



AIR AMBULANCE CHARITY
KENT SURREY SUSSEX

Annual Report and Accounts

Year ending 31st March
2023





Air Ambulance Charity Kent Surrey Sussex is a charitable company; a charity registered in England and Wales and a company limited by guarantee registered in England and Wales

Our Registered Charity Name: Air Ambulance Charity Kent Surrey Sussex

Our Registered Company Number: 2803242

Our Registered Charity Number: 1021367

Our Registered Office: The charitable company is incorporated and domiciled in the UK. The address of our registered office is:

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Introduction from our Chair

I am delighted to share our annual report for 2022-2023 which celebrates our key achievements and how we continue to grow and innovate to ensure the best possible outcomes for our patients.

I am immensely proud of all we have achieved and the people we have been able to care for and support, particularly given the challenges we have all faced. The world continues to navigate complex geo-political factors and a cost-of-living crisis, and these factors are at the forefront of our Board discussions to ensure KSS remains resilient in a challenging environment. It remains our priority that we are able, not only to provide an outstanding service to our beneficiaries, but also to push boundaries in research and innovation as we strive towards our vision of an end to preventable loss of life from medical emergency. This is more important now than ever before, given the ever-growing need for our service. This year was our busiest ever, in which we attended 3,165 missions and treated 1,881 patients, underpinned by a record year for income.

We continue to consider ways to improve patient outcomes, and in May, we launched our Patient and Family Aftercare Service, a key service development which enables us to extend our care. We also took the opportunity to consult with our beneficiaries on how to develop this service to best meet the needs of our patients and families and I would like to thank each of you that took the time to respond.

I would like to personally thank Paul Barrett, KSS Trustee and Director of our trading subsidiary, Air Ambulance Promotions Ltd (AAPL) who retired after nine years in December 2022. Paul was instrumental in organising our first Air Aid Ball, and his skills and experience coupled with his enthusiasm and dedication will be greatly missed, though we are delighted he remains a supporter and valued member of Team KSS.

We welcomed Evelyn Styles to the Board, who brings a wealth of experience in corporate law

and governance.

In addition, Kelly

Heaton-Ralph

took up the

position of

Executive

Director of

Fundraising and

Philanthropy;

Symon Russell

became Executive

Director of Individual

Giving and Lotteries and Dr

Judith Harkins became Executive Director of

Business Development. Under their leadership,

we are confident that we will continue to generate and inspire support within our communities.

This year also saw the launch of our new five-year strategy and Team KSS have worked hard to ensure that we have progressed in line with our ambitions. I would like to thank my fellow Trustees, Directors of AAPL, and our staff and volunteers for their combined efforts in enabling us to deliver our very best to our patients and communities.

KSS is determined to continue to develop and improve. You can expect to see more investment in flying hours and helicopters, developments in innovative technologies and treatment, further development of our approaches to prevention, education and training and Patient and Family Aftercare, as well as continued progress on research and collaboration. This is all underpinned by excellent governance and ensuring strong financial resilience and sustainability.

Without our supporters we simply would not exist. Whether you have undertaken a fundraising event for us, played our lottery or dropped spare coins into one of our collection pots, your support enables our life-saving team to be where they are urgently needed. Thank you!

A circular inset photograph of Barney Burgess, the Chair of Board of Trustees, speaking at a podium with a microphone. He is wearing a dark suit jacket over a blue sweater and a light blue shirt. A name tag is visible on his lapel.

Barney Burgess

Barney Burgess
Chair of Board of Trustees

Welcome from our Chief Executive

Welcome to our annual report for 2022-2023, a particularly exciting year for KSS as we embark on the first year of our five-year strategy, Working Together to Save More Lives. A strategy that focuses on how we can continue to develop and improve our service through each stage of our patient journey in order to reach more patients, save more lives, and improve many more patient outcomes. We remain committed to being there for our communities when they need us most, keeping our patients at the heart of all we do and pushing the boundaries of innovation and technology to drive forward on our strategy for the future.

We were delighted to launch our strategy at our Redhill base in September 2022 where we welcomed a range of partners, stakeholders and like-minded organisations to discuss how we can best work together and collaborate to achieve maximum impact. This year, as we continued to emerge from the pandemic, we were able to engage again with our communities through in-person fundraising events and welcoming our patients and their families to base visits with the Patient and Family Aftercare Team. Raising awareness and increasing understanding of our life-saving service continues to remain a priority as we look to further amplify the impact of our work, diversify our income streams and ensure the financial resilience of our organisation.

I very much recognise the challenging times we are experiencing, and more than ever, I would like to personally thank everyone who has supported us over the past year. Your incredible generosity and commitment to KSS has never been more appreciated and allows us to deliver our life-saving service to our communities in what has been our busiest ever year. The support of our communities helped us to deliver a record year for income of £18.3M, which is a phenomenal achievement and one we are incredibly thankful for.

None of this would be possible without all of Team KSS - our highly skilled, diverse, multi-disciplinary team of doctors, paramedics, dispatchers,

fundraisers, marketers and support staff, our committed group of Trustees and volunteers, and our donors and supporters. As one team, we are working together with our peers in the sector to create a better future for our communities where lives aren't destroyed by medical emergency.

We look to 2023-2024 with great positivity and excitement. We will continue to collaborate even more closely with our partners and communities and move forward on our strategic projects including drone deployment, further developing our prevention, education and training activity, exploring in-transit treatment, developing our aviation capacity and continuing to research and innovate so that we can improve patient outcomes. We also have exciting plans to increase our community footprint and generate even more support within our communities including hosting an Emergency Services Fun Day in September 2023 and delivering an exciting portfolio of fundraising events.

I am prouder than ever to lead such a committed team with a clear vision for the future of what we want to achieve and a huge passion from everyone to work together to make this a reality. We are in a strong position to achieve an exciting future together as we drive forward on our strategy of working together to save more lives, and further develop our people centred, purpose driven and values led approach in all we do.

On behalf of every patient that we care for, thank you. Without you, we can't keep flying. Without you, we can't save lives.



David Welch
Chief Executive Officer

Our Key Achievements

In 2022- 2023

We performed a total of 3,165 missions, 61% in our Helicopters and 39% in our Rapid Response Vehicles.

We treated 1,881 patients.

Our trading company (Air Ambulance Promotions Ltd) made a gift aided donation of £6.8M to KSS from our lotteries and raffles.

We raised a record £18.3M income of which 88% was raised by the communities we serve.

Participation in our lottery grew from 97,824 entries to 101,410 entries at the year end. Our raffles attracted a further 17,428 entries.

We held our first Heli Hike where a total of 1,166 miles were walked by our supporters. 241 fundraisers also took part in our virtual challenges

143 people kindly left us a gift in their will.

We delivered 20 pieces of research activity, including 16 written pieces, including papers and posters and two presentations.

We were supported by 150 amazing volunteers who dedicated 4,120 hours of their time to KSS and carried out 193 talks to community groups across our area.

Thank you to all who dropped spare change in one of our community collection boxes which raised a total of £104K.

Without our supporters and volunteers, none of this would be possible

Thank you!



Our vision is an end to preventable loss of life from medical emergency

We believe in a better future for our communities where families stay together, and lives aren't destroyed by medical emergency.

Our five-year strategy, Working Together to Save More Lives, aims to continually develop our core service, using innovative technologies and treatments. We will work together with like-minded organisations to help educate our communities on what to do when a medical emergency occurs, and how to prevent some from occurring in the first place. Investing in our Patient and Family Aftercare Service means we can extend our care and support to achieve the best possible outcomes for our patients.

We are committed to reaching more patients, saving more lives, and ensuring the best possible treatment and recovery for our patients.

Our Values

We are led by our values. We stay strong to what we believe in, how we treat people, and how we behave in order to deliver on our purpose.



Caring

Caring for people and putting people at the heart of all we do



Trusted

Generating trust in everyone we engage with



Dedicated

Dedicated to ensuring the best possible outcomes for our patients and communities



Innovative

Pushing the boundaries through research and innovation to better meet the needs of our patients and expectations of our supporters



Collaborative

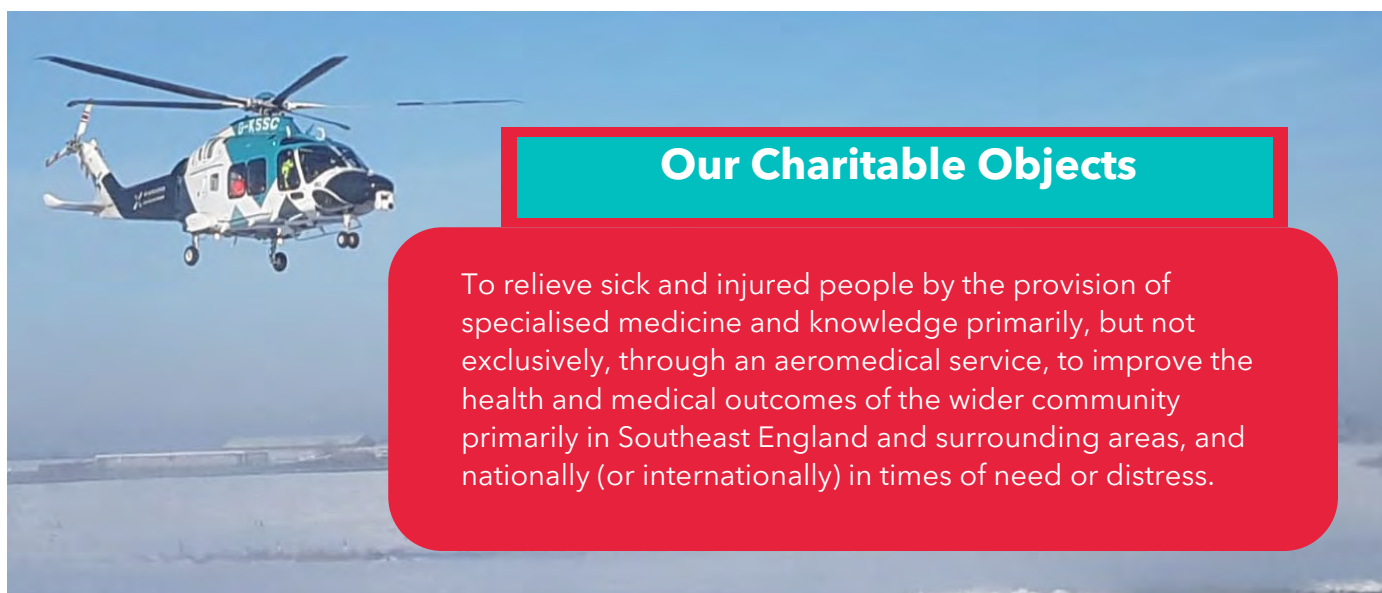
Embracing collaboration and partnership to achieve the best for our patients

The KSS Way

The KSS Way is our strategic and cultural framework; what we do to deliver on our purpose and work towards our vision, and how we do this by staying true to our values and always keeping people at the heart of all that we do.



As part of our five-year strategy of **Working Together to Save More Lives**, we focus on our four goals to deliver on our purpose of saving lives and ensuring the best possible outcomes for our patients. These are all measured by a set of both aggregate and summary metrics. Each are rated and reported at our Committee and Board meetings to track and ensure transparency of progress, so any challenges are identified and addressed.





Goal

We Deliver Outstanding Treatment and Care

Our Service

Pre-hospital emergency medicine (PHEM) focuses on caring for seriously sick or injured patients in all settings before they reach a hospital, as well as ensuring a good continuity of care during hospital transfers.

We are available 24 hours a day, 365 days a year. Our state-of-the-art helicopters allow us to reach anywhere across our region as quickly and effectively as possible.

Working closely with our local ambulance services and NHS services, we bring the emergency room to the patient and deliver life-saving interventions on the scene. We ensure the patient is transported to the most appropriate hospital, in good time, for their ongoing care. Working together, we are committed to saving more lives and improving patient outcomes so they can go on to enjoy the best quality of life possible.

We are led by science, and our Research and Innovation Team constantly audit and evaluate our work, researching areas where we feel there may be further patient benefit to do so. These learnings are then shared with the wider medical community through the publication of papers and articles and through participation at key conferences. This vital work ensures our expert knowledge and skills benefit not only the patients we treat directly, but those treated by others both nationally and internationally.

We continue to push boundaries and look at new and innovative ways to reach those in our community that might not have access to a quick emergency response, considering the use of technology such as drones as a potential solution.

We will further our education capacity both within the medical community, where we are currently exploring opportunities, and to the public directly, through supporting national public health campaigns such as Restart a Heart Day.

The following sections provide a summary of our main achievements against our goals, and the difference this makes to our beneficiaries and wider society in relation to our core service.

The Trustees have set a five-year strategic objective to deliver, develop and extend our high-quality service to meet the needs of our patients and communities. This is underpinned by a number of directorate objectives and metrics. To achieve these, the following strategic initiatives have been developed. We are proud that in year one we remain on target to deliver the five-year objective as set.



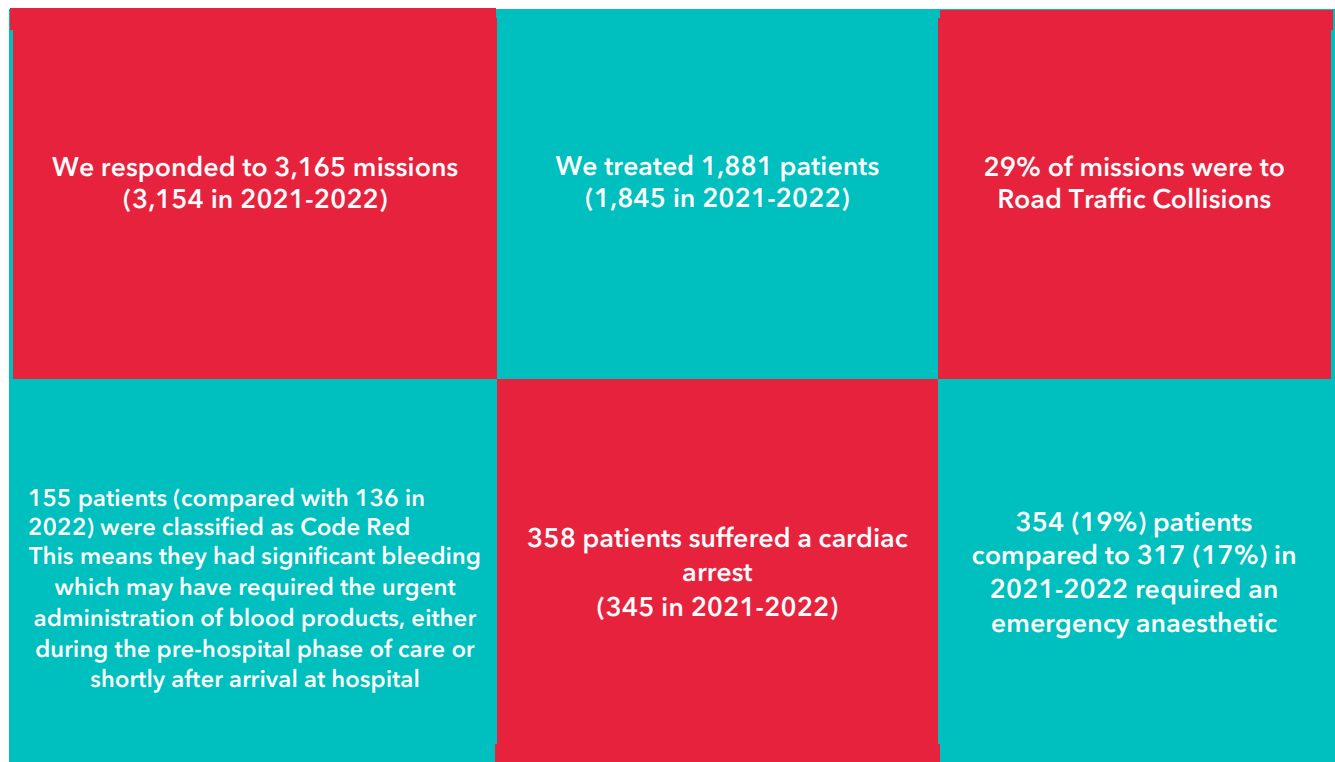
We are proud of the reputation we have in delivering outstanding pre-hospital emergency medicine, but we will never take that reputation for granted. We will continue to innovate and apply new research to our work and ensure we are maximising the skills of our doctors and paramedics.

