

Charity Registration No. 01161153

Company Registration No. 09391251 (England and Wales)

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms L Campbell Ms S J Gurney Ms H L Sebright Mr M P Jeffrey Mr A Fawsitt Ms P B Martin
Secretary	Mr C Dickin
Charity number	01161153
Company number	09391251
Registered office	50 High Street Henley in Arden Warwickshire B95 5AN
Auditor	Moore Stephens LLP 35 Calthorpe Road Edgbaston Birmingham B15 1TS
Bankers	Lloyds Bank 9-11 Poplar Road Solihull West Midlands B91 3AN
Legal advisors	Shakespeare Martineau LLP No 1 Colmore Square Birmingham B4 6AA

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

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ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

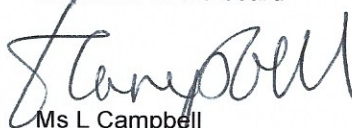
During this second full year of operations the charity has continued to receive income in excess of original predictions. The two major partnerships with Allianz and Roadchef have run even better with considerable funds being raised for air ambulances and an even greater involvement of the staff of these companies. We are very grateful for their support and enthusiasm. Our partnership with Roadchef finished at the end of 2017 but happily we continue with Allianz for a further 12 months. We are delighted to have been chosen by the High Chief Ranger of Foresters Friendly Society to be their charity partner during her year of office, 2017/18.

The national charity has continued to improve its communications and relationships with local charities. I was very honoured to be invited to address the AAA National Conference in November to discuss the charity's future direction. The support of Conference for the charity was very encouraging and we are building stronger relationships at local level to advance the interests of local air ambulance charities in the UK in collaboration with the national Charity. We hope to achieve much more in 2018 with the additional resource of a full-time employee for the charity.

We have continued to prioritise the governance of the charity with systematic review of agreed policies and further development of the Risk Register. The addition of the two independent trustees at the end of 2016 has enabled the Board to function more effectively and to exercise robust oversight of finances. The Board are committed to ensuring that the Charity operates with integrity and delivers added value to air ambulances in the UK and the donors that wish to support them.

All of us on the Charity's Board are proud to be part of the UK air ambulance community and are committed to enhancing the work done to provide emergency medical services to the people in the UK.

On behalf of the board



Ms L Campbell
Independent Chairman AAAC
6 March 2018

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

The trustees present their report and accounts for the year ended 31 December 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Trust Deed, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objects of the charity are specifically restricted to the following:

"To relieve sickness and injury in the UK by assisting in the provision of financial support to established local air ambulance services".

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Public benefit

The Trustees confirm that they have paid due regard to the guidance given by the Charity Commission on public benefit. The Charity distributes the money it collects twice a year to the 21 Air Ambulance charities that use an aircraft to provide emergency medical services to the public. The disbursement's from the AAAC enable these charities to continue to improve delivery of services to anyone in the UK who needs them.

Grant making policy

The Charity has established its grant making policy to achieve its objects for the public benefit to improve lifesaving emergency services. The Association of Air Ambulance (Charity) Ltd has, in line with its Articles of Association, established a transparent system of making donations in January and June each year. It works closely with the recognised air ambulance charities of the UK who deliver the UK air ambulance prehospital advanced critical care services.

Details of grants made by the Charity in the year can be found at note 5 to these financial statements.

Investment policy

The Charity has no investments and is required to distribute funds to its members as defined by the Articles of Association.

The Association distributed £459,144 in 2017 to 21 air ambulance charities. (2016 £453,858)

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

Achievements and performance

In 2017 the Charity continued with its mission of increasing donations to air ambulance charities in line with its Articles of Association. The Charity enhanced the ability of local air ambulance charities to form partnerships with national / large organisations and donors wishing to support multiple air ambulance charities. The income from corporate donors increased to £528,074 in 2017 compared with £438,732 in 2016. This is an increase of 20% which has met the ambitious target set by the Board of a year on year increase of 20%.

To that end it engaged and managed:

- 12 Corporate Partners
- 10+ minor donations (below £1,000)

The Board of Trustees continued to develop its Governance Structures in the light of its experience with donors. It also used this experience and a review of the Risk Register to identify opportunities to improve the efficiency and effectiveness of its operation.

In November 2017 the Chairman presented a proposal to the National Conference of the Association of Air Ambulances that the charity should employ an expert member of staff to work with local air ambulance charities to maximise opportunities for national partnerships through improved collaboration. This proposal was welcomed and the Trustees advertised for a National Corporate Partnerships Manager in December 2017.

In addition the Charity launched a simple website so that donors could identify more easily the opportunities to support all air ambulances in the UK through one point of contact.

Financial review

The Charity is in robust health and maintaining its commitment to distribute funds as defined in January and June each year. However a modest reserve has been developed securing the future of the Charity and providing for ongoing running costs.

