter Fund	28	-	-	-	28
	28	123	88	-	63
	7,511	4,842	4,036	-	8,317

### **Designated Funds**

The trustees have designated funds for the purchase of a new EC135 Helicopter to replace the aircraft based in North Devon when the lease expires on 31<sup>st</sup> August 2013.

The trustees have designated funds for refurbishment works to the Trust's Headquarters which will result in an open plan layout and consequently obviate the need to re-locate to larger and more expensive premises.

### **<sup>‡</sup>Restricted Funds**

Newmans Own Helicopter Fund is a grant specifically for helicopter purchase.

The BBC Radio Devon Air Ambulance Appeal, which will end on the 31<sup>st</sup> December 2011, is specifically for the purchase of the helicopter to enter service in mid 2013.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP	General Income Fund £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000
Fixed Assets	3,933	-	28	3,961
Bank Fixed Term Deposit Accounts	-	400	-	400
Investments	-	3,139	-	3,139
Current Assets	1,361	561	35	1,957
Current Liabilities	(628)	-	-	(628)
Liabilities due after more than 1 year	(512)	-	-	(512)
	4,154	4,100	63	8,317

# DEVON AIR AMBULANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

for the year ended 31 December 2010

18 OPERATING LEASE COMMITMENTS	2010		2009	
	Land and buildings £'000	Other items £'000	Land and buildings £'000	Other items £'000
Operating leases which expire:				
Within one year	5	24	40	5
Within two to five years	62	2	72	21
After more than five years	80	-	38	-
	<u>147</u>	<u>26</u>	<u>150</u>	<u>26</u>

## 19 HELICOPTER COMMITMENT

DAAT currently provides two helicopters.

The Trust's subsidiary company owns G-DVAA, which is based at Middlemoor in Exeter and operated by Devon & Cornwall Police.

G-DAAT, which is based at Eaglescott in North Devon, is leased from the operator, Bond Air Services Limited, on a fixed term of 5 years to August 2013.

The Trust's subsidiary company has entered into an agreement with Eurocopter UK Ltd to purchase an EC135T2i Helicopter equipped for the role of air ambulance to replace G-DAAT when the lease expires in 2013.

The Trust is providing a secured loan to its subsidiary company for the acquisition of the new aircraft. The purchase will be made by stage payments as follows:

£338,000 due by 31 March 2011.

£425,000 due by 31 March 2012

£3,520,000 due by 30 June 2013