We will continue to work with our aircraft provider Specialist Aviation Services (SAS) to improve aircraft availability for the benefit of all our patients on initiatives such as expanding our ability to operate our helicopters in different weather conditions.

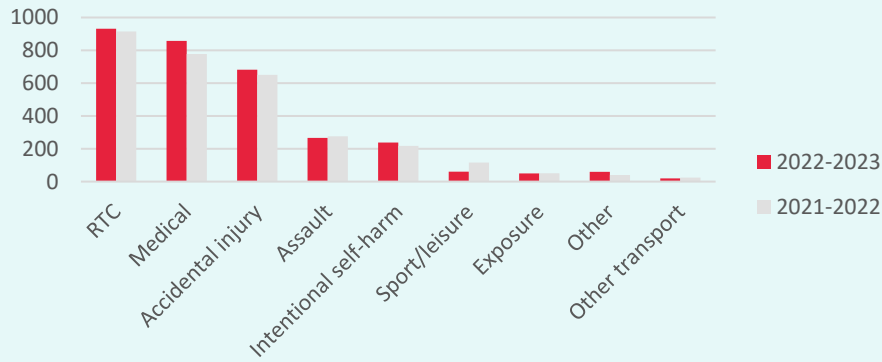
Our clinicians are specialists in PHEM treatment and getting those critical care skills to a patient as early as possible has an established record of providing better patient outcomes. We work closely with South East Coast Ambulance Service (SECAMB), particularly the Critical Care Paramedic (CCP) programme and have established a joint Enhanced Care Team Quality Improvement Project. This is establishing a framework for future collaborative efforts including training, governance, education, research, and communication. For example, we have completed our first joint Standard Operating Procedure in standardising our approach to collaborative enhanced care.

To ensure we maximise and retain the skills of our talented doctors and paramedics, we have established a doctor career journey and will complete work on a paramedic journey in 2023-2024. This has involved a review of our Clinical Governance structures to include a rolling syllabus linked to key interventions (treatments and procedures), skills, and policy and procedure development.

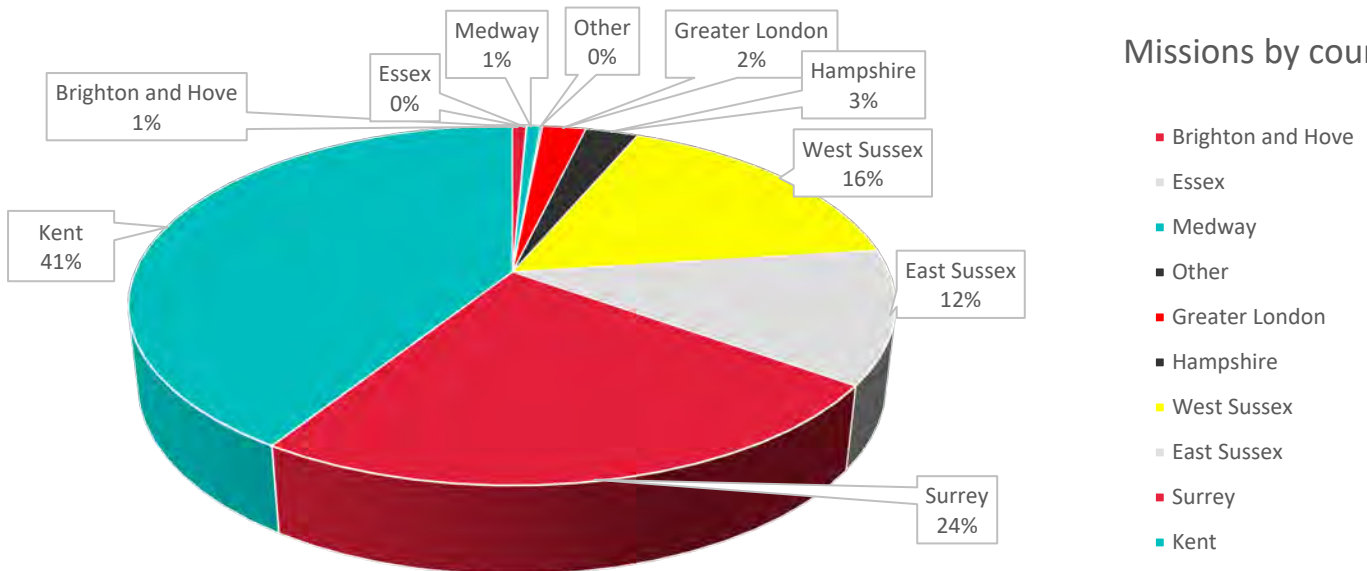
In 2023-2024 we will work on the development of a joint programme for CCP governance and attendance at joint clinical governance. We will also develop an ongoing training and skills maintenance programme for in-transit treatment.



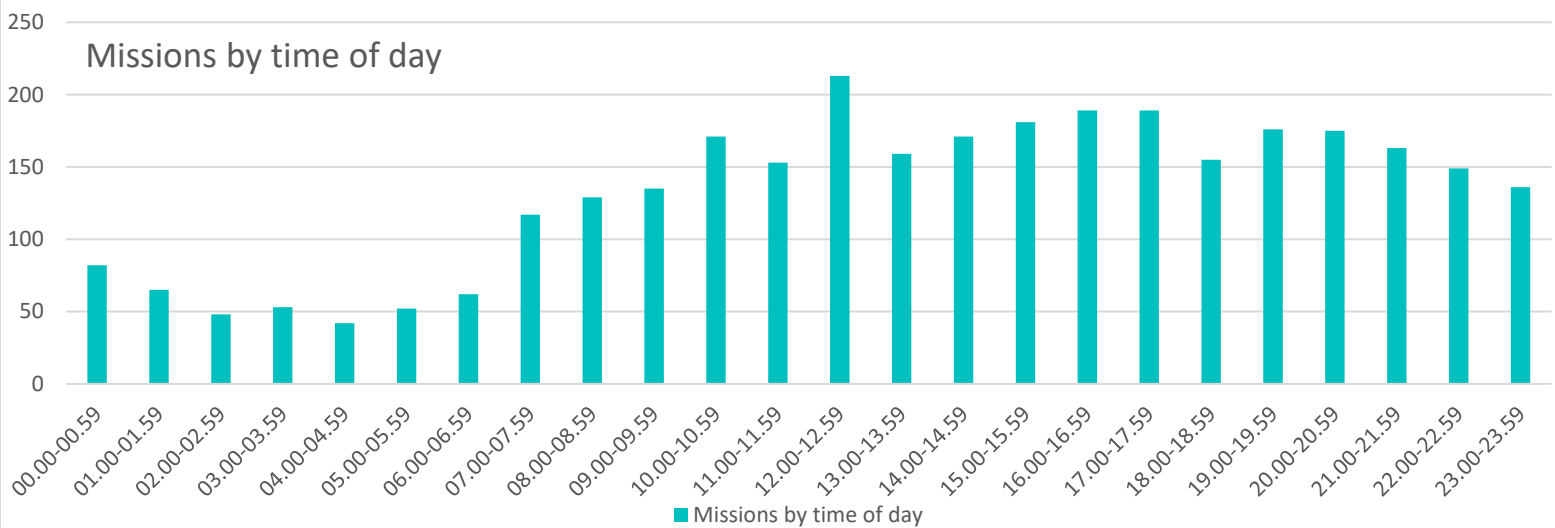
Missions by type



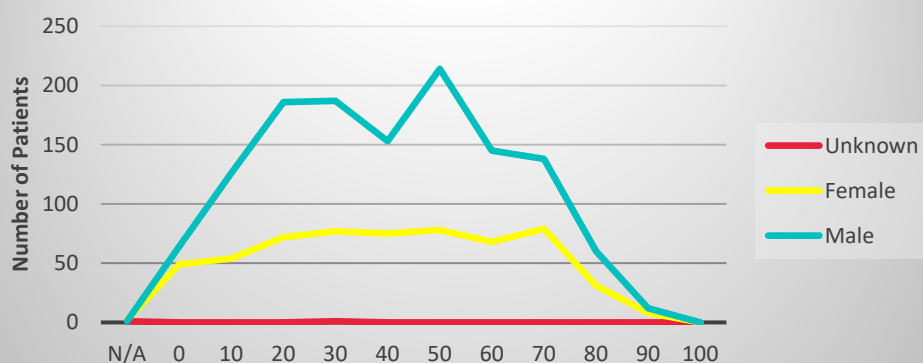
Missions by county



Missions by time of day



Patients by age and gender





In some circumstances, equipping the public to deal with a medical emergency is the best way to save lives and achieve the best possible patient outcomes.

Our Trustees are conscious of the expertise we have in this area and have set a key priority to determine where KSS can have the greatest impact in this space. Understanding this has been our key focus during the last year. By utilising our specialised knowledge and expertise and working collaboratively with other like-minded organisations, we aim to equip our communities with life-saving skills through, for example, CPR training aimed at both adults and children.

A further priority has been considering how we can best develop our training capability to share our expertise in the wider medical community, through a Helicopter Emergency Medical Service (HEMS) Academy.

We welcomed our Education and Prevention Lead in May 2023 who will play a pivotal role in driving this programme forward. Our plans for 2023-2024 include providing online CPR sessions to local schools and other organisations and continue to explore the use of Community First Responders.



Key to the delivery of our service is the use of our chosen helicopter, the AW169. These aircraft allow us to reach any part of our region within just 30 minutes and safely deliver critically ill patients to the most appropriate hospital for their injuries, rather than the closest. Using aircraft comes with challenges, not least the weather, which can significantly affect their use so we also have four Rapid Response Vehicles (RRVs) to help ensure we can help as many people as possible.

Performance Based Navigation (PBN) would enable our aircraft to fly more directly from departure to arrival by using satellite signals. Not only is this more environmentally friendly, but it also has the potential to assist our pilots in inclement weather. We have finalised our safety case and commenced work with the Civil Aviation Authority (CAA) on the operational requirements. We are delighted that two of our key hospitals have been selected as initial trial sites.

We are fortunate to have two Trustees and key staff who are highly knowledgeable in the aviation space and have supported us in renegotiating our service agreement with our aircraft provider. This includes an expansion of our service to two aircraft, one 24hrs a day and one 18hrs per day, by summer 2024, meaning we will be available for even more patients when we're needed. In addition, KSS has swapped its smaller standby helicopter for a third AW169 which is, in our view, the best-in-class HEMS option.

We are exploring the ability to deliver clinical treatments and procedures in the cabin of our aircraft during flight. This will shorten the time for some patients receiving potentially lifesaving procedures and would enable us to bring the sickest patients into hospital more quickly.

We are fortunate to have a replica of one of our aircraft cabins (G-SIMM) which we use for staff training. During the year, we successfully used G-SIMM to complete trials on the ground. Following this success, we then undertook a day of in-flight simulation to test the process in-air. We were fortunate to be joined by BBC News on one of these test flights, which helped raise awareness of our work. We will continue the next phase in collaboration with Leonardo Helicopters.

We are exploring the concept of the use of drone technology to reach certain patients in need of a rapid response. These could be used to provide lifesaving equipment such as a defibrillator, where access to emergency response is unavailable within ten minutes. For example, patients who have suffered a cardiac arrest (their heart has stopped beating) but who are living in a built up, highly congested area meaning helicopter or ground response could be delayed.

In collaboration with the CAA and Everdrone we have started work on a proof of concept for drone delivered defibrillation across our region. This includes being one of the first national test sites for flying drones out of the line of sight. In this year we have completed process maps and further documentation to enable us to move from a feasibility study to an operational phase.

In 2023-2024 we will continue to explore the most effective model for undertaking in-transit treatment and explore the use of innovative technology such as drones to support HEMS activity. Securing funding streams for this work will determine the scale on which we can deliver a programme across our region.



Our aircraft allow 360-degree access to the patient throughout the journey and our bespoke simulator (above) allows our crews to train in providing critical care in this unique environment and continue to explore what treatments can be safely delivered during flight.





We have welcomed two new Young Ambassadors to our programme



We have established two peer support groups



We have carried out 10 Bereaved Family Meetings



We have carried out 30 Patient and Family Visits to one of our bases

We are very aware of the devastating impact of trauma on patients, their families and communities and the difference and benefit that ongoing support can make.

We launched our Patient and Family Aftercare Service in May 2023 which was a key milestone in our strategy to provide a more structured approach to the ongoing support of our former patients and their families.

This has involved further engagement

with our patients and their families, both informally and through our beneficiary consultation. This helped us determine how best the service can meet their needs and how we can align them with wider support, either internally through patient and family visits to KSS, or via NHS colleagues and the wider charitable sector.

The visits to our bases allow patients and their families time with a member of our medical team to learn more about what happens when our crews are called to an incident and often help answer vital questions about their initial intervention, helping them to piece together their journey in those first vital hours.

The effectiveness of our service will be dependent on strong collaborative working across both public and charitable sectors in our region. In 2023-2024 we will further develop our relationships within the trauma network and continue investigating the best ways to support our patients and their families.

Spotlight on peer support

When KSS is called to a member of the farming community we know it is likely to be a rural location and it is likely to be serious, due to the nature of the work and the equipment they use. Medical help is often not requested unless the injury is severe. It's important to us to understand our communities, which helps us to provide the best possible care when we're needed most.