The Reserves Policy is based on an assessment of the major risks to the Charity and takes account of the uneven distribution of income throughout the year. Trustees consider that a minimum reserve be held of £60,000 to cover major risks together with £59,000 equal to 6 months operating costs, making a total of £119,000. At the year end the Charity had unrestricted reserves of £400,534 (2016 £370,448) and restricted reserves of £80,512 (2016: £112,000). Free reserves are £281,534 in excess of the minimum specified by the reserves policy and represents an amount to be distributed to local air ambulance services in 2018. In January 2018 £106,433 of unrestricted funds was distributed together with £80,512 restricted funds, the balance of unrestricted funds, some of which was made up of debtors at year end, will be distributed later in the year.

Reference and administrative details

Charity number: 01161153
Company number: 09391251
Registered Office: 50 High Street, Henley in Arden, Warwickshire, B95 5AN

Our advisors

Auditors Moore Stephens LLP, 35 Calthorpe Road, Edgbaston, Birmingham, B15 1TS
Legal Shakespeare Martineau LLP, No 1 Colmore Square, Birmingham, B4 6AA
Bankers Lloyds Bank, 9-11 Poplar Road, Solihull, West Midlands B91 3AN

Risk management

The Trustees assess the risks associated with their activities on a regular basis and consider that the formulated plans to deal with such risks are appropriate at present.

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

The Board of Trustees meets quarterly receiving reports from its contracted secretariat provider Association of Air Ambulances Ltd. During these meetings the Risk Audit, Management Accounts, Activities and Reports are presented and debated with Trustees taking decisions as needed. A policy of delegated authority exists which allows the day to day running of the Charity to be managed between the Company Secretary and the Chair of the Board of Trustees.

An annual Board Away day is held to ensure Trustees receive the required level of training and development, this event also allows the Board of Trustees to reflect on the strategy and tactical operation of the Charity. Any training needs identified are then factored into the Business Plan and Budget as required.

The Board of Trustees agrees annually the budget of the Charity which includes conducting a cost value measure on the secretariat that provides, infrastructure, management and donor liaison via local air ambulance charities. The charity did not have any staff. The Charity discusses the appraisal of its secretariat with the AAA and ensures a plan is in place and followed for identified training needs.

The Charity holds liaison meetings every six months with representatives of all air ambulance charities to ensure engagement and working practices are understood and supported.

The Trustees will continue ensure the charity is well governed and managed entity ensuring the confidence of donors and local air ambulance charities.

Structure, governance and management

Governing document

The Association of Air Ambulances (Charity) Ltd is a Company Limited by Guarantee registered at the Charity Commission for England and Wales. It is governed by its Memorandum and Articles of Association.

Constitution

The Charitable Company was incorporated on 15 January 2015 and registered at the Charities Commission on 1 April 2015. The liability of each member is restricted to a sum not exceeding £10.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ms L Campbell

Ms S J Gurney

Ms H L Sebright

Mr M P Jeffrey

Mr A Fawsitt

Ms P B Martin

The recruitment of Trustees is led by an audit of the skills held by the members of the Board. 3 members of the Board are appointed by the Association of Air Ambulances(AAA) and in this case the Charity identifies to AAA the skills and experience that would be helpful to the Board but the decision on the appointment is made by AAA.

Other Directors and the Chairman are appointed by an open recruitment process using both search and advertisement as appropriate, against an agreed person profile and job specification. Shortlisted candidates are interviewed by a panel of Board Members and a recommendation made to the Board. The AGM of the Charity confirms all appointments.

New Trustees undergo a formal induction process covering, governance, risk management, financial systems and agreed procedures.

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2017

Overall control of the Charitable Company is with Trustees. The day to day running of the charity is carried out by the Secretary, Clive Dickin.

The trustees hold regular trustee meetings. Decisions are made after discussions and consultations in their meetings. The Secretary also feeds back to trustees in respect of any issues arising as a result of their duties on the day to day running of the charity.

Statement of trustees' responsibilities

The trustees, who are also the directors of Association of Air Ambulances (Charity) Ltd for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

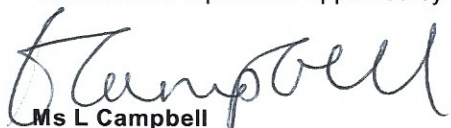
Auditor

Moore Stephens LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Ms L Campbell
Independent Chair

Dated: 6 March 2018

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

Opinion

We have audited the accounts of Association of Air Ambulances (Charity) Ltd (the 'charity') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, 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 accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity'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 accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trustees and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the accounts; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

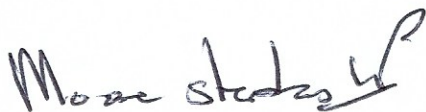
In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease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

