

The Dorset & Somerset Air Ambulance Charity
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 March 2022

Company Number: 03893356
Charity Registered in England and Wales Number: 1078685

The Dorset & Somerset Air Ambulance Charity

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The Dorset & Somerset Air Ambulance Charity

Reference and Administrative Details

For the Year Ended 31 March 2022

Trustee Directors	Dr G Bryce (Chair) S Day W Green S Heyes S Jones R Kennedy T Killen A Phillips
Secretary	C Launchbury
Chief Executive Officer	W Sivewright (until 23/06/2022) C Hackett (from 23/06/2022)
Deputy Chief Executive	J Plowden (from 1 April 2021)
Finance Manager	C Routley
Lottery Manager	C Guy
Charity Number	1078685
Company Number	03893356
Principal Address and Registered Office	Landacre House Castle Road Chelston Business Park Wellington Somerset TA21 9JQ
Auditors	Albert Goodman LLP Goodwood House Blackbrook Park Avenue Taunton Somerset TA1 2PX
Bankers	National Westminster Bank Plc South West RCSC 740 Waterside Drive, Aztec West Almondsbury, BS99 5BD Virgin Money Jubilee House Gosforth Newcastle upon Tyne, NE3 4PL Aldermore 6 th Floor, The Monument Building 11 Monument Street London, EX3R 8AF

The Dorset & Somerset Air Ambulance Charity

Reference and Administrative Details

For the Year Ended 31 March 2022

Cambridge & Counties Bank
Charnwood Court
5B New Walk
Leicester, LE1 6TE

Cambridge Building Society
PO Box 232
51 Newmarket Road
Cambridge, CB5 8FF

Close Brothers Treasury
4th Floor, 10 Crown Place
London, EA2A 4FT

Hampshire Trust Bank
Savings
PO Box 74003
London, EC2P 2QR

Hodge Bank
One Central Square
Cardiff, CF10 1FS

Saffron Building Society
Saffron House
1a Market Street
Saffron Walden
Essex, CB10 1HX

United Trust Bank Limited
One RopeMaker Street
London, EC2Y 9AW

Investment Advisors

Brewin Dolphin
Vantage Point
Woodwater Park
Pynes Hill
Exeter, Devon, EX2 5FD

Rathbones Investment Management
The Senate, Southernhay Gardens
Exeter, Devon, EX1 1UG

Smith & Williamson
Portwall Place
Portwall Lane
Bristol, BS1 6NA

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2022

The Trustees, who are also directors of the Charity for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 March 2022. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Charity's governing document and the Statement of Recommended Practice (SORP FRS 102- implemented 1 January 2019).

The full name of the Charity is The Dorset & Somerset Air Ambulance Charity. It was incorporated 13 December 1999 as a company limited by guarantee. Its company registration number is 03893356. Its Charity registration number is 1078685. The registered office is Landacre House, Castle Road, Chelston Business Park, Wellington, Somerset, TA21 9JQ.

References and Administrative Details

Administrative information is given in a separate section at the front of these accounts.

Directors and Trustees

The directors of the Company are the Charity's trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year-end are as follows:

- Dr G Bryce (Chair)
- S Day (Appointed 14/09/2021)
- M Gallagher (Resigned 15/06/2021)
- W Green (Appointed 14/09/2021)
- S Heyes (Appointed 14/09/2021)
- S Jones
- R Kennedy
- T Killen (Appointed 14/09/2021)
- H Nobbs (Resigned 14/09/2021)
- A Phillips
- R Popper (Resigned 14/09/2021)
- D Senior (Resigned 24/07/2022)
- G Taylor (Resigned 15/06/2021)

None of the Trustees have any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

Structure Governance and Management

Governing Document

The Dorset & Somerset Air Ambulance Charity (DSAA) is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association. It has a dormant subsidiary company, Dorset & Somerset Air Ambulance (Trading) Limited (Company registration number 03861464).

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2022

The Board

DSAA is controlled by a Board of Trustees embracing a balanced spectrum of skills and experience including healthcare, aviation, legal, business, finance, charities and local affairs. The Charity follows good practise for the recruitment of new Trustees which facilitates both personal referrals and professional recruitment, and enables both Trustees and candidates to make proper assessments before appointment. Trustees are appointed in accordance with the DSAA constitution and fulfil their responsibilities in accordance with clearly defined and approved Terms of Reference. The Board comprises a Chair and up to twelve other trustees. It has two sub committees responsible respectively for staffing & remuneration and for finance. It is policy to maintain a balance in county representation on the Board.