Following contact from some of our former patients from the farming community, we arranged a peer support group, for these individuals to come together and discuss the unique circumstances of their incidents and recovery. In addition to the positive feedback received on the benefits to the individuals within the group, it became apparent that there was much to learn about the dangers of a working farm to ensure that KSS are ready to

respond to the types of calls that could be received. Members of the group therefore offered to join our medical teams in one of their clinical governance sessions to help grow our understanding of some of the issues we may typically encounter with farming incidents which helps us understand the equipment we should carry to these types of incidents.

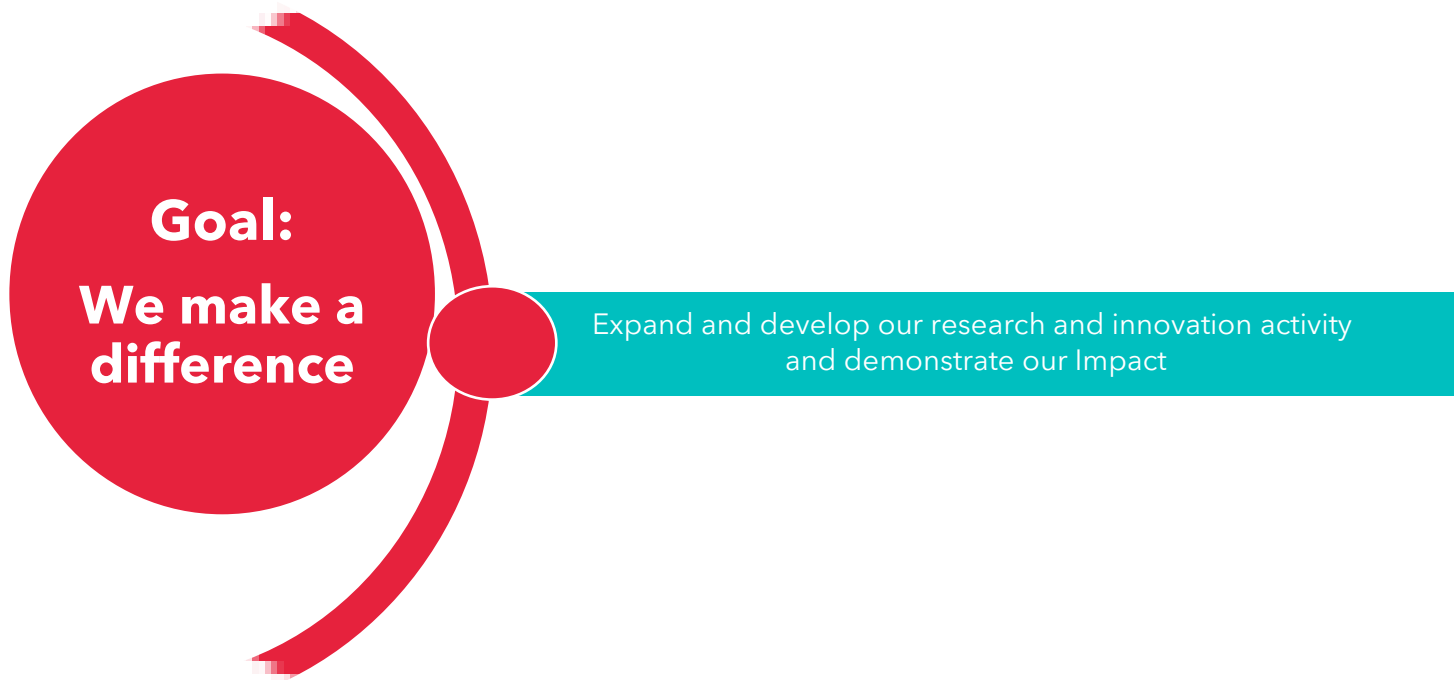
Further initiatives are being discussed both with the group and the wider team, such as a campaign to encourage farmers to carry a mobile phone when lone working. Whilst these are simple changes, they could be the difference between life and death in an emergency.





Goal

We Make a Difference



We have set a five-year strategic objective to deliver patient centred research and share our knowledge and learning to maximise our impact.

This will be achieved through the development of a fully-fledged, self-sustaining Research and Development department, which achieves a 10% increase in research activity year on year. The Trustees are delighted that, in the first year, this target has been reached. The team works closely with our Income Generation Team to identify fundraising opportunities for specific projects.

The directorate objectives require that focus remains on our patient impact and outcomes. As a result, much of the research is driven by our own medical teams as a result of clinical governance sessions. We are proud that every job we attend is subject to some form of clinical review, which ensures we maintain the highest standards of care.

We continue to evaluate methods to further improve our response times from call monitoring with our partners at SECamb through to working with our aviation partner on safe mission launch times. We continue to look at what our patient needs are to ensure our aircraft are fitted with the optimum lifesaving equipment, enabling us to deal appropriately with each mission we attend. These are ongoing areas of focus for our research teams.

As part of our commitment to providing our service to all those who need it, we closely monitor the level of missions we cannot attend. This could be due to demand, or aircraft availability caused by poor weather or maintenance. We are proud to be committed to increasing the provision of our second aircraft, meaning we will continue to have one aircraft available 24 hours a day and, during 2024, it is our intention for our second aircraft to increase its hours from 12 to 18 hours a day.

We are led by science in our pursuit of excellence. Through research and innovation, we strive for the best possible outcomes by fostering innovation, continuously exploring novel treatments, leveraging cutting-edge technology, and employing detailed data analysis to drive improvement.

This year, our research has homed in on critical interventions, notably pre-hospital anaesthesia and blood product transfusion. Our efforts in these areas have culminated in the publication of several internationally influential papers.

Building on this momentum, we are planning to embark on an exciting national clinical trial (SWIFT). This study aims to assess whether transfusing whole blood, rather than packed red cells and plasma, can yield improved outcomes for patients with major bleeding.

Additionally, we place immense importance on optimising our dispatch process to ensure we get to the right patients at the earliest opportunity. In partnership with the University of Surrey and SECamb, we have pioneered a truly innovative clinical trial (SEE-IT). By utilising live-streaming video from 999 callers' mobile phones, we gain real-time insights into accident scenes and patients, revolutionising our approach to pre-hospital care. At present, we are analysing the results and hope to share these more widely in the coming months.

Central to our success is investment in the research team. Currently we boast two PhD candidates, one of whom has recently completed his studies into pre-hospital triage of patients with suspected traumatic brain injuries. We eagerly anticipate the arrival of two new Fellows and undergraduate medical students to enrich our team further. To uphold the highest standards of research governance, particularly in handling vast amounts of data, we invest in a separate research database, to ensure data security remains paramount.

Beyond our local impact, we are devoted to advancing patient care on a global scale. Our renowned reputation for high-quality research output is evident through numerous paper publications, conference presentations, and high-profile lectures.

During this year, we proudly delivered a remarkable total of 20 pieces of research activity, all with a direct patient benefit. This includes a study on pre-hospital invasive arterial monitoring, which involves inserting a catheter into a suitable artery for more accurate blood pressure monitoring in critically ill patients. Often our patients require intubation to assist breathing and rapid sequence induction (RSI) has been designed to achieve this with less risk to the patient. Our work on Post-RSI anaesthesia practice looks at ensuring the optimal combination of drugs are used for this procedure.

Extracorporeal Cardiopulmonary Resuscitation ECPR is a lifesaving treatment used in patients when CPR is unable to restore circulation and we have implemented an ECPR programme with our partners Kings College Hospital, London which will undoubtedly help us save more lives.

Our vision within the Research and Innovation Team is unwavering: To pave the way for the advancement of pre-hospital medical science and technology, enabling patients facing dire circumstances today to find hope for survival and a more positive quality of life.



Brian Feng and Rosie Meakins, Brighton and Sussex Medical School students who have undertaken their final year individual research projects with KSS. Rosie undertook a project looking at the coagulation profile of the bleeding patients seen by KSS in the Brighton Major Trauma Network, and Brian reviewed traumatic pre-hospital deaths across the South East region over the past five-years, both incredibly valuable and worthy contributions to how we improve our service.





Dr Pedro Mondim, who is five years into his Emergency Medicine training, has spent the last year as one of the PHEM Fellows at KSS. During this time Pedro has completed a research project which was displayed at the Emergency Medicine Retrieval Conference. In collaboration with colleagues from the Australian Retrieval Services (ex KSS Doctor, Brad Sheridan), we explored the topic of "inter-clinician variability in the provision of post-RSI Anaesthesia". This adds robust data to the discussion about how we continue to standardise protocols and provide ongoing sedation and anaesthesia in acutely unwell patients, in a more nuanced approach, following the introduction of Arterial Lines

Right: Excerpt from poster as displayed at the Retrieval Conference

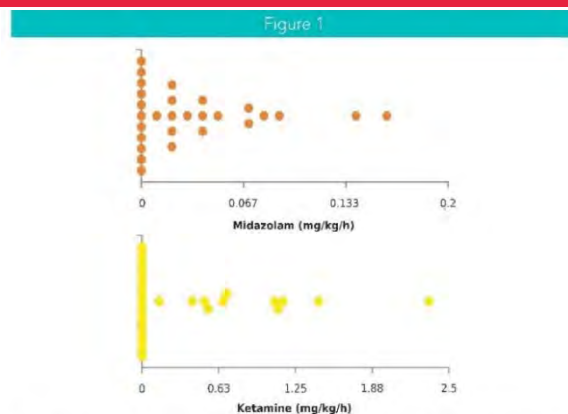


Figure 1: Cumulative doses of Ketamine and Midazolam given after RSI. Each circle represents one patient.

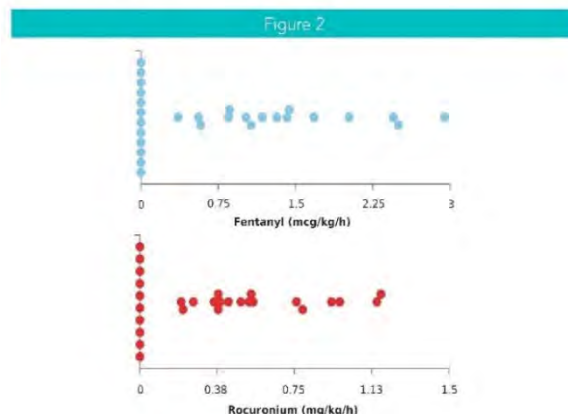


Figure 2: Cumulative doses of Fentanyl and Rocuronium given after RSI. Each circle represents one patient.

We recognise there is an obvious public benefit of providing information to the wider medical community that is led by science. We wanted to be able to measure how many professionals we might be reaching with this knowledge, to help us begin to understand the impact our research is having on our communities and beyond. Altmetrics (Alternative Metrics) measure online attention such as engagement on researcher platforms or commentary on social media where our research is mentioned. These numbers will continue to grow the longer the paper has been published and the more it is socialised.

Sharing our knowledge is key to enabling better patient outcomes beyond those that we treat directly, across the wider medial community both nationally and internationally.



In 2023-2024, we will complete research for the SEE-IT trial and begin the SWIFT trial and grow and expand the Research and Innovation Team to ensure resilience and succession planning. We will complete the second part of the analysis project relating to equity of access.



Goal

We Generate and Inspire Support



We have set a five-year strategic objective to deliver a diverse income portfolio to enable our growth and the delivery of our purpose. This is underpinned by directorate objectives covering income, supporter growth, volunteering, strengthening our profile and developing our identity, all of which are crucial to a successful and integrated income generation and marketing and communications strategy.

The first year laid much of the foundation for future growth which will enable us to reach our five-year objective with the reorganisation of our Income Generation Team and the implementation of a Digital Marketing Team. Like many organisations, we continue to feel the impact of the pandemic and rising inflation, particularly in the corporate space and the recruitment of new donors. As Trustees, we are proud of the team's achievement in a challenging year and, whilst some areas have not met initial targets, others have exceeded meaning overall we delivered a record income at the year end, reinforcing our plan for a diverse fundraising portfolio that is responsive and resilient to the macroeconomic environment.

Strategic Initiative

Grow diverse and resilient income streams

Our strategy for raising funds

Whilst we are continually humbled by the support of our communities, we are conscious not to be complacent. We recognise that too much reliance on a single source of income, such as the lottery, is not sustainable as the charity continues to grow and develop. A key element of our fundraising strategy is to increase our resilience and engage with a wider group of supporters to diversify our income streams.

With that in mind, the Board approved a proposal for an expanded Income Generation Team. This is being led by two Executive Directors. One has a focus on individual giving through regular giving, lotteries and raffles, legacies and exploring a more structured approach to merchandise. The second Executive Director leads a team on philanthropy, grant making Trusts and Foundations, cultivating long term support from the corporate sector, our major donor programme and community events and fundraising. By the year end, we had completed the reorganisation and were actively recruiting into the new roles, which has given us a good foundation for delivering our ambitious five-year objective.

As well as our events and partnerships raising much needed funds, they also play a critical role in raising our profile and awareness of our charity status, offering opportunities to meet new and existing supporters face to face, and to generate support for our cause.

Our highly popular and successful lotteries, undertaken by KSS’s subsidiary trading company, AAPL, continue to provide regular income for KSS which allows for strategic planning.

Highlights from our 2022-2023 fundraising

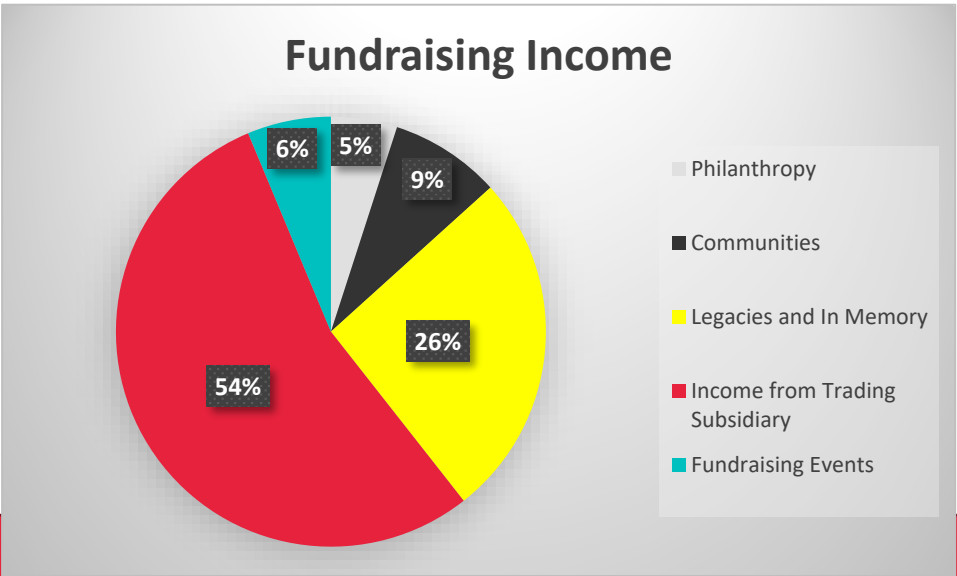
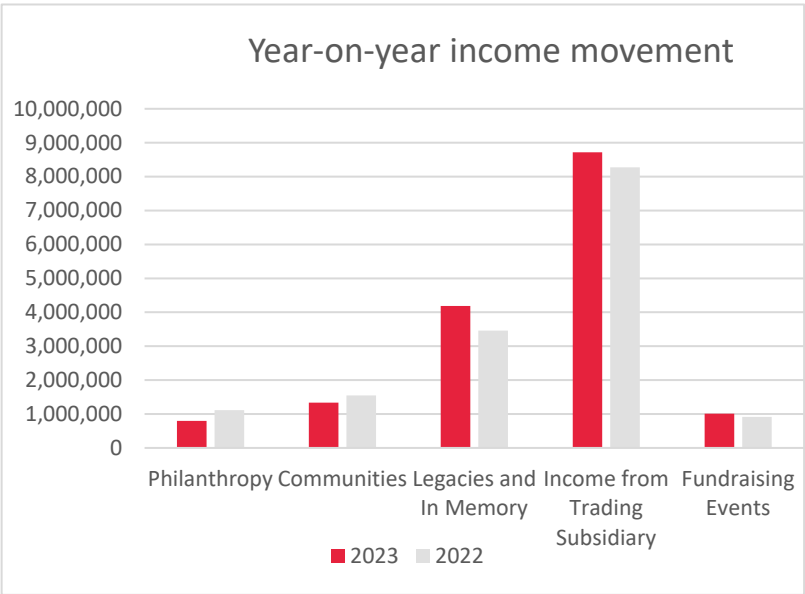
Despite a challenging geo-political and economic environment, our communities continued to show their generous support throughout the year.

Our Philanthropy Team secured £0.8M through our Trust and Foundation and major donor programmes. Other supporters have raised £1.0M by running, walking and riding as part of our group fundraising and events.

Our trading subsidiary continues to operate our successful lotteries and raffle programme, which remains the largest contributor to our income targets, with £8.7M raised. This makes us one of the largest in the air ambulance community and for the first time we exceeded 100,000 weekly entries in a single draw.

Legacies are forming an ever-growing share of our income streams. We are honoured to be remembered by our supporters in this way and work respectfully with executors to ensure KSS fulfils the legal wishes of the legator.

We continue to develop our legacy strategy and details of how to leave a gift in your will to KSS can be found on our website.



We are proud of our close working relationship with the NHS, but it is vital to us that our communities recognise us as an independent charity reliant on their support and that our brand is easily recognisable and well understood. Our mapping research has also informed us that our current supporter base is largely from one narrow demographic meaning there is a lot of opportunity for us to connect with wider groups.

To address this, it is vital we are present in an increasingly digital environment. This enables us to increase understanding and awareness of our work and maximise all opportunities to engage with potential supporters across a variety of platforms.

Recognising this, our Board invested in the Marketing and Communications Team to increase our capacity and effectiveness and reduce reliance on external agencies. We are already seeing results in increased volume of press coverage, the number of new visitors to our website and increased engagement on our social media platforms.

In year one we have achieved all our targets which have laid the groundwork for future growth and we await the outcome of the most recent brand tracking survey.

We are delighted to welcome some highly talented staff in this department and look forward to seeing our strategy develop over the upcoming year.

Our volunteers

A key element to the success of our fundraising campaigns is the vital support of our invaluable volunteer base. This year 150 volunteers donated an impressive 4,120 hours of their time to a variety of tasks both in the office, on reception and in our fundraising activity. With that time, we were able to engage with our communities to provide 193 talks to groups about our vital work and participate in local events.

Our collection box programme is also entirely managed by our volunteers across our region. This activity alone raised £104K in this period.

We cannot thank each of our volunteers enough for their contribution and we will continue to work hard to ensure that they all feel like a valued part of Team KSS.

Volunteering enables people to forge new friendships in the community while offering valuable experience such as office administration, events planning and relationship building, all vital factors for future employment or confidence building. Please contact us if you are interested in being part of our team.



How we work

1. We, and anyone fundraising on our behalf, are registered with the Fundraising Regulator, the independent regulator of charitable fundraising in England, Wales and Northern Ireland and are committed to the Fundraising Promise. We adhere to the Code of Fundraising Practice and strive for excellence in all our supporter interactions.
2. We have a number of supporters raising funds in aid of us throughout the year. These activities are both supported and monitored by the Income Generation, Marketing and Communications (IGMC) Team to ensure alignment with the Code of Fundraising Practice.
3. In terms of fundraising on behalf of us, our team is supported by carefully selected professional fundraisers, commercial participators, and fundraising agencies with whom we work in partnership to raise funds. We work very closely with these agencies to ensure compliant fundraising practices and procedures are in place and are adhered to, and that they behave in a manner which aligns with our ethical standards, thus representing the charity in a positive light.
4. Those who fundraise on our behalf become an extension of Team KSS, and we insist that they adopt our high standards of practice. In addition to their role-based induction they receive a full and comprehensive induction to KSS, as well as regular updates and engagement sessions to receive feedback and further training.
5. We undertake monitoring of our representatives through listening to calls and providing feedback, appropriate to the campaign. We also have a mystery shopper programme where our volunteers visit a venue where our Lottery Canvassers are promoting the Lottery and assess their compliance to our standards.
6. We apply a best practice due diligence on certain donation thresholds and on our business and corporate supporters to ensure we are engaging the support of the right organisations.
7. Where appropriate, we engage with businesses through Commercial Participation Agreements. Great care is taken to ensure that we have the correct contractual arrangements in place to set out the standards and obligations that must be met and ensure the reputation of KSS is upheld.
8. The Lottery Canvassers we engage complete a registration to become Dementia Friends to broaden their understanding and their ability to recognise this.



For every pound we spend, this is what it goes on:



Our Fundraising Promise

Your support is as critical as our care when it comes to saving lives and improving patient outcomes. That's why we're a part of the Fundraising Regulator's self-regulatory scheme, and why, when you donate to us, you can be confident that our values base is applied to all our fundraising activity. We are committed to transparency and openness for our donors and supporters and welcome scrutiny in relation to how our funds are managed and spent to the benefit of all who may need our service. Our Fundraising Promise is published on our website (aakss.org.uk/about-us/our-fundraising-promise/), and our engagement and activity with supporters is embedded in our practices and processes for ethical fundraising and the highest levels of governance. We comply with data protection regulation and make it easy for people to choose how we communicate with them, what they receive, and to also tell us if they no longer wish to hear from us.

Governance and oversight

The Income Generation, Marketing and Communications (IGMC) Committee, comprising of three Trustees, the Chief Executive and members of the Senior Leadership Team, meet quarterly before each Board meeting to review progress and consider new initiatives. The Committee monitor operational performance against agreed metrics, recommends a final strategic plan and budget to the Board and monitor progress against this plan.

Supporter feedback is also presented in a quarterly report and the Committee approve key IGMC policies and assess risks and opportunities.

Managing complaints

We strive to be a trusted, ethical organisation which offers fairness and transparency to our supporters. However, within our culture of continuous improvement, we acknowledge there may be times when we fail to meet our own high standards. When this does occur, our priority is ensuring that we deal with the situation as quickly

and effectively as possible and ensure that we learn from the experience and put measures in place to prevent a recurrence. We also commit to communicating the outcome of any investigation to the complainant and keeping them informed on the progress of this.

We take complaints very seriously and see them as an opportunity to improve the service that we provide. We are always very grateful when we hear from people who are willing to take the time to help us to do better and use both compliments and complaints to shape our communications and other activities.

In 2022-2023 we sent out 1.8M individual communications and received 228 complaints and 136 compliments relating to these. This equates to a complaint rate of just 0.01% of all communications. We also received 7 complaints and 72 compliments relating to our service delivery. These do not include complaints relating to aviation, which are handled by our aircraft supplier, Specialist Aviation Services (SAS).

Each complaint was fully investigated and resolved in line with our Complaints Policy which is published on our website to aid transparency.





Goal

We Aspire for Excellence in All We Do



We have set a five-year strategic objective to support the growth and ambition of KSS and enhance its ability to function as a professional, best practice, outstanding charity which delivers maximum benefit and is a great place to work.

This is driven by strong financial efficiency and resilience; high standards of governance and compliance and health and safety; and a supportive and diverse culture underpinned by best practice HR management and strong values. Our support and infrastructure will be robust to enable us to deliver on this strategic objective.

We were so proud to be the first air ambulance to be rated Outstanding by the Care Quality Commission in all five of its inspection criteria. Our local MP presented 41 of our paramedics, doctors and pilots with the Queen's Platinum Jubilee Medals, which recognised the dedication and service of the frontline emergency services who tirelessly serve our country.

Our research teams have presented at numerous national and international conferences, including the National Israeli Emergency Medicine Association conference, The European Pre-Hospital Research Alliance and, closer to home, the Sussex Trauma Network conference where our Executive Medical Director shared learnings into mass casualty events.

Our Head of Research and Innovation, Jo Griggs is progressing with her PhD on data driven approaches to determine and characterise trauma outcomes in southeast England and won the University of Surrey Postgraduate Award for the research most likely to have the most clinical impact.

Our staff are key to our delivery of excellence, and we were delighted that Sarita Taneja, our Patient and Family Aftercare Manager was awarded Charity Staff Member of the Year at the Air Ambulances UK Awards of Excellence 2022.

The Trustees are proud to lead an organisation that strives for excellence and understands that underpinning this is a foundation built on strong governance, compliance and financial management. From health and safety, human resource management, IT infrastructure, data protection and financial controls, we aim to work to best practice standards.

In 2022-2023 we achieved Cyber Essentials Plus accreditation to ensure, as we continue to work in a hybrid workplace, that we look after data we are trusted to hold in the same caring way that we do our patients. This is largely due to a shift to move our IT support in-house; a move that has proved to be both cost effective and a driver of best practice.

We welcomed a new legal advisor, Brodies LLP after a competitive tender process, and continue to work with the company DQM GRC monthly to ensure data protection is at the heart of the design of any new projects or initiatives. We also modernised our financial systems to accommodate the growth in KSS and introduced a new HR management system to complement our Learning Hangar, to ensure that our staff continue to feel well connected and have access to all relevant policies and guidance.

As we introduce more detail around our structure and governance, the following section illustrates the high standards of governance and compliance we hold ourselves to in all areas of management.

Our structure, governance and management

Our structure

KSS is a UK company limited by guarantee (not having share capital) and a registered charity in England and Wales, governed by its Articles of Association as last amended on 9th March 2022. We are registered with Companies House under number 02803242 and the Charity Commission under number 1021367 and must comply with the Companies Act 2006 and Charities Act 2011. Our registered address is Air Ambulance Building, Rochester City Airport, Maidstone Road, Chatham, Kent ME5 9SD. We have one wholly owned subsidiary, Air Ambulance Promotions Limited, the details of which are given in Note 4 of the Financial Statements.

Our Board of Trustees hold four formal Board meetings per year and an annual strategy meeting. The Chief Executive and Senior Leadership Team attend all Board meetings.

Our Trustees

The Trustees, who are also Directors of KSS under company law, maintain ongoing review of governance with reference to guidance from the Charity Commission, the Fundraising Regulator and the Charity Governance Code. They are responsible for the strategic direction and policies of KSS.

Trustee appointment

In line with the Charity Governance Code, Trustees are each appointed for a maximum of three terms of three years, with the Board reappointing the individual at the end of each term. Should it be in the charity's best interest for a Trustee to serve beyond this term, the articles require a defined break from office before being reappointed.

KSS is committed to an open, transparent and fair appointment process. A Board skills audit is undertaken regularly, and candidates are selected based on their skills and experience and their enthusiasm for serving as a KSS Trustee.

The process is as follows:

- Applicants are required to submit a CV to the recruitment agency, who will pass potential candidates through to the Chief Executive and Chair. An informal meeting allows individuals to gain a real sense of our work and to determine if they wish to proceed with their application.
- Selected candidates will proceed to a formal interview with a selected nominations committee, which will recommend a candidate to the Board.
- The Board will consider the recommendation and a formal vote will be taken in line with the Articles of Association.
- The successful candidate will have been subject to all necessary due diligence before commencement of their duties and will receive a full induction into KSS, including training on Trustee duties, and time with key members of the SLT.

Declaration of interests

Trustees have a legal obligation under both charity and company law to act in the best interests of KSS and must not put themselves in any position where their duties as a Trustee may conflict with any personal interest they may have.

As such, a register of Trustee's interests is maintained, and any interests are declared routinely at the start of meetings.

All Trustees give of their time freely and no Trustees received remuneration in this year. Details of Trustee's expenses and related party transactions are disclosed in note 16 to the accounts.

Our Board of Trustees

The Trustees who served during the year were as follows:

Chair
D H B Burgess

Trustees
M J Docherty, Vice Chair (reappointed for second term on 7 th December 2022)
Prof A Rhodes, Vice Chair (reappointed for second term on 7 th December 2022)
T S N Oakes, Hon. Treasurer
S E Appleby
P J Barrett MBE (retired 7 th December 2022)
N C Hall
R R Lee
D A J Morgan
J B Redman
P D Stewart
E B Styles (Appointed 7 th September 2022)

Our key management personnel

The management of KSS is undertaken by our Chief Executive (CEO) David Welch and supported by a Senior Leadership Team who lead on strategic work in each of their Directorates.

The team are outlined below:

CEO
A D Welch

Senior Leadership Team (SLT)
Dr D J Bootland -Executive Medical Director
L J Curtis MBE - Executive Director of Service Delivery
L D Harris - Executive Director of IGMCM (retired 30/06/22)
Dr J A Harkins - Executive Director of Business Development (appointed 01/04/2022)
K R Heaton-Ralph - Executive Director of Fundraising and Philanthropy (appointed 09/05/2022)
I W Howick - Executive Director of Corporate Services
Prof. R M Lyon MBE - Executive Director of Research and Innovation & Deputy Medical Director
S D Russell - Executive Director of Individual Giving and Lotteries (appointed 09/05/2022)

Key advisors

Principal Bankers

National Westminster Bank Plc
Chatham (A) Branch 148, High Street
Chatham
Kent
ME4 4DB

Auditors

Crowe U.K. LLP
Riverside House 40-46, High Street
Maidstone
Kent
ME14 1JH

Investment Managers

Evelyn Partners 25 Moorgate London EC2R 6AY	Ruffer, LLP 80 Victoria Street London SW1E 5JL
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Legal Advisors

Brodies LLP
110 Queen Street
Glasgow
G1 3BX

Our staff

We operate a continuous process of staff engagement within a feedback-safe environment which is enabled by our annual staff survey, our bi-annual People Pulse and our appointed Freedom to Speak Up Guardian. The results from our annual staff survey are monitored to detect any emerging issues, with further discussion and focus groups taking place if required.