Auditor's responsibilities for the audit of the financial statements

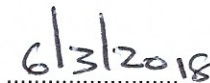
Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Simkins (Senior Statutory Auditor)
for and on behalf of Moore Stephens LLP



Chartered Certified Accountants
Statutory Auditor

35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income from:					
Donations and legacies	3	458,109	119,681	577,790	719,966
Expenditure on:					
Charitable activities	4	440,023	139,169	579,192	535,223
Net incoming/(outgoing) resources before transfers		18,086	(19,488)	(1,402)	184,743
Gross transfers between funds		12,000	(12,000)	-	-
Net income/(expenditure) for the year/ Net movement in funds		30,086	(31,488)	(1,402)	184,743
Fund balances at 1 January 2017		370,448	112,000	482,448	297,706
Fund balances at 31 December 2017		400,534	80,512	481,046	482,449

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

BALANCE SHEET

AS AT 31 DECEMBER 2017

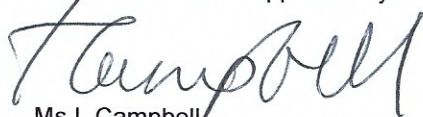
	Notes	2017 £	£	2016 £	£
Current assets					
Debtors	10	92,121		-	
Cash at bank and in hand		416,355		493,218	
		<u>508,476</u>		<u>493,218</u>	
Creditors: amounts falling due within one year	11	(27,430)		(10,769)	
Net current assets			481,046		482,449
Income funds					
Restricted funds	12		80,512		112,000
Unrestricted funds			400,534		370,449
			<u>481,046</u>		<u>482,449</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2017, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 6 March 2018



Ms L Campbell
Independent Chair

Company Registration No. 09391251

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	15		(76,863)		175,443
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(76,863)		175,443
Cash and cash equivalents at beginning of year			493,218		317,775
Cash and cash equivalents at end of year			416,355		493,218

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Charity information

Association of Air Ambulances (Charity) Ltd is a private company limited by guarantee incorporated in England and Wales, company number: 09391251. The registered office is 50 High Street, Henley in Arden, Warwickshire, B95 5AN.

The Association of Air Ambulances (Charity) Ltd is a facilitator for all air ambulance charities that have contractual rights over a helicopter used for emergency medical missions. It is reactive yet responsive to donors who wish to donate to multiple air ambulance charities.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The charity meets the definition of a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constrictive obligation to pay for expenditure. The Charitable Company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Charitable expenditure comprises those costs incurred in the delivery of its activities and services for the beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include costs associated with meeting the constitutional and statutory requirements of the charity.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Donations and gifts	408,393	119,681	528,074	438,732
Legacies receivable	49,716	-	49,716	281,234
	<u>458,109</u>	<u>119,681</u>	<u>577,790</u>	<u>719,966</u>
For the year ended 31 December 2016	<u>607,966</u>	<u>112,000</u>		<u>719,966</u>

Unrestricted donations and gifts includes an amount of £74,959 due to be received from Roadchef, and an amount of £16,273 due to be received from Allianz.

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4 Charitable activities

	2017 £	2016 £
Management charge from Association of Air Ambulances Limited (see note 14)	90,000	68,006
Distributed to air ambulance services in furtherance of charitable activities (see note 5)	459,144	453,858
Share of support costs (see note 6)	23,318	10,277
Share of governance costs (see note 6)	6,730	3,082
	<u>579,192</u>	<u>535,223</u>
Analysis by fund		
Unrestricted funds	440,023	
Restricted funds	139,169	
	<u>579,192</u>	
For the year ended 31 December 2016		
Unrestricted funds		294,223
Restricted funds		241,000
		<u>535,223</u>

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Distributed to air ambulance services in furtherance of charitable activities

	2017 £	2016 £
Grants to institutions:		
Cornwall Air Ambulance Trust	15,822	9,373
Devon Air Ambulance Trust	16,183	9,373
Dorset and Somerset Ambulance Trust	16,126	11,316
East Anglian Air Ambulance	36,333	9,373
Essex and Herts Air Ambulance	16,468	9,373
Great North Air Ambulance Service	36,645	10,748
Great Western Air Ambulance Service	36,150	9,373
Hampshire and Isle of Wight Air Ambulance	16,242	10,412
Kent, Surrey and Sussex Air Ambulance Trust	26,732	259,143
Lincs and Notts Air Ambulance Charitable Trust	15,899	9,373
London's Air Ambulance	18,352	9,373
MAGPAS	16,050	9,373
North West Air Ambulance Charity	18,542	12,872
Midlands Air Ambulance Charity	16,227	10,906
Scotland's Charity Air Ambulance	16,750	10,723
Thames Valley Air Ambulance	16,548	9,373
The Air Ambulance Service	17,244	10,462
Wales Air Ambulance Charity	17,938	9,646
Wiltshire Air Ambulance	35,885	13,627
Yorkshire Air Ambulance	36,966	9,646
Air Ambulance Northern Ireland	16,042	-
	<hr/> 459,144	<hr/> 453,858