In line with the Charity Governance Code recommendation "...an external evaluation every three years...", the Charity commissioned a comprehensive independent review of its governance structure and its policy framework during 2019. The purpose of the review was to develop best practise against nationally recognised benchmarks, provide an opportunity to stop and reflect as part of continued development and to strengthen governance practise further. The review concluded that the Charity has "hugely impressive Governance". Despite the very positive findings of the review, a number of areas of governance have been further improved since and, in February 2021, the Trustees conducted a workshop to review and confirm the specific areas of trustee recruitment, decision-making and appraisal.

The Board maintains close liaison with Southwestern Ambulance Services NHS Foundation Trust (SWASFT) on all aspects of medical provision and governance and with Specialist Aviation Services (SAS) on all aviation matters. These two bodies are directly involved in the operational governance of all charitable activities and, through the executive, provide the Board with professional advice on all operational matters.

Risk Management

The principal risks to which the Charity is exposed are set out in its Risk Management Strategy which is supported by a Risk Matrix which includes all identified risks. The matrix presents a high-level overview of the identified risks' status, including the probability and impact of occurrence, mitigation measures and the person responsible for managing the risk. The Strategy is reviewed by the Executive on an annual basis and by the Board on a three-yearly cycle unless there has been a significant change. The Risk Matrix is reviewed quarterly, at each meeting of the Board, newly identified risks are added and risk levels reviewed. In this way the Board maintains oversight of identified risks and is can satisfy itself that proper measures and systems are in place to mitigate or eliminate those risks and that appropriate insurance cover is obtained. The frequency of this review ensures that trends can be identified early and that contemporary external issues that might affect the risk status for the Charity can be considered and addressed in a timely fashion.

Employees and Volunteers

The Charity is managed by full and part-time staff of 20 (17 full time equivalents), including 5 fundraisers a lottery management team of 4, and 104 volunteers. The day-to-day management of the charity and its finances is delegated to the key management personnel, who the Trustees consider to be the Chief Executive Officer, the Deputy Chief Executive Officer, the Finance Manager and the Lottery Manager.

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2022

Remuneration of Key Personnel

The Employment & Remuneration Committee, consisting of the Chair and 2 Trustees, is responsible to the Board for an annual review of the staffing levels, contracted terms of engagement and remuneration levels of all salaried staff of DSAA. Salary levels for all staff are considered in line with regional and sector norms set against the levels of responsibility expected within a role. The Committee also reviews benefits that affect volunteers, such as mileage allowance. The Committee considers the annual pay review in line with the draft annual budget for the Charity and makes recommendations to the Board.

Working with Volunteers

The Charity is extremely well supported by 104 volunteers. They perform a wide range of invaluable duties on behalf of the Charity including giving talks, supporting events, servicing collection boxes and running information/merchandise stalls.

Our volunteers have a thorough induction to the charity with one of the community fundraisers. The volunteers have access to the Charity Handbook which has all the relevant and essential information that they need when volunteering with the charity. The community fundraisers are their main point of contact and provide ongoing support, training and regular catch-up meetings.

We believe that our volunteers represent much more than just a "labour source". They are our eyes, ears and voices in the communities we serve. Their interaction with others in their communities helps to raise awareness and boost support for the Charity across Dorset and Somerset. They also provide us with an excellent feedback mechanism, helping us to shape our approach to volunteering, fundraising and general operations. Without our volunteers, the Charity would not be able to raise the funds required to provide the air ambulance service nor engage as effectively with the community we serve.

To support them in this role, and recognising that some fall into vulnerable categories, we have maintained contact by telephone and email throughout the periods of restrictions due to coronavirus. This has helped to sustain their morale and engagement, as well as to prepare for face to face activities.

The Dorset & Somerset Air Ambulance Charity

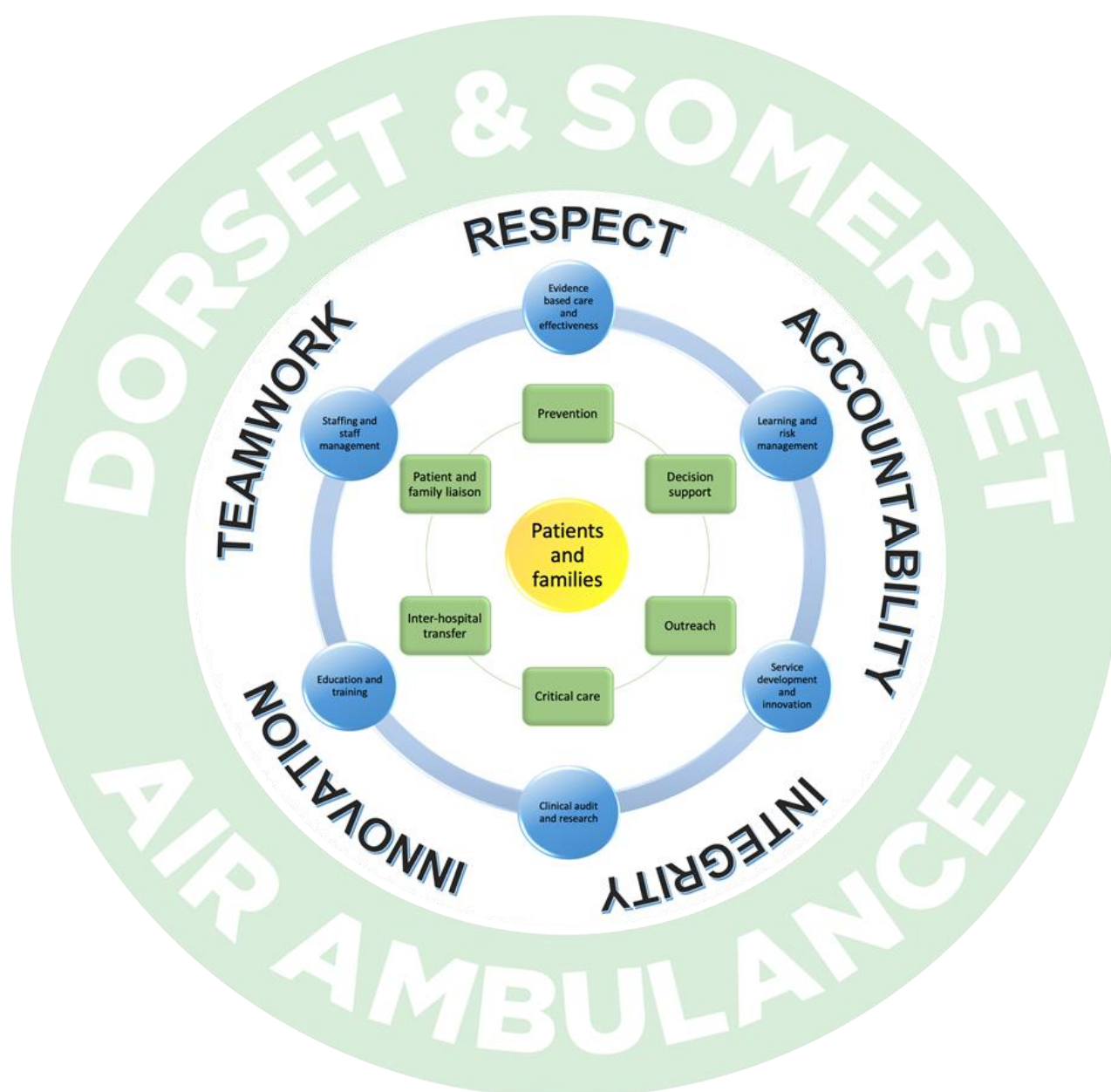
Trustee Directors' Report

For the Year Ended 31 March 2022

STRATEGIC REVIEW

Objectives and Activities

The Charity's object and its principal activity is the relief of sickness and injury and the protection of human life principally (but not exclusively) by the provision and support of an air ambulance service for the benefit of the population of Dorset and Somerset. The vision for the Charity is to provide the maximum patient benefit by delivering a highly effective, clinically excellent and financially secure air ambulance service in the Southwest Region.



DSAA Model for Patient-Focused Care – P Hyde

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2022

The model above shows how, within the overall context of the clinical governance of SWASFT, DSAA provides clinical governance aspects in the 'blue' layer and these inform much of the work conducted in the 'green layer'. Importantly, patients and families remain at the centre of all thinking and the Charity's values wrap around everything we do.

Assessment of success of the clinical strategy is complex and requires careful examination of both empirical data and patient outcomes. There are currently no national criteria of pre-hospital clinical performance against which DSAA can be measured. However, our clinicians are working with the other air ambulances both regionally and nationally to resolve this issue. In the meantime, the level of demand for our clinical service from other health professionals (Ambulance Service Paramedics and NHS Hospital Trust Consultants, et al) is at least an indicator of success since it points to professional trust of the standard of DSAA clinical delivery.

Unfortunately, using NHS systems of reporting alone, provides no clear patient outcome data that reflects the care given in the pre-hospital environment. To overcome this, the Charity uses the PHEMnet clinical database system to assist with analysis, audit and research. Also, to further resolve patient outcomes, DSAA has Patient and Family Liaison Support Nurses to support patients' progress after their treatment by DSAA and feedback into the Charity to enable learning and continuous improvement of care.

The Charity acts as an advocate for patient care in the pre-hospital environment by facilitating greater cooperative working with all agencies involved in patient care across the South West. This includes providing support to road safety, accident prevention and health promotion initiatives in an effort to reduce the number of avoidable calls on the Critical Care Team. DSAA dovetails injury and illness prevention messages into the core of Charity activity. The Charity has developed a specific prevention part of the DSAA website and ensured that each edition of the Charity's magazine, Beeline has prevention messaging embedded both for trauma and cardiac disease. The prevention activity of DSAA staff has been well highlighted through DSAA communications, and DSAA has an ongoing collaboration with Docbike, a motorcycle safety charity founded by one of the Charity's doctors.

The Charity has an ambition to continue to improve and extend our service provision to ensure we are there when patients need us, potentially extending from our current 19/7 service to 24/7 in time. Our analysis shows that there is an unmet need that this change would help to reduce. However, consistent with our approach to all developments, we will only step forward once we are certain that the development will deliver to patient need and can be sustained.

Specialist Aviation Services provide a full aviation service managed through a contract that came into effect in April 2017. The contract encompasses operation and maintenance of DSAA's helicopter and provision of backup aircraft, pilots and engineers to support day to day operations as well as full maintenance and logistic support.

SWASFT is responsible for tasking the helicopter and supporting the provision of medical team. Support to the Charity has been managed through contracts and Service Level Agreements (SLAs). These cover the provision of 18 Paramedics and Nurses (7 of which are paid for by SWASFT) and associated equipment, support and maintenance which is all funded by DSAA. This forms part of the core capability of the Charity's clinical provision. A further contract covers the provision of specialist Helicopter Emergency Medical Service (HEMS) tasking desk to ensure that air ambulances are sent to the most appropriate incidents. The HEMS tasking provision is funded equally by the five air ambulance charities operating in the SWASFT area. The Charity's clinical activities include significant governance supervision, events and training. However, overall clinical governance of the Charity's operations is provided by SWASFT, and consultants working as part of the critical care team are also included through honorary contracts with SWASFT.

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For the Year Ended 31 March 2022

Public Benefit

The Charity has complied with the duty in section 17 of the 2011 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance, when reviewing our aim and objectives and in planning our future activities. Trustees are also mindful of the Charity Commission's requirement that they be "informed by, but not directed by, the ambulance service".

DSAA responds only to incidents having been tasked by the HEMS specialist tasking team in the SWASFT Dispatch Centre. This ensures that it attends incidents across Dorset and Somerset and, at times beyond its borders, according to where it can deliver best effect. The Charity delivers its service to patients, regardless of age, according to clinical priority and without discrimination.

The continued development of its clinical provision requires the Charity to consider other players in the emergency support to patients. The crews now run regular cross-training exercises with members of the Maritime Coastguard Agency Search and Rescue teams, the Police and Fire Services, road-based elements of SWASFT and Emergency Departments of our local NHS Hospital Trusts.

In doing so it has demonstrated its patient-focus and benefit to every segment of the population resident in and transiting through both counties and around their borders.

Achievements and Performance

Dorset & Somerset Air Ambulance has continued to provide its service to patients despite complications associated with the Covid-19 pandemic. The Charity avoided some of the financial losses felt by other parts of the third sector and in this financial year has retained a good financial position through careful use of resources for maximum patient benefit, enabled by continued lottery and fundraising support and high in-year receipt of legacies and bequests. We continue to be incredibly grateful to all our supporters and partners for their contributions which enable us to serve patients' needs.

Following the end of pandemic restrictions, donations by voluntary fundraising through events and collection boxes has started to recover, supported by our loyal supporter-base, as has income from collecting boxes. Spend on charitable activities has risen as we have continued to develop our service, including pilot and systems cost to enable night flying, costs of our critical care teams, and patient and family liaison and support.

Operations

During the period covered by this report much has changed and the service being delivered by Dorset and Somerset Air Ambulance has continued to develop. Many of the elements within the our pathway of care have now linked together working towards a more complete package.



DSAA Clinical Services Pathway of Care



THE FACTS

1ST APRIL 2021 - 31ST MARCH 2022



2,231 MISSIONS

HELICOPTER AND CRITICAL CARE CAR



OUTREACH CARS



INCIDENT TYPE



BUSIEST DAY
THURSDAY

BUSIEST MONTH
JULY



BLOOD
A total of 41 patients received blood



INTER-HOSPITAL TRANSFERS

Our critical care team provided 36 time-critical inter-hospital transfers

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2022

Outreach Response Cars (ORC)

The role of the ORC is to raise awareness of the patient benefit that can be derived from the timely delivery of critical care to other health professionals. Delivering this outreach function is done through the practical delivery of an enhanced care response to patients in the area. In 2021, DSAA achieved the maintenance of a 7 day a week ORC service within Dorset and a rapidly expanding ORC service within Somerset.

The Dorset ORC and the Somerset ORC responded to 907 incidents during the year. Staffed by one of our Critical Care Practitioners, patients now have access to an enhanced level of care that a normal road ambulance crew is unable to deliver. On scene, our practitioner will either treat the patient alone or more often work with a road ambulance crew to assist the patient. If he/she assesses that the patient requires critical care, they can advise SWASFT and our Critical Care Team on the helicopter.

Critical care

The numbers of patients treated by the critical care team for the year 2021-2022 demonstrated a rise to pre-pandemic levels (1,324 patients).

Due to the ongoing COVID pandemic through 2021-2022, all patients had to be treated as though positive with regards to the donning of Personal Protection Equipment (PPE). The burden on our crew of this mode of operation should not be understated. Full PPE presents significant challenges to those dealing with patients. It can be incredibly hot, gloves masks and eye protection degrade touch, sight, and communication. Dealing with these factors whilst trying to treat a patient or fly an aircraft is particularly demanding and can be extremely stressful. Our crews deserve all our praise and gratitude for the incredible way in which they have sustained our service to patients throughout the year.

We have been fortunate to benefit from considerable support from both SAS and SWASFT. Whether this was through innovation in design changes to both the aircraft and equipment, or through simplified logistics and the provision of alternative supplies of PPE, the list is endless. Due to the close working relationship with SWASFT, DSAA did not suffer from the PPE supply-chain anxieties felt by many other organisations. One of the on going lessons of the last two years has been that we can deliver more and better in collaboration with others.

Having much of the management overhead associated with effective clinical and aviation governance held outside of the Charity enabled our personnel to focus on the front-line aspects of delivery and sustaining our service throughout the most testing of times. The trust that our close collaboration engenders with our NHS partners was undoubtedly a factor in their decision to continue to leave their personnel with the Charity rather than withdraw them to their respective NHS Trusts despite being under significant pressure themselves.

We believe that our strategy of outsourcing these key governance aspects, overlayed with very close collaboration and internal scrutiny were key to DSAA successfully delivering its full service plus adding additional resources to the national effort to deal with the pressures of the pandemic on the NHS more widely.

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2022

Inter-Hospital transfer

In addition to the routine, day to day tasking of HEMS missions, DSAA also carries out inter-hospital transfers of the sickest patients from local hospitals to the regional specialist hospitals. This work includes support for adults and children. The collaborative project to enable support of children's inter-hospital critical care transfers was awarded 'innovation of the year' at the Air Ambulance UK national awards of excellence in November 2021.

Operational Support Activity

Our Patient and Family Liaison Nurses (PLAS) have continued to build relationships with both patients, families and with the key elements of the care pathways. They have helped to improve understanding of patients and those closely affected by the care that is delivered. They are also providing high quality feedback to our clinicians on patient progress and professional feedback on the care delivered. This, of course, comes at a price; stretching their time and availability to the limit and an expansion in their numbers is happening in 2022.

Our trial of psychological supervision program is now entering its 3rd year and although again this year, much of it has had to be delivered at a distance, it has provided a much-needed layer of support to the well-being of our crews and an excellent complement to the services available to all clinicians through their parent NHS Trusts. The program is due for formal review near the end of 2022.

A number of our clinicians now form our DSAA Research Team which is formally led by a Professor and Lead Research Practitioner. A rounded portfolio of research activity is being developed.

Many of the developmental strands rely heavily on strong data support. For DSAA, our clinical data is captured and managed within PHEMNet. This system, which was originally developed in-house by DSAA and is now owned by a Community Interest Company, continues to maintain NHS approval as well as full Cyber Essentials Plus accreditation. PHEMnet will work collaboratively with the developing national pre-hospital research and audit network.

Clinical Provision Challenges

Despite the amazing developments that have taken place over recent years, DSAA clinical and operational provision still faces a number of ongoing challenges, including the following:

- Accessing the unmet patient-need within current operating hours through improved tasking, outreach activity and inter-hospital transfers.
- Supporting our current patients and families through DSAA liaison.
- Sustaining and improving the standard of clinical care through robust and mature clinical governance and research.
- Continuing to attract clinicians of quality to replace those who moved on.
- Sustaining the clinical team through developmental opportunities and psychological support.
- Rising to the challenge to provide equitable access to DSAA care across the 24-hour clock.
- Stopping the people of Dorset and Somerset becoming patients in the first place.

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2022

Aviation

Having made the decision to move to a multi-pilot model, five first officers were recruited and all are now established in the day roster. Two are yet to be night qualified, but they are expected to complete their training by the end of June. Once they are fully qualified, it will mean that clinicians will no longer be required to fulfil the technical crew member role, but new clinical staff will still receive aviation training to ensure the crew ethos is maintained between the aviation and clinical teams.

We now have a full complement of five pilots and five first officers, and an engineer focused primarily on DSAA's day to day aviation engineering task, provided by Specialist Air Services (SAS), working closely with clinicians and charity staff.

Aircraft

A key consideration of the provision of DSAA service is the aircraft, both in terms of capability and in terms of availability.

DSAA has now completed the full purchase of the AW169 aircraft G-DSAA, known to our supporters and team as 'Peggy' or Pegasus. This secures continuity of aircraft for DSAA service, and along with the continuity of pilots and the commitment to an engineer focused primarily on DSAA day to day aviation engineering, provides a strengthened basis both for ongoing service and also for continued development of provision of that service. The use of capital to purchase the helicopter reduces the Charity's liability for the lease cost of the platform, and was appropriate now that the AW169 has become established as a popular aircraft thus reducing any concerns of the ongoing value and potential to sell of the charity's asset.

We have previously used a MD902 as the relief aircraft for when our own AW169 is not available. The MD902 is not as capable as the AW169, in terms of speed, payload or range and requires the pilots to hold dual ratings. It was therefore decided to contract for an AW169 relief aircraft, this not only retains our full capability throughout the year, but also reduces the training burden for the pilots and consistency of platform for the medical crew. This came into effect when G-DSAA went into base maintenance in December 2021.

Income Generation

Fundraising

The Charity's new Fundraising Manager has been appointed, leading the fundraising team and volunteers.

The Charity is committed to maintaining the highest standards of fundraising behaviour and is registered with the new Fundraising Regulator. All contracts with third parties associated with DSAA fundraising are set in line with the guidelines issued by the Fundraising Regulator. The Charity's fundraising policy has to date promoted a benign approach to voluntary fundraising, concentrating on achieving a high volume of smaller donations rather than a low volume of high value donors. To that end, we support individuals and groups who run events and activities on our behalf and have only run one event directly, our Coast to Coast Cycle Challenge.

As the environment for fundraising changes and looks more challenging for most charities expected, and as we continue to evolve the DSAA service provision to best serve our community and save lives, the Charity will review its fundraising activities for the future. However, the Charity's commitment to maintaining high standards will absolutely remain.

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2022

Donations

Our supporters continue to fundraise for us enthusiastically, and we are incredibly grateful for all their efforts and their activities of all types and sizes. We received total donations of £1,326,403, which includes £452,502 from sponsored activities, businesses and group fundraising and £873,901 from individual donors.

Total donations have increased in the current year to £1,326,403 compared to £847,624 in the previous year.

Legacies

Legacy income this year was £3,375,363 up from £2,296,300 the previous year.

Charity Lottery

The Charity's lottery represents the single biggest component of our overall income. We manage the lottery in house but outsource the canvassing activity to a third party canvassing provider. Our canvassers all go through a strict induction process which is attended by our lottery manager and their behaviour is monitored by us with regular random compliance calls to new members. The lottery manager and canvassing supervisor have monthly meetings to discuss how things are going and the whole canvassing team participate in half yearly training events at the air base. They also receive regular contact and updates from the charity to make them feel part of the team.

With lockdown restrictions ending in April 2021, our canvassing team were once again able to recruit new members door to door, store venues were still not available until much later in the year. Unfortunately, the number of canvassers working for us had decreased significantly following each lockdown and it proved very difficult to recruit any new canvassers to the team. This meant that our new member figure for this year, just short of 4,600, was low, maybe only a third of what we would normally see.

Despite this, the lottery's gross income for the year was £4,496,133, a £19,222 increase on the financial year 2021-22, however the two additional seasonal raffles banked £280,800 slightly less than the previous year's bumper figure meaning that in total the lottery income for the year was £4,776,933, down on the previous financial year but only by £30,718.

Collection boxes and recycling banks

Staff serviced the collection boxes on a reactive basis. What was incredible is that money was still coming in, receiving £99,000 during the year. This upcoming year will see us adding QR donation codes to our tins for those that do not carry cash. We received an income of approximately £93,000 over the financial year from textile recycling banks across Dorset and Somerset. In support of this revenue stream, volunteers were able to secure a further 6 sites for recycling banks.

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2022

Investments

The Charity's investment policy for the long-term reserves is to generate a fund capable of providing a significant income in the future that will offset risks to other income. This is a long term goal, dependent on the fundraising environment and the need to invest in patient care in the near terms in line with the Charity's primary objectives. This means that the Charity seeks to produce the best financial return within an acceptable level of risk. The investment objective for the short-term reserves is to preserve the capital value with a minimum level of risk. Assets are maintained to be readily available to meet unanticipated cash flow requirements.

In order to mitigate the risk of investments, the Charity's holdings are managed by three separate investment managers and an active cash management service. Whilst they are all instructed similarly as to the level of risk and ethical restrictions on investments, they deliver a diverse range of investments that is monitored by the Charity using a common set of criteria. This helps to identify possible areas of stronger/weaker performance and trigger questions to the investment managers directly. Diversification has helped to balance out the worst of market fluctuations and has achieved the overall investment objectives.

Future Plans

Increasing Critical Care availability

The Charity considers that at least 100 patients per year within Dorset & Somerset could benefit from the provision of its critical care service for 24 hours per day. In addition, critical care availability can be increased during the current 19 hour shift period through further development of tasking by the HEMS dispatch desk and through minimising time when the aircraft is not available or able to fly due to maintenance or weather. In the situation of the aircraft being unable to fly, critical care availability is still provided through use of the Critical Care Car, but the time to location of this care is inevitably affected.

To further increase availability of critical care to the counties and region demands more reliable access to a second aircraft than is currently provided in our contracted backup arrangements. A number of models for providing such support are being explored for affordability.

Air Base development

As the provision of care and the aviation capability of DSAA has development, so the needs on the air base have increased. In order to support the existing and further development of the service, the charity will look and the need for development of the base and consider options for implementation.

Patient and Family Liaison

The value of the DSAA Patient and Family Liaison Nurses has now been demonstrated, and this part of the overall service is established. In order to be able to support all our patients and their families in this way, and to support critical care team learning and continuous improvement of the overall care, we will look to a measure increase in the size of the liaison nurse team.

Research

Continuous improvement in prehospital emergency medicine and critical care must be based on good evidence. DSAA will continue to develop the use of clinical data to advocate for improvements in patient care through audit and research, and provide a DSAA Clinical Research Lead. We will take part in clinical studies that address key questions in the provision of prehospital care, such as the SWIFT study being developed on the use of whole or component blood in the prehospital air ambulance setting.

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2022

Financial Review

Transactions and Financial position

The Statement of Financial Activities shows a net movement in funds of £3,089,310 for the year (2021 - £6,251,183) and reserves stand at £42,846,919 all of which is unrestricted (2021 - £39,757,609). The cash and cash equivalents at the end of the financial year stood at £4,242,159 (2021 - £9,819,621) with a further £7,714,152 in cash term deposits (2021 - £10,213,582).

Tangible Fixed assets for use by the Charity

Details of the movements of fixed assets are set out in note 10 of the Accounts.

Investment Policy and Returns

The Charity has adopted an investment policy which minimises financial risk to the Charity, while producing potential for capital growth over the long term. Under the memorandum and articles of association, the Charity has the power to make any investment which the Trustees see fit.

The Charity has adopted an ethical investment policy to ensure that its investments do not conflict with its aims. For example, there is a proven link between disease and the consumption of alcohol and tobacco. Therefore, the Charity's ethical investment policy precludes direct or indirect investment in companies that generate more than 10% of revenues from alcohol or tobacco.

Trustees are also considering positive ethical investment in areas such as renewable energy.

Reserves policy

Reserves stand at £42,846,919 with no restrictions (2021 – £39,757,609). The cash at bank and in hand at the end of the financial year stood at £4,242,159 (2021 - £9,819,621). Free reserves (net current assets) at the year end stood at £9,986,204 (2021 - £14,612,887).

Dorset and Somerset Air Ambulance (DSAA) is an incorporated charity, whose purpose is the relief of sickness and injury and the protection of human life by the provision and support of an air ambulance service for the benefit of the population of Dorset and Somerset. DSAA generates income via fundraising, donations and legacies and to fulfil its mission, DSAA provides and funds an air ambulance service with air- and road-delivered critical care capability and associated supporting activities, and continues to invest resources in continuous improvement and availability of critical care.

Given the mission life-saving criticality of DSAA service, our reserves policy is to hold sufficient reserves to ensure that our work is protected from the risk of disruption and to enable future major investments required for development of our service in best interests of patients. This means that the charity holds reserves:

- to cover any disruption of income or unforeseen cost without significant reducing clinical service for a period of over a year, including cost of aircraft
- to cover all working capital requirements
- to build capital for investment in assets necessary for provision of critical care and helicopter ambulance, such as airbase, future aircraft and medical equipment

In addition, the Charity invests reserves in order to provide income to contribute to the regular running costs of the service.

With this in mind, the Trustees judge the financial position of the Charity to be satisfactory.

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2022

Risk

Much of the operational risk is managed in conjunction with SAS and SWASFT. The main risks to the Charity centre on reputational or financial issues. Although separate in nature, they are inextricably linked. Clearly, the reputation of the Charity in its ability to deliver its clinical service is vital to generating and maintaining donor support. Key financial risks reviewed by the Board of Trustees quarterly are: major loss of income due to competition for fundraising or changes in legislation, loss of donor confidence because of adverse publicity, loss of donor support due to perception of high reserves and loss of access to critical data.

Mitigation measures in place include:

- Networking with other charities across the area.
- Monitoring legislative developments.
- Adherence to fundraising codes of practice.
- Development of strategies to counter negative impacts on income.
- Cultivation and retention of effective media links.
- Maintenance of transparency.
- Demonstrating to the public that their donations are being well spent and well managed by being transparent in all communications.
- Not employing 'cold calling' telemarketing or sending unsolicited mail or email.

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2022

Statement of Trustees' Responsibilities

The Trustees (who are directors of The Dorset & Somerset Air Ambulance Charity for the purposes of company law) are responsible for preparing the Trustee Directors' Report (incorporating the Directors' Report) and the financial statements in accordance with 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).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company, for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The auditors, Albert Goodman LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the Trustees.

Dr G Bryce
Chair
The Dorset & Somerset Air Ambulance Charity

Date: 5 October 2022

Opinion

We have audited the financial statements of The Dorset & Somerset Air Ambulance Charity (the 'charitable company') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, 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 31 March 2022 and of its incoming resources and application of resources 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter 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, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- adequate and proper 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 17], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

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

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:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charity Act 2011, Gambling commission registration, fundraising regulator registration and data protection legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation, claims and breaches of relevant legislation; and
- reviewing correspondence with the Charity Commission and other relevant regulators including the company's legal advisors and insurers.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

The Dorset & Somerset Air Ambulance Charity
Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 March 2022

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Michelle Ferris BSc (Hons) FCA DChA
Senior Statutory Auditor
for and on behalf of
Albert Goodman LLP
Chartered Accountants
Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 20 October 2022

The Dorset & Somerset Air