At KSS, we value and prioritise the wellbeing of our staff which is supported via a range of mechanisms including staff benefits, wellbeing resources and activities arranged by our staff-led Wellbeing Group. In 2022-2023, we launched our newly developed KSS Wellbeing Charter which draws heavily on The McQueen Charter and MIND Mental Health at Work and encourages the completion of Wellbeing Action Plans for our staff.

We are aware of an increase in violence towards frontline emergency workers. Sadly, KSS is not immune to this. We have a zero-tolerance approach and will support our staff and other partners in tackling this worrying social trend.

We are committed to creating an inclusive environment where our staff feel valued to be their authentic selves.

We are also committed to fair remuneration being offered to attract and retain appropriately qualified staff to lead, manage, support and deliver our services and activity in line with our purpose and values.

Staff are paid in line with pay structures as agreed by the Board of Trustees, along with any pension or other benefits. KSS conducts an annual remuneration review to recommend to the Trustees a general pay increase and any pay adjustments which considers factors such as qualification, experience, values led performance and external pay benchmarks. A number of medical staff salaries are associated to the appropriate NHS pay scales, to ensure competitive pay rates, although KSS retains full discretion with regards to application on all directly employed staff.

Our staff survey



96% are proud
to work for KSS



94% agree KSS
takes positive
action on health &
wellbeing



94% agreed that
care of patients is
our top priority

Our decision-making structure: our Committees

KSS operates an effective committee structure which reflects our strategic approach and key areas of activities, and which allows for effective governance. All Trustees are required to be members of at least one committee which meet quarterly, in advance of the Board meetings. Our committees are outlined in the table below alongside the Trustees who attend them. Each of our Committees work to a Terms of Reference approved by the Board.

Name	Purpose	Trustee members
Audit, Risk, Remuneration and Investment (ARRI) Committee	To support the Board in executing its responsibilities around risk management, internal controls, governance and compliance, coordinating financial scrutiny and oversight of all KSS funds, budgets and financial performance.	T S N Oakes (Chair) D H B Burgess P D Stewart E B Styles
Clinical Governance and Service Delivery (CGSD) Committee	To provide oversight for the Board and support the Service Delivery Team in developing and delivering strategies and plans and make recommendations to the Board on behalf of its members. The Committee will also maintain financial oversight of relevant budgets.	Prof A Rhodes (Chair) D H B Burgess N C Hall R R Lee D A J Morgan
Income Generation, Marketing and Communication (IGMC) Committee	To provide oversight to the Board in relation to the charity's Income Generation, Marketing and Communications strategies and plans. To support the teams in developing and delivering strategies and shall make recommendations to the Board on its behalf. The Committee will also maintain financial oversight of all relevant budgets.	M J Docherty (Chair) S E Appleby J B Redman
Aviation Advisory Group (AAG)	To provide direction and guidance to the Board and Executive on the options available to KSS in relation to its short-, medium- and long-term aviation strategy and critical supply partners and any other related party, contract or service. To enable the Board and SLT to make the most informed choice in the best interests of KSS.	Prof A Rhodes (Chair) D H B Burgess N C Hall R R Lee D A J Morgan T S N Oakes
Air Ambulance Promotions Ltd (AAPL)	The trading subsidiary of KSS, a registered Company limited by shares in England and Wales.	The following served as Directors during the year: D Mantz L D Harris (retired 10 th May 2022) A D Welch P J Barrett MBE (retired 7 th December 2022) T S N Oakes (appointed 7 th December 2022)

Charity Governance Code

KSS remains committed to good governance and fully embraces the Charity Governance Code, as reflected throughout this annual report. Each of our Committees and the Board has a business timetable that sits behind the terms of reference and links to the Charity Governance Code recommendations and Charity Commission guidance, ensuring that over a 12-month rolling period, each topic is given the time and consideration it requires.

Public benefit

The Trustees have complied with the duty under the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission which can be illustrated as follows:

Under the list of descriptions of purposes in the Charities Act 2011, KSS falls under the description of the advancement of health and saving lives; a broad description which extends beyond treatment and provision of care to the provision of items or services and facilities to ease suffering or assist recovery of people or provide comfort for patients.

The main activities undertaken to further our objects is the provision of expert pre-hospital emergency treatment and care. The nature of our work means the missions are often of a life-critical nature and we are proud of our world-class team of highly specialised doctors and paramedics who are driven every day by our purpose of saving lives and ensuring the best possible patient outcomes. This wide public benefit is inclusive of all. As well as the direct public benefit for those who have required our services, the wider public are reassured that the service is available in their area. Our fleet of helicopters and rapid response vehicles can transport our doctors and paramedics to our patients 24 hours a day, 365 days per year. There are times where transporting our specialised teams via ground response is more appropriate as we cover very highly populated areas of Kent, Surrey and Sussex. Weather also affects if an aircraft can be deployed, so having the option of rapid response vehicles ensures we continue to challenge ourselves to provide the best method of service delivery.

As a part of our patients often long recovery, we facilitate base visits and ongoing dialogue to enable patients to gain a greater understanding of the care they received from us. Our Patient and Family Aftercare Service continues to extend the care and support we can provide to patients and their families.

Our crews are specialists in pre-hospital emergency care, and we offer training opportunities through secondments and employment opportunities to ensure this highly specialised knowledge is shared within the wider medical community.

KSS participates in clinical audit, service evaluation and research to ensure that our communities' benefit from pre-hospital interventions led by science, and to ensure a continuous cycle of improvement and innovation. This research is shared widely across other pre-hospital service providers ensuring KSS has an impact and public benefit on both a national and international platform.

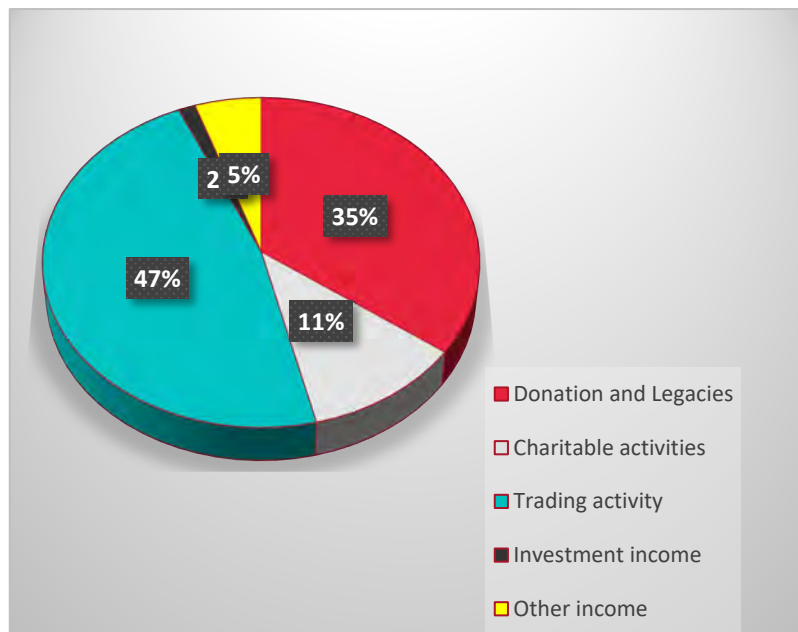
In alignment with our collaboration value, we advocate for partnership working across the sector and regularly attend Air Ambulances UK facilitated groups to come together with other Air Ambulance charities sharing learning to enhance public benefit.

We offer a wide range of volunteering opportunities which are known to have a public benefit with regards to social contact and learning new skills.

We engage with our audiences and communities through our social media channels, to share key educational messaging (e.g. in support of Restart a Heart Day) and raise the profile of our service.



Income



The post pandemic environment, the economic challenges created by global unrest and macro-economic inflationary pressures have created a very different situation for us to fundraise within.

Despite this we continue to be humbled by the continuing support of our community, with income increasing to £18.3M compared with £17.6M in 2021-2022 and an increase of 4%. The proportion of income from our supporters has increased to 88% from 87% last year.

Donations and legacies of £6.3M (2022: £6.1M) and income from the trading activities of our subsidiary Air Ambulance Promotions Limited (AAPL) of £8.7M (2022:

£8.3M), predominantly from our well supported lottery, represents 82% (2022: 82%) of our income.

Income from Fundraising and events of £1.0M (2022: £0.9M) increased by 10% on last year's performance. This is a creditable outcome considering the economic challenges our supporters are experiencing.

Investment income, while a small component of our overall income, has benefitted from the rise in bank base rates.

Expenditure

Total expenditure increased by 13.4% to £18.8M (2022: £16.6M) primarily due to the impact of inflation on the cost of flying the helicopters, including a 54% increase in fuel year on year. This also drove the majority of the increase in charitable expenditure of £1.5M (2022: increase of £0.8M).

1. The cost of raising funds increased by £0.1M to £2.9M (2022: £2.8M) primarily due to additional advertising, promotion and publicity as the income generation teams looked to consolidate and extend our visibility and support within the community.
2. The costs of trading increased by £0.6M to £1.9M (2022: £1.3M) primarily due the effect of a full year of canvassing for the lotteries and raffles in 2022-2023. This is the primary driver for the increase in trading activity in the year and is expected to contribute to the continued performance of AAPL in the coming years. Lottery membership grew through the year by 4% (2022: grew by 6%) with 101,410 plays in the weekly regular draw at the end of March 2023 (2022: 97,824). For the first time, we saw 100,000 plays in one of the weekly draws.
3. Charitable expenditure increased by 12% to £14.0M (2022: £12.4M). Direct charitable expenditure on the provision of HEMS services increased by 12% to £12.5M (2022: £11.2M), while management and administrative charges increased by £0.2M to £0.8M (2022: £0.6M), related to support costs.

Air Ambulance Promotions Ltd (AAPL)

Our trading subsidiary's turnover increased by 5% to £8.7M (2022: £8.3M). At the year end the membership of the main lottery increased by 4% to 101,410 with 59,011 (58%) of the members also entering the weekly Superdraw. The weekly draw known as 24/7 raises funds specifically for night flying and by the end of the year there were 5,149 members, (2022: 5,528). Total sales from the three weekly draws and raffles amounted to £8.7M, an increase of 6% (2022: £8.2M). At the same time the profit for the financial year decreased by 3% or £0.2M to £6.5M (2022: £6.7M). This is primarily due to the impact of the cost of a full year of canvassing. While this is a short-term shortfall, the nature of lottery subscriptions means that we hope to receive an ongoing benefit for several years from this up front expenditure.

Total merchandise and brand licensing sales amounted to £50,455 (2022: £84,011) reflecting the increasingly challenging commercial environment.

The Directors of AAPL have agreed that each year's entire profit will be gift-aided to KSS, thus leaving no amount taxable in AAPL. This amounted to £6.8M (2022: £7.0M), including the profit of £0.8M remaining at the year end.

AAPL continues to closely monitor and manage the activities of its professional fundraisers, Tower Lotteries and Purity Fundraising, taking into account the requirements of our licence with the Gambling Commission and the requirements of the Fundraising Regulator.

Managing Our Finances

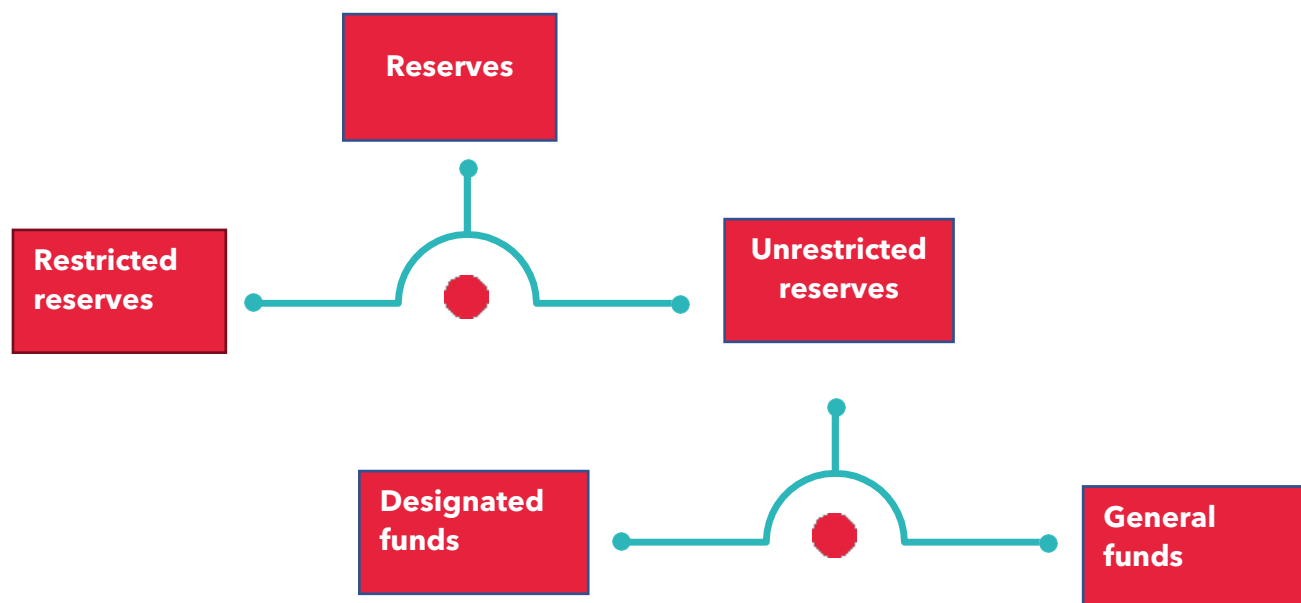
Going concern

Our Trustees have reviewed forecasts that have been sensitised to reflect various risks including the cost-of-living challenge which impacts fundraising, continuing inflationary pressures on our cost base, a sensible range of investment outcomes and specifically the post balance sheet events detailed in note 17.

Our Trustees confirm that they consider the going concern basis to remain appropriate as the charitable company has adequate resources to continue in operational existence for the foreseeable future. The risks continue to be mitigated by flexibility in our operating model, the ability to decelerate or stop strategic developments and our diverse income streams, from legacy cases in progress, the substantial lottery and plans to maximise opportunities from fundraising events, trusts and foundations, and ad-hoc raffle campaigns, supported by our continued engagement within the community.



Reserves



Reserves Policy

Our reserves policy is reviewed annually by the Audit, Risk, Remuneration and Investment (ARRI) Committee and its proposals adopted by the Trustees.

In accordance with the Charity Statement of Recommended Practice (SORP), KSS holds two types of reserves:

- Restricted reserves - specific donations including for equipment and long-term capital development.
- Unrestricted reserves - made up of designated funds and general funds.
 - Designated funds - unrestricted funds which the Trustees may from time to time set up for specific purposes. These include:
 - The fixed asset fund (currently equal to the net book value of fixed assets owned by KSS).
 - Funds allocated to long term expenditure, for instance the future helicopters fund and the property development fund.
 - General funds - unrestricted reserves to manage operational or cash flow needs and to provide contingency for unexpected events, operational requirements or patient opportunities.

Note that our future helicopters fund is supported in part by certain unquoted investments.

Policy on general funds

We are very largely reliant on fundraising and donations for our activities and our expenditure can vary depending on demand and activity. We hold reserves to mitigate these risks, plus other unexpected events.

Designated (unrestricted) funds

- The future helicopters fund stands at £11.3M (2022: £11.1M).
- The fixed assets reserves presently stand at £4.1M (2022: £4.5M) representing the net book value of assets we utilise.
- The property fund retains a balance of £1M (2022: £1M), this reflects consideration to any further building development which may be required in future.

Restricted reserves

We retained a restricted funds balance of £0.2M (2022: £0.1M) A full analysis is shown at note 14.

Changes in fixed assets

The movements in tangible fixed assets during the year are set out in note 7 to the financial statements.

Risk based approach

We have a five-year budget forecast that is reviewed at least annually. Due to the life-saving nature of our work, there is a low-risk approach taken with regards reserves, as closure of the service would be potentially catastrophic to the public we serve.

Consideration is given to the reliability of the income streams individually and over reliance on any particular income stream. We seek to further diversify our income streams to reduce overall risk of failure due to external factors affecting one of these streams e.g., the lottery.

We have a risk-based approach when reviewing our reserve levels with consideration given to future operational and capital expenditure, the level of general funds required to maintain long-term security of our activity and the current macroeconomic conditions.

Our financial state remains healthy, but Trustees are very conscious of the significant liabilities and commitments we have, especially in the leasing and operation of aircraft, and the fact that we are almost entirely reliant on public donations for our income. We received 13% (2022: 14%) of charitable activities expenditure from NHS funding.

Having regard to the above, the Board's long-term objectives and foreseeable demand-led expenditure profile, the Board recommends a target for general funds to cover up to 12 months of future forecast expenditure, subject to short-term reductions to support strategic fixed asset investments (such as the acquisition of a helicopter) and operational requirements. This sum presently stands at £17.1M (2022: £17.6M) which represents 9.2 months expenditure (2022: 10.6 months) reflecting the increased cost base.

Investment policy and performance

The ARRI Committee is charged with ensuring a suitable asset allocation strategy for the investment portfolio taking professional advice where needed.

We seek to keep sufficient cash and near cash to cover known short-term cash flow requirements and day to day working capital requirements.

Balances over the liquidity requirements may be invested longer-term in various Board approved vehicles including bank deposits, investment funds, loans and any other investments that the Board may from time to time deem to be appropriate e.g. social investments. Our Trustees have considered their appetite with regard risk and accordingly our longer-term reserves should be invested to grow at least in line with inflation to mitigate inflationary risk. They should also generate income to support our continuing activities.

Beyond that, we seek to obtain the best financial total return from our longer-term reserves, generally within a medium degree of investment risk. The horizon for the longer-term investments is up to five years but consideration is given to the portfolio of investments to ensure there remains access to funds in the short-term in order to provide any funding needs beyond our known cash flow requirements.

Investments are diversified, with the aim of avoiding over-exposure in any particular institution, although the majority of our bank deposits are currently held with a single UK National bank.

Our ethical investment policy precludes investment in tobacco and also avoids direct investment in companies that generate more than 10% of revenue from alcohol manufacture, armaments, gambling, pornography and pay day loans.

Investment performance

The Trustees consider it appropriate to hold reserves in a combination of cash, low risk investment funds (Ruffer – targeting to preserve capital and beat returns on cash deposits), and balanced risk investment funds (Evelyn Partners – targeting returns of CPI + 3%). As of 14th June 2022, Smith & Williamson changed their name to Evelyn Partners.

At the year end, KSS had an £8.5M (2022: £8.7M) portfolio with Evelyn Partners which is managed based on a multi-asset portfolio strategy which aims to achieve a combination of capital growth and income distributions over the long-term. Dividends are rolled over and there is no entry in these accounts, therefore, for investment income from this source.

Our Trustees monitored Evelyn Partners own total return as follows:

Investment Performance	Portfolio Total Return	MSCI PIMFA Balanced Index	CPI + 3%
Since inception (May 2018) to 31 st March 2023	24.76%	21.5%	40.87%

At 31st March 2023, the Ruffer holding was valued at £11.8M (2022: £11.7M). The portfolio is invested entirely in one in-house fund with the aim of delivering positive returns regardless of how the financial markets perform and at a higher rate than would be achieved by depositing funds in cash.

Our Trustees monitored Ruffer's own total return as follows:

Investment Performance	Portfolio	FTSE All-Share index	Bank rate
Since inception (March 2019) to 31st March 2023	37.9%	21.0%	3.4%

Investments may also be made as cash deposits with reputable banks and on terms between 30 days and one year, ensuring that funds are maturing on a regular basis should our short-term cash flow requirements need supplementing. We constantly monitor interest rates; which have increased on the back of the Bank of England rate changes, resulting in interest received of £50,619 (2022: £587).

The total unrealised loss from all investments amounted to £0.2M (2022: gain of £1.5M).

On 8th February 2016, we entered into a secured loan agreement with SAS (Kent) Limited to lend 50% of the purchase price, £3.079M, for the new AW169 helicopter (G-KSST) at an interest rate of 4.771% over a 10-year term. During the year, interest of £0.1M (2022: £0.1M) was accrued and paid over. At the year end the outstanding balance on the loan, including unamortised legal costs, stood at £1.6M (2022: £1.9M). The loan is secured by a charge over the helicopter.

On 21st December 2017, we entered into a second secured loan agreement with SAS (Surrey and Sussex) Limited to lend 50% of the purchase price, £3.628M for a second AW169 helicopter (G-KSSC) at an interest rate of 4.781% over a 10-year term. During the year, interest of £0.1M (2022: £0.1M) was accrued and paid over. At the year end the outstanding balance on the loan, including unamortised legal costs, stood at £2.2M (2022: £2.6M). The loan is secured by a charge over the helicopter.

At year end, KSS was in discussion with SAS (Surrey and Sussex) Limited to purchase G-KSSC, which would crystallise the loan. The deal concluded on the 1st August 2023.

Managing Risk

Furthering our charitable objectives means balancing risks and opportunities.

KSS has a three lined approach to risk management:

Operational risk management: This is embedded throughout the organisation and involves managers and staff identifying and mapping key risks and the policies, procedures and controls they have in place to mitigate these risks. The operational risk management register is held on RADAR.

Project risk management: At the inception of a major project, KSS has prepared a project initiation document (PID) which encourages a risk-based approach to project management, with potential risks being identified at an early stage and as the project is developing with appropriate mitigations from the outset. This includes the risks associated with personal data, through the completion of a data protection impact assessment where applicable.

Strategic risk management: These are risks arising from the strategy which tend to be external risks and therefore are often outside of our control, especially within one team. These risks are managed by the SLT and Board of Trustees and rely on regular horizon scanning.

Our management processes allow for a bottom up and a top-down approach to risk. They require all objectives, either strategic, project or operational, to be clarified and associated risks be identified. The risk is analysed against an agreed matrix for consistency and response to the risk documented and regularly reviewed.

Risk appetite

Risk appetite is not a single, fixed concept and KSS has developed the following risk appetite statement: "Overall, KSS has an **averse** appetite for legal, regulatory, safeguarding, health and safety and reputational risks and we will put in sufficient controls through policies, procedures and controls to manage these risks to their lowest possible levels of impact and likelihood.

KSS takes pride in its service delivery and is **cautious** in this regard to protect our core service, however, it would always seek to expand its horizons and is **open** to new ideas or approaches to compliment or improve our service, though it would not wish to be seen as unconventional and will balance this open approach to ensuring the core service is protected.

As the organisation is partly statutory funded, it seeks to diversify its income streams and is open in this regard. KSS holds significant funds in investments and has an **open** appetite to investment opportunities but the overall management of these and the delegation of financial authority will be **cautious**. KSS' investment policy addresses this appetite and states that KSS' longer-term reserves, should be invested to grow at least in line with inflation to mitigate inflationary risk. They should also generate income to support the continuing activities of KSS. Beyond that, KSS seeks to obtain the best financial total return from its longer-term reserves, generally within a medium degree of investment risk. The horizon for the longer-term investments is up to 5 years but consideration is given to the portfolio of investment to ensure there remains access to funds in the short term in order to provide any funding needs of KSS beyond its known cash flow requirements.

Where KSS is more **open** to risk, staff are expected to ensure that adequate governance, risk management and internal control is in place, but it is accepted that the residual risk may remain higher even with these measures in place. Where appetite for risk falls outside of these statements it will be escalated as required."

The most significant risks we faced in 2022-2023

As with all forms of medical interventions and transportation, Helicopter Emergency Medical Services (HEMS) carries inherent risk. We also operate blue light Rapid Response Vehicles, conduct night-time operations, and deliver innovative medical interventions outwith the hospital environment. These risks are carefully managed to a granular level and constantly reviewed to ensure we can continue to deliver our cutting edge, life-saving work. KSS encourages a strong reporting culture and established governance processes for introducing any changes to our well documented standard operating procedures. Our insurances are carefully managed to provide mitigation for the worst-case scenario.

Due to the ongoing challenges associated with the COVID-19 pandemic, coupled with global events and their impact on inflation and cost of living; a significant risk to KSS in the year was decreased income due to less disposable income within our supporter base, losses in our investment portfolio and growth in costs from general inflation and higher fuel prices. This was carefully managed throughout the year through further investment and diversification of our income generation team, focussing most efforts on initiatives providing short term cash benefits, whilst developing strategies for longer term sustainability; and looking for innovative ways to reduce our costs whilst protecting service levels.

Low unemployment across the southeast region, coupled with much of the private sector responding to inflation with large wage increases, resulted in significant wage inflation making it harder to retain and recruit staff into many roles, but particularly entry level roles. Our Trustees considered this when approving the annual remuneration award, alongside promoting all the benefits that make KSS a caring and supportive place to work.

The most significant risks we face in the year ahead

Operational

We continue to manage the inherent risks associated with managing a HEMS based operation.

Cyber-protection

The National Cyber Security Centre is regularly advising organisations on the ongoing heightened cyber threat posed to them as a result of the ongoing geo-political climate, particularly the war in Ukraine, including the growing threat to critical national infrastructure.

We have responded robustly, and mitigations include reaching our Cyber Essentials Plus accreditation in 2022-2023, but we continue to carefully monitor this ongoing threat.

Inflation

UK inflation reached its highest level in more than 30 years at the end of 2022. Reduction in income continues to be a significant risk to us achieving our five-year strategy, due to the ongoing uncertainty of the macro-economic and geo-political environment and sluggish economic growth impacting supporter's disposable income levels. Mitigation includes ongoing engagement with current supporters to maximise retention and looking at ways to re-engage lapsed supporters. We have also invested in a new IGMC structure to drive diversification of income streams and ensure we are fully maximising available opportunities, including but not limited to developing teams for Digital Marketing, Major Donor, Trust and Foundation, Corporate Partnerships and Sponsors and Community Fundraising. Many of our major costs have inflation escalation built into the contracts and this adds significant growth to our cost base. We continue to challenge suppliers and carefully manage expenditure. Our Income generation strategy has been reprioritised to provide a good balance of short- and long-term income generation to deliver mitigation of short-term impact of loss to avoid negative impact on our five-year plan; and our robust reserves planning ensures business continuity into the foreseeable future.



Statement of Trustee responsibilities

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

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and of the profit or loss of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to Auditors

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

Signed

Barney Burgess

D H B Burgess

Chair of Trustees

This report was approved by the Board on 24th January 2024 and signed on its behalf.



Independent Auditor's Report

Opinion

We have audited the financial statements of Air Ambulance Charity Kent, Surrey Sussex (the 'Charitable Company') for the year ended 31st March 2023, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom

Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31st March 2023 and of its net profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial

Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements

themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company 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 Companies Act 2006 requires us to report to you if, in our opinion:

- 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the

small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustee's responsibilities statement set out on page 59, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our

responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the recognition of revenue. Our audit procedures to respond to these risks included:

- enquiry of management about the company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance
- examining supporting documents for all material balances, transactions and disclosures
- review of the board meeting minutes
- enquiry of management and review and inspection of relevant correspondence with any legal firms
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions
- detailed testing of a sample of revenue during the year and around the year and agreeing these through to invoices and despatch records
- testing the appropriateness of a sample of significant journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements, and review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

This report is made solely to the Charitable Company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's shareholders those matters we are required to state to

them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed



Darren Rigden (senior statutory auditor)
For and on behalf of
Crowe U.K. LLP Statutory Auditor
Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH

Date: **31st January 2024**



Our Accounts

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31st MARCH 2023

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
Income:		£	£	£	£
Donations and legacies	3	6,138,708	185,513	6,324,221	6,123,466
Charitable activities	3	2,002,245	-	2,002,245	2,020,469
Trading activity	3	8,557,931	158,124	8,716,055	8,271,394
Investment income	3	250,326	-	250,326	232,195
Other income	3	1,007,898	1,500	1,009,398	915,070
Total income		17,957,108	345,137	18,302,245	£17,562,594
Expenditure:					
Raising funds	5	2,879,113	-	2,879,113	2,835,697
Charitable activities	5	13,746,892	239,859	13,986,751	12,441,288
Cost of sales trading subsidiary	5	1,902,979	28,656	1,931,635	1,298,435
Total expenditure		18,528,984	268,515	18,797,499	16,575,420
Operating (deficit) / surplus		(571,876)	76,622	(495,254)	987,174
Unrealised gains / (losses) on investments	8	(166,937)	-	(166,937)	1,503,725
Net income		(738,813)	76,622	(662,191)	2,490,899
Transfer between funds		29,401	(29,401)	-	-
Net movement in funds		(709,412)	47,221	(662,191)	2,490,899
Reconciliation of funds:					
Fund balances brought forward		34,233,017	129,949	34,362,966	31,872,067
Fund balances carried forward		33,523,605	177,170	33,700,775	34,362,966

The above statement contains all the gains and losses recognised in the current and preceding year.
All operations are continuing.

The notes on pages 51-67 form part of these financial statements

CONSOLIDATED BALANCE SHEET

31st MARCH 2023

	Notes	Total Funds 2023	Total Funds 2022
Fixed Assets:		£	£
Tangible assets	7	4,088,953	4,531,201
Investments	8	24,259,525	25,172,842
		28,348,478	29,704,043
Current Assets:			
Stocks	9	1,618	1,028
Debtors	10	714,321	1,267,447
Cash at bank and in hand	11	6,455,778	5,147,489
		7,171,717	6,415,964
CREDITORS: amounts falling due within one year	12	1,819,420	1,757,041
NET Current Assets		5,352,297	4,658,923
NET Assets		33,700,775	34,362,966
Reserves:			
Designated Funds	14	16,426,354	16,680,869
General Funds	14	17,097,251	17,552,148
Restricted Funds	14	177,170	129,949
		33,700,775	34,362,966

Approved by the Board on 24th January 2024

and signed on its behalf:

Barney Burgess

D H B Burgess

Chair of Trustees

The notes on pages 51-67 form part of these financial statements.

BALANCE SHEET

31st MARCH 2023

Registered charity no. 1021367

Registered company no. 2803242

	Notes	Total Funds 2023	Total Funds 2022
Fixed Assets:		£	£
Tangible assets	7	4,088,953	4,531,201
Investments	8	24,259,527	25,172,844
		28,348,480	29,704,045
Current Assets:			
Debtors	10	1,717,531	3,235,056
Cash at bank and in hand	11	4,666,229	2,394,015
		6,383,760	5,629,071
CREDITORS: amounts falling due within one year	12	1,031,463	970,148
NET Current Assets		5,352,297	4,658,923
NET Assets		33,700,777	34,362,968
Reserves:			
Designated Funds	14	16,426,354	16,680,869
General Funds	14	17,097,253	17,552,150
Restricted Funds	14	177,170	129,949
		33,700,777	34,362,968

Approved by the Board on 24th January 2024

and signed on its behalf:

Barney Burgess

D H B Burgess

Chair of Trustees

The notes on pages 51-67 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31st MARCH 2023

Reconciliation of NET Incoming Resources to NET Cash Inflow from Operating Activities	Total Funds 2023	Total Funds 2022
	£	£
NET Incoming Resources	(495,254)	987,174
Investment Income	(50,619)	(587)
Interest accrued on loan to SAS	(199,707)	(231,608)
(Profit) / Loss on disposal of Fixed Assets	(4,577)	(458)
Amortisation	11,975	11,975
Depreciation	476,069	503,211
(Increase) / Decrease in Stock	(590)	(152)
Decrease / (Increase) in Debtors	553,126	(746,553)
Increase / (Decrease) in Creditors	62,379	440,591
New Cash Inflow from Operating Activities	352,802	963,593
Returns on Investment		
Interest received	50,619	587
Capital Expenditure and Financial Investments		
Purchases of Tangible Fixed Assets	(33,821)	(106,590)
Proceeds from Disposal of Tangible Fixed Assets	4,577	2,967
Investments made in year	(24,625)	(25,700)
Loan repayments received	958,737	884,988
NET Cash Flow from Capital Expenditure and Financial Investments	904,868	755,665
NET Cash Inflow	1,308,289	1,719,845
Cash at Bank and in Hand		
Opening Balance at 1 st April 2022	5,147,489	3,427,644
NET Cash Inflow for the year	1,308,289	1,719,845
Closing Balance at 31st March 2023	6,455,778	5,147,489

Notes to the financial statements

1. Accounting Policies

General Information

The principal activity of the charity is to relieve sick and injured people in South East England and surrounding areas by providing a Helicopter Emergency Medical Service (HEMS) and Air Ambulance service for the benefit of the community.

The charity is incorporated and domiciled in the UK. The address of its registered office is

**Air Ambulance Building
Rochester City Airport
Maidstone Road
Chatham
Kent ME5 9SD**

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

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) - (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees have taken notice of the Financial Reporting Council guidance, which

requires the reasons for this decision to be explained. The Trustees regard the going concern basis as remaining appropriate for the reasons outlined in the Trustees report. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

b) Basis of consolidation

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

In accordance with Section 408 of the Companies Act 2006, KSS has not presented its statement of financial activities. The excess of income over expenditure of KSS was £0.66M (2022: £2.49M).

c) Fund accounting Designated Funds

Unrestricted funds that are earmarked for a particular purpose by the Trustees. The aim and use of each designated fund are set out in note 14.

General Funds

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

Restricted Funds

Funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund are set out in note 14.

Investment income and gains or losses on quoted investments are allocated to general funds, unless otherwise stated.

d) Incoming resources

All incoming resources are included in the SOFA when KSS is legally entitled to the income and the amount can be quantified with reasonable

accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to KSS where this can be quantified, and a third party is bearing the cost.

A corresponding charge is made to the relevant overhead account. No amounts are included in the financial statements for services donated by volunteers.

e) Resources expended

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

Fundraising and publicity costs are those incurred in seeking voluntary contributions and do not include the cost of disseminating information in support of the charitable activities.

Charitable expenditure is that expenditure directly in connection with the objects of the Charity and includes management and support costs.

f) Tangible fixed assets and depreciation

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

Leasehold improvements	straight line over the term of the respective lease.
Plant and equipment	10% on cost
Office equipment	20% on cost

Computer equipment	25% on cost
Helicopter equipment	20% on cost
Motor vehicles	25% on cost

g) Investments

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

Unlisted investments (including investments in subsidiaries) are measured at cost less accumulated impairment.

Loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

h) Stock

Stock consists of purchased goods for resale.

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

i) Value added tax

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

j) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Details of operating lease commitments are as shown in note 6.

k) Pensions

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

l) Corporation tax

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

m) Liabilities

Liabilities are recognised when KSS has an obligation to make payment to a third party.

n) Financial instruments

KSS only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of loans which are subsequently measured at amortised cost using the effective interest method.

2. Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The charity may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting

estimates will, by definition, seldom equal the related actual results.

The principal areas where judgement was exercised are as follows:

- i) **Tangible and intangible fixed assets:** The Trustees annually assess both the residual value of these assets and the expected useful life of such assets which is currently judged to be up to 10 years, based on experience.
- ii) **Accrued legacy income:** Management judgements are required to estimate a suitable amount of legacy income to accrue at the reporting date. The amount is calculated based on the conditions set out in the Charity SORP (FRS 102).
- iii) **Going concern:** The Trustees use budgets and forecasts when concluding upon the going concern assertion when preparing the financial statements. These forecasts have estimates and judgements included throughout but are based on the historic performance of the charity and expected future income and expenditure.



3. Incoming Resources

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
Donations and Legacies:	£	£	£	£
Donations (not arising from events)	1,885,839	146,859	2,032,698	2,541,697
Legacies & in Memorium	4,149,328	38,654	4,187,982	3,461,080
Collection Boxes	103,541	-	103,541	120,689
	6,138,708	185,513	6,324,221	6,123,466
Charitable activities:				
Intangible income - cars loaned by sponsor	4,390	-	4,390	-
Intangible income - drugs & medical consumables	12,496	-	12,496	14,065
Intangible income - armed forces, doctors' salaries	29,143	-	29,143	58,286
Clinical staff funded by NHS	1,800,000	-	1,800,000	1,800,000
Other charitable income	5,225	-	5,225	-
Lease income	147,206	-	147,206	147,598
Profit/(Loss) on disposal of fixed assets	4,577	-	4,577	458
Exchange rate gains/(loss)	(792)	-	(792)	62
	2,002,245	-	2,002,245	2,020,469
Income from Trading Subsidiary	8,557,931	158,124	8,716,055	8,271,394
Investment income				
Bank deposit interest	11,514	-	11,514	343
Interest on loan	199,707	-	199,707	231,608
Bank deposit interest - trading subsidiary	39,105	-	39,105	244
	250,326	-	250,326	232,195
Other income				
Group fundraising and events	1,007,898	1,500	1,009,398	915,070
TOTAL INCOME	17,957,108	345,137	18,302,245	17,562,594

4. Net Income from Trading Activities of Subsidiary

KSS has one trading subsidiary that is incorporated in the UK, Air Ambulance Promotions Limited (registered no. 02674568). KSS owns 100% of the issued share capital of the company. A summary of its trading results is shown below:

	Total Funds 2023	Total Funds 2022
	£	£
Turnover	8,716,055	8,271,394
Cost of Sales	1,872,483	1,234,697
Gross Profit:	6,843,572	7,036,697
Interest receivable	39,104	244
	6,882,676	7,036,941
Less overheads		
Administrative expenses	59,152	63,738
Income from subsidiary	6,823,524	6,973,203
Comprising:		
General Funds	6,694,056	6,832,916
Restricted Funds	129,468	140,287
Total income from subsidiary	6,823,524	6,973,203

Air Ambulance Promotions Limited gift aided the year-end profit of £6,823,524 (2022: £6,973,203) to KSS and this was paid by 14th July 2023.

5. Analysis of Total Resources Expended

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
Raising Funds:	£	£	£	£
Staff Costs	1,707,141	-	1,707,141	1,626,388
Consultancy Fees	55,695	-	55,695	47,175
Advertising, promotion and publicity	200,185	-	200,185	138,642
Other Costs	916,092	-	916,092	1,023,492
	2,879,113	-	2,879,113	2,835,697
Direct Charitable Expenditure:				
Air Ambulance running costs	8,399,748	219,859	8,619,607	7,583,620
Paramedics Costs	1,295,228	-	1,295,228	1,197,694
Clinical Managers	429,221	-	429,221	461,344
Doctors	1,236,070	-	1,236,070	1,225,688
Operational Employees	595,719	-	595,719	410,695
Research and Education	191,555	20,000	211,555	160,293
Dep'n of Helicopter Equipment	150,057	-	150,057	148,760
	12,297,598	239,859	12,537,457	11,188,094
Management and Administration				
Staff Costs	426,258	-	426,258	398,876
Professional Fees	46,681	-	46,681	44,409
Other Costs	284,120	-	284,120	196,339
	757,059	-	757,059	639,624
Supporting Costs and Depreciation				
Property Expenses	488,175	-	488,175	397,272
Depreciation	204,060	-	204,060	216,298
	692,235	-	692,235	613,570
Total Charitable Expenditure	13,746,892	239,859	13,986,751	12,441,288
Trading Subsidiary Cost	1,902,979	28,656	1,931,635	1,298,435
TOTAL EXPENDITURE	18,528,984	268,515	18,797,499	16,575,420

6. Total Resources Expended

Total resources expended is stated after charging:

	Total Funds 2023	Total Funds 2022
	£	£
Auditors' remuneration - as auditors	19,450	19,450
- for taxation services	1,000	1,000
- for professional advice provided	16,786	6,965
Operating leases		
- land and buildings	240,661	178,538
- helicopter (including pilotage standing charges)	5,834,335	5,407,638
- cars	25,892	34,545
- office equipment	21,482	27,370
Depreciation	476,069	503,211
Staff costs	2023	2022
	£	£
Wages and salaries	3,134,814	2,988,625
Social security costs	309,462	278,036
Pension costs	311,182	297,913
	3,755,458	3,564,574

The average number of employees excluding Trustees, analysed by function was:	2023	2022
Management and administration	19	17
Fundraising and publicity	34	36
Direct charitable expenditure, including secondees and emeritus	52	56
	105	109

The average number of full-time equivalent number of staff is 82 (2022:90) including 61 full time (2022:74) and 43 part time (2022: 35). Of this number 19 (2022: 31) FTE are secondees.

11 (2022: ten) employees earned more than £60,000 during the year in bandings as follows:

	2023	2022
£60k - £70K	1	2
£70k - £80K	7	4
£80k - £90K	-	1
£90K - £100K	2	2
£150K - £160K	1	-
£160K - £170K	-	1

The total amount of employee benefits received by the 9 (2022: six) members of the Senior Leadership team was £853,064 (2022: £661,297).

Included within direct charitable expenditure is the cost of staff not directly employed by KSS. This mainly relates to the cost of doctors on board the helicopters who are employed directly by the NHS and the military £799,982 (2022: £840,759) and NHS Clinical Managers and Paramedics £1,155,284 (2022: £1,042,494).

7. Tangible Fixed Assets

Group and Charity	Redhill Base	Helicopter Equipment (Incl plant)	Motor Vehicles	Computer Equipment	Office Equipment	Rochester Base	Total
Cost	£	£	£	£	£	£	£
At 1 st April 2022	2,411,323	1,161,817	227,927	328,980	183,722	2,362,369	6,676,138
Additions	-	20,344	5,582	7,895	-	-	33,821
Disposals	-	(21,012)	-	-	-	-	(21,012)
At 31st March 2023	2,411,323	1,161,149	233,509	336,875	183,722	2,362,369	6,688,947
Depreciation							
At 1 st April 2022	422,126	712,747	133,262	275,980	147,686	453,136	2,144,937
Disposals	-	(21,012)	-	-	-	-	(21,012)
Charge for the year	99,278	150,057	41,065	36,224	29,782	119,663	476,069
At 31st March 2023	521,404	841,792	174,327	312,204	177,468	572,799	2,599,994
NET book values at							
31st March 2023	1,889,919	319,357	59,182	24,671	6,254	1,789,570	4,088,953
31st March 2022	1,989,197	449,070	94,665	53,000	36,036	1,909,233	4,531,201

8. Fixed Asset Investments

Group	Listed Investments	Unlisted Investments	Total
Market Value	£	£	£
At 1 st April 2022	20,451,008	4,721,834	25,172,842
Additional Investment in Year	24,625	-	24,625
Interest Accrued	-	199,707	199,707
Repayment of Loans	-	(958,737)	(958,737)
Amortisation	-	(11,975)	(11,975)
Increase/(Decrease) in valuation	(166,937)	-	(166,937)
At 31st March 2023	20,308,696	3,950,829	24,259,525

Charity	Shares in Subsidiary Company	Listed Investments	Unlisted Investments	Total
Market Value	£	£	£	£
At 1 st April 2022	2	20,451,008	4,721,834	25,172,844
Additional Investment in Year	-	24,625	-	24,625
Interest Accrued	-	-	199,707	199,707
Repayment of Loans	-	-	(958,737)	(958,737)
Amortisation	-	-	(11,975)	(11,975)
Increase/(Decrease) in valuation	-	(166,937)	-	(166,937)
At 31st March 2023	2	20,308,696	3,950,829	24,259,527

Group and Charity	Original Cost	Total
Listed investments comprise the following:	£	£
Evelyn Partners Portfolio	7,050,325	8,490,830
Ruffer LLP Portfolio	9,000,000	11,817,866
	16,050,325	20,308,696
Unlisted investments comprise the following:	2023	2022
	£	£
Helicopter Loans	3,825,829	4,596,834
Enterprise Investment	125,000	125,000
	3,950,829	4,721,834
	2023	2022
Movement on listed investments	£	£
Market Value at the Beginning of Year	20,451,008	18,921,583
Additions in Year	24,625	25,700
	20,475,633	18,947,283
Market Value at End of Year	20,308,696	20,451,008
Increase/(Decrease) in value	(166,937)	1,503,725
Subsidiary Balance Sheet	2023	2022
The Assets and Liabilities of the subsidiary were:	£	£
Current Assets		
Stock	1,618	1,028
Debtors	523,157	534,981
Cash at Bank	1,789,549	2,753,474
	2,314,324	3,289,483
Creditors: Amounts Falling Due Within One Year	2,314,322	3,289,481
	2	2
Capital and reserves:		
Called up share capital	2	2
Profit and loss account	-	-
	2	2

Air Ambulance Promotions Limited gift aided to the charity the profits of £794,557 on 14th July 2023 (2022: £1,337,388) and all loans and monies due by Air Ambulance Promotions Limited to KSS are secured by a first floating charge created on 30th March 1994 on the subsidiary company's assets.

9. Stocks

	Charity		Group	
	2023	2022	2023	2022
	£	£	£	£
Goods for resale at cost	-	-	1,618	1,028

10. Debtors

	Charity		Group	
	2023	2022	2023	2022
	£	£	£	£
Trade Debtors	55,903	246,732	60,358	251,999
Current Account with Subsidiary	1,526,365	2,502,590	-	-
Other Debtors	588	1,928	159,341	108,046
Prepayments and Accrued Income	134,675	483,806	494,622	907,402
	1,717,531	3,235,056	714,321	1,267,447

11. Cash in Hand and at Bank

	Charity		Group	
	2023	2022	2023	2022
	£	£	£	£
Investment Deposit Accounts	104,329	103,688	104,329	103,688
Other Bank Accounts	4,561,121	2,289,971	6,350,655	5,043,430
Petty Cash	779	356	794	371
	4,666,229	2,394,015	6,455,778	5,147,489

12. Creditors: Amounts Falling Due Within One Year

	Charity		Group	
	2023	2022	2023	2022
	£	£	£	£
Trade Creditors	505,648	572,261	581,862	649,899
Other Taxation and Social Security	129,059	102,524	129,059	102,524
Other Creditors	44,798	23,597	44,798	23,597
Accruals and Deferred Income	351,958	271,766	1,063,701	981,021
	1,031,463	970,148	1,819,420	1,757,041

13. Financial Instruments

Financial Assets	Charity		Group	
	2023	2022	2023	2022
	£	£	£	£
Financial Assets Measured at Amortised Cost	30,337,184	30,398,789	30,763,575	30,761,056

Financial Liabilities	Charity		Group	
	2023	2022	2023	2022
	£	£	£	£
Financial Liabilities Measured at Amortised Cost	865,017	813,570	949,651	900,956

Financial assets measured at amortised cost comprise cash at bank, trade debtors, loans to SAS and listed investments.

Financial Liabilities measured at amortised cost comprise trade creditors, and accruals.

14. Analysis of Funds

Unrestricted Designated and General Funds

The Unrestricted funds are available for the purposes of KSS, to be spent as the Trustees see fit to meet the objectives of KSS. An element of these funds, £16,426,354 (2022: £16,680,869) has been defined as designated funds and earmarked for future helicopter acquisition, property relocation and supporting the net book value of the fixed assets. A full analysis is detailed below. The balance of £17,097,251 (2022: £17,552,148) has been classified as General funds.

The General funds are not specifically earmarked but equate to 9.2 months of expenditure and are used to further the objectives of KSS.

Designated Funds	As at 31 st March 2022	Utilised / Released	New Designations	As at 31 st March 2023
	£	£	£	£
Fixed Assets	4,531,201	(476,069)	33,821	4,088,953
Property Relocation	1,000,000	-	-	1,000,000
Future Helicopters	11,149,668	(11,975)	199,708	11,337,401
	16,680,869	(488,044)	233,529	16,426,354

The Fixed Assets fund is the net book value of Fixed Assets.

The Property Relocation fund is an amount set aside as a contribution toward the potential cost of relocation if the charity, were it required to move either of its bases.

The future helicopter fund includes the value of the loans made to SAS for their acquisition of two AW169 helicopters - £6.7M - plus the legal costs incurred of £0.1M. The legal costs are being amortised over the term of each loan and are charged to the fund, whilst the interest received on those loans during the period is added to the fund.

Movements in Funds

Group	General	Designated	Total Unrestricted	Restricted	Total Funds 2023	Total Funds 2022
	£	£	£	£	£	£
Balance at 1 st April 2022	17,552,148	16,680,869	34,233,017	129,949	34,362,966	31,872,067
Total Income	17,723,580	233,528	17,957,108	345,137	18,302,245	17,562,594
Total Expenditure	(18,040,941)	(488,043)	(18,528,984)	(268,515)	(18,797,499)	(16,575,420)
(Loss)/gain on investments	(166,937)	-	(166,937)	-	(166,937)	1,503,725
Transfers between funds	29,401	-	29,401	(29,401)	-	-
Balance at 31st March 2023	17,097,251	16,426,354	33,523,605	177,170	33,700,775	34,362,966

Charity	General	Designated	Total Unrestricted	Restricted	Total Funds 2023	Total Funds 2022
	£	£	£	£	£	£
Balance at 1 st April 2022	17,552,150	16,680,869	34,233,019	129,949	34,362,968	31,872,069
Total Income	15,820,600	233,529	16,054,129	316,481	16,370,610	16,264,159
Total Expenditure	(16,137,961)	(488,044)	(16,626,005)	(239,859)	(16,865,864)	(15,276,985)
(Loss)/gain on investments	(166,937)	-	(166,937)	-	(166,937)	1,503,725
Transfers between funds	29,401	-	29,401	(29,401)	-	-
Balance at 31st March 2023	17,097,253	16,426,354	33,523,607	177,170	33,700,777	34,362,968

Analysis of Net Assets Between Funds

Group	General	Designated	Total Unrestricted	Restricted	Total Funds 2023	Total Funds 2022
	£	£	£	£	£	£
Tangible Fixed Assets	-	4,088,953	4,088,953	-	4,088,953	4,531,201
Investments	11,922,124	12,337,401	24,259,525	-	24,259,525	25,172,842
Cash	6,278,608	-	6,278,608	177,170	6,455,778	5,147,489
Other Assets and Liabilities	(1,103,481)	-	(1,103,481)	-	(1,103,481)	(488,566)
	17,097,251	16,426,354	33,523,605	177,170	33,700,775	34,362,966

Charity	General	Designated	Total Unrestricted	Restricted	Total Funds 2023	Total Funds 2022
	£	£	£	£	£	£
Tangible Fixed Assets	-	4,088,953	4,088,953	-	4,088,953	4,531,201
Investments	11,922,126	12,337,401	24,259,527	-	24,259,527	25,172,844
Cash	4,489,059	-	4,489,059	177,170	4,666,229	2,394,015
Other Assets and Liabilities	686,068	-	686,068	-	686,068	2,264,908
	17,097,253	16,426,354	33,523,607	177,170	33,700,777	34,362,968

Restricted Funds

Group & Charity	As at 31 st March 2022	Income Resources	Resources Expended	Transfers between Funds	As at 31 st March 2023
	£	£	£	£	£
Training centre	15,208	-	-	-	15,208
Night flying	-	158,124	(158,124)	-	-
Fidelity mannequins - Training	22,965	-	-	-	22,965
Ultrasound	7,031	-	-	-	7,031
Autopulse – cardiac support pump	7,500	-	-	-	7,500
Compact suction units	238	1,507	(783)	-	962
Load bearing vests	1,100	-	-	-	1,100
Rescue warming mats	371	-	-	-	371
Research and innovation - whole blood	-	5,000	-	-	5,000
Critical Care Fund Blood and Plasma	-	12,000	(12,000)	-	-
Training equipment	11,098	-	-	-	11,098
Lions equipment	2,038	2,410	-	(2,038)	2,410
Tempus Pro Monitor	4,004	37,112	-	-	41,116
Ventilator	26,795	13,984	-	(13,538)	27,241
Helicopter	4,000	20	-	-	4,020
Fuel costs	-	8,896	(8,896)	-	-
Equipment	-	23,790	(6,361)	(10,281)	7,148
Drones project	-	20,000	(20,000)	-	-
Community Response Fund	20,000	17,000	(20,000)	-	17,000
Sussex area support	-	45,294	(38,294)	-	7,000
Rapid Response	7,601	-	(4,057)	(3,544)	-
	129,949	345,137	(268,515)	(29,401)	177,170

The transfer of funds amounting to £29,401 includes the capitalised items:

- **Lions equipment** - £2,038 Blue light conversion for RRV
- **Ventilator** - £13,538 Draeger Oxylog 3000 plus with helicopter mounting bracket
- **Equipment** - £10,281 Flying helmets
- **Rapid Response** - £3,544 Blue light conversion for RRV

Restricted funds

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

Training centre fund	Grant received from the Libor Fund for the development of a Hi Fidelity training centre
Night flying fund	Receives the profit from the 24/7 weekly draw operated by Air Ambulance Promotions Limited and other donations. The funds are used in support of the night flying operations
Fidelity mannequins fund	Donations specifically for the purchase of high fidelity mannequins
Ultrasound fund	Donations and grants for ultrasound diagnostic equipment
Autopulse - cardiac support fund	Donations and grants towards the costs of cardiac support pumps
Compact suction units fund	Donations specifically for the purchase of compact suction units
Load bearing vests fund	Donations for the on-going cost of load bearing vests used by the crew
Rescue warming mats fund	Donations given for the purchase of rescue warming mats
Research and innovation - whole blood fund	Funds received to support the evaluation of the use of whole blood in HEMS
Critical Care Fund Blood and Plasma	Funds received to support the current use of plasma and blood products
Training equipment fund	Donations and grants received to buy medical training equipment
Lions equipment	Donations from the Lions Club International.
Tempus Pro Monitor fund	Donations and grants provided to support the purchase of a Tempus ALS system
Ventilator fund	Donations and grants provided to support the purchase of ventilators
Helicopter	Donations and grants provided to support the cost of helicopter provision
Fuel cost fund	Donations and grants provided to support the cost of fuel in flying missions
Equipment	Donations and grants provided to support the purchase of medical and helicopter equipment
Drones project	Donations and grants provided to support the evaluation of drones in emergency medical service
Community Response fund	Donations and grants to support the development of new community projects such as Patient and Family Aftercare and prevention and education training to equip our communities to provide critical first response

Sussex area support	Donations and grants provided to support the cost of HEMS provision in the Sussex area
Rapid Response	Donations and grants provided to support the purchase of Rapid Response Vehicles

15. Operating Lease Commitments

At the balance sheet date, the charity's full commitments over the term of each operating lease or, as in the case of the Redhill Hangar 10 until the next break clause of 13th March 2027, were as follows:

	1 year or less	2 to 5 years	More than 5 years	Total commitments
	£	£	£	£
Land & Buildings	-	-	-	-
Redhill Hangar 10	220,000	649,753	-	869,753
Rochester	20,000	80,000	205,315	305,315
	240,000	729,753	205,315	1,175,068
Aviation capability	5,509,616	22,038,462	1,856,665	29,404,743
Vehicles	21,561	4,028	-	25,589
Office Equipment	1,272	-	-	1,272
Total Lease Commitments	5,772,449	22,772,243	2,061,980	30,606,672

Expiry date:

Rochester	2 nd July 2038
Redhill Hangar 10	12 th March 2042
Helicopters KSSC and KSST	31 st July 2028

Length of unexpired leases at 31st March 2023:

Redhill Hangar 10	18.96 years
Rochester	15.25 years
Helicopters KSST and KSSC	5.33 years

16. Related Party Transactions

The following related party transactions took place with AAPL in the year:

	2023	2022
	£	£
Gift aided lottery and Raffle profits	5,753,179	5,404,286
Gift aided AAPL Profits	794,557	1,337,388
Total gift aided donations	6,547,736	6,741,674
Recharges for Staff costs	246,157	197,501
Recharges for property and administration	29,631	34,028
Total Recharges	275,788	231,529

During the year to 31st March 2023, £28,500 was paid to Barretts Mini, a member of Barretts of Canterbury Ltd of which Paul Barrett is owner and Managing Director for the purchase of one car which was the first prize in the 'Win a Car' raffle sponsored by Air Ambulance Promotions Limited. During the campaign, Barretts Mini also loaned KSS a Mini free of charge the value of which is estimated at £4,390.

During the year to 31st March 2023, TWM Solicitors LLP, a limited liability partnership of which Patrick Stewart is an equity member made a donation of £1,473.83.

During the year to 31st March 2023, Jane Redman gave a donation of £147.50 including gift aid, and purchased £21 of merchandise. Sue Appleby contributed £77 through participation in our lottery and raffle.

Trustee Expenses

Six Trustees were paid a total of £961 expenses during the year (2022: £551).

Included in Management and Administration costs is the cost of Trustees' liability insurance (including professional indemnity cover) amounting to £6,130 (2022: £6,366).

17. Post Balance sheet Events

Purchase of G-KSSC

On 1st August 2023 KSS concluded a deal to purchase the helicopter G-KSSC from SAS for £8.0M as part of a wider amendment to our services agreement which helps deliver our ambition to move to an operation consisting of one aircraft flying 24hrs per day and a second for 18hrs. This also provides KSS with a long-term asset for use beyond the previous lease end date of 2028, helping to secure our future service delivery.

The helicopter will continue to be operated and maintained by SAS under the service agreement in place, modified to reflect the change in ownership.

Helicopter services provider

In December 2023, the provider of KSS' helicopter services became subject to an acquisition which, if successful, would provide continuity of service to KSS, but at a materially higher annual cost. Given the level of reserves held this would not impact upon the going concern assessment. If the acquisition is unsuccessful, this will leave KSS without a helicopter provider in the short term.

Throughout, KSS has evaluated this offer against other long-term options. These include retendering its existing contract or accelerating its strategic aim to construct its own Air Operator Certificate (AOC) which will provide greater future certainty and mitigate cost.

If unsuccessful, KSS would seek an alternative supplier to provide an interim service should this be required and has developed a robust plan to support this eventuality. During any period of aircraft provision interruption, KSS will continue to deliver its lifesaving service 24/7 through the deployment of its rapid response vehicles, in co-ordination with our emergency services stakeholders.

Providing these solutions are implemented within a reasonable timeframe, KSS does not anticipate any reduction in its current income in either scenario and will seek further public support to deliver any transition.

KSS' ownership of the helicopter G-KSSC is unaffected by this event and the outstanding loan to the helicopter service provider secured on aircraft G-KSST is expected to be fully recovered should that be necessary.

Trustees continue to scrutinise the details of all options, the impact on the current five-year strategy, and any funding implications. Trustees are committed to ensuring an optimal outcome which is in the charity's and beneficiary's best interests. This will secure an even more resilient long-term provision of service that will continue to save more lives and ensure the best possible outcomes for our patients. Based on all of the foreseeable scenarios Trustees remain confident of the going concern basis of the Charity.





AIR AMBULANCE CHARITY
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