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ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Support costs

	Support costs	Governance costs	2017	2016	Basis of allocation
	£	£	£	£	
Travel and subsistence	5,976	-	5,976	7,500	
Bank charges	208	-	208	57	
Postage, stationery and telephone	4,002	-	4,002	1,200	
Legal and professional fees	394	-	394	-	
IT, film and website costs	7,873	-	7,873	20	
Insurance	600	-	600	500	
Board and committee meetings	2,976	-	2,976	1,000	
Recruitment costs	275	-	275	-	
General expenses	1,014	-	1,014	-	
Audit fees	-	6,730	6,730	3,082	Governance
	<u>23,318</u>	<u>6,730</u>	<u>30,048</u>	<u>13,359</u>	
Analysed between					
Charitable activities	<u>23,318</u>	<u>6,730</u>	<u>30,048</u>	<u>13,359</u>	

Governance costs includes payments to the auditors of £4,320 (2016- £3,082) for audit fees.

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

During the year, expenses were reimbursed to Liz Campbell for the total amount of £420 (2016: £382) for travel costs.

During the year, expenses were reimbursed to Martin Jeffery for the total amount of £nil (2016: £93) for travel costs.

During the year, expenses were reimbursed to Adam Fawsitt for the total amount of £1,026 (2016: £nil) for travel costs.

During the year, expenses were reimbursed to Paula Martin for the total amount of £160 (2016: £nil) for travel costs.

8 Employees

There were no employees during the year. Employee costs are met by The Association of Air Ambulances Limited.

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9	Financial instruments	2017	2016
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	91,725	-
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	27,430	10,769
		<u> </u>	<u> </u>
10	Debtors	2017	2016
		£	£
	Amounts falling due within one year:		
	Trade debtors	91,231	-
	Other debtors	494	-
	Prepayments and accrued income	396	-
		<u> </u>	<u> </u>
		92,121	-
		<u> </u>	<u> </u>
11	Creditors: amounts falling due within one year	2017	2016
		£	£
	Trade creditors	18	4,172
	Other creditors	20,946	1,237
	Accruals and deferred income	6,466	5,360
		<u> </u>	<u> </u>
		27,430	10,769
		<u> </u>	<u> </u>

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2017 £	Net incoming resources £	Net expenditure £	Transfers £	Balance at 31 December 2017 £
B&M	100,000	-	(100,000)	-	-
Rotor Fournier	12,000	10,000	(10,000)	(12,000)	-
Pets at Home	-	20,223	(20,223)	-	-
The Polo Charity	-	10,500	(1,050)	-	9,450
Allianz	-	78,958	(7,896)	-	71,062
	<u>112,000</u>	<u>119,681</u>	<u>(139,169)</u>	<u>(12,000)</u>	<u>80,512</u>

The Polo Charities have donated to six charities individually, with £9,450 to be distributed equally amongst the remaining 15.

Allianz donations have been restricted in line with Allianz's online donation portal.

The transfer relates to a donation received from Rotor Fournier during the year ended 31 December 2016 which was paid out during that year, but had been incorrectly shown as distributed from unrestricted funds.

13 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 December 2017 are represented by:			
Current assets/(liabilities)	400,534	80,512	481,046
	<u>400,534</u>	<u>80,512</u>	<u>481,046</u>

ASSOCIATION OF AIR AMBULANCES (CHARITY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

14 Related party transactions

Key management personnel of the charity are considered to be the trustees. No employee benefits were received by the trustees or the charity's key management personnel for their services to the charity.

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Management charges		Recharged expenses	
	2017 £	2016 £	2017 £	2016 £
Association of Air Ambulances Limited	90,000	68,006	1,606	475
	<u>90,000</u>	<u>68,006</u>	<u>1,606</u>	<u>475</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2017 £	2016 £
Association of Air Ambulances Limited	20,946	4,171
	<u>20,946</u>	<u>4,171</u>

During the year the following charities received grants from the Association of Air Ambulances (Charity) Limited. The charities have common trustees/management as noted below:

Midlands Air Ambulance Charity - Hanna Sebright. Amount distributed in the year: £16,050 (2016: £10,906)

Essex and Herts Air Ambulance - Jane Gurney. Amount distributed for in the year: £16,468 (2016: £9,373)

Cornwall Air Ambulance Trust - Paula Martin. Amount distributed for in the year: £15,822 (2016: £9,373)

15 Cash generated from operations	2017 £	2016 £
(Deficit)/surplus for the year	(1,402)	184,743
Movements in working capital:		
(Increase) in debtors	(92,121)	-
Increase/(decrease) in creditors	16,660	(9,300)
Cash (absorbed by)/generated from operations	(76,863)	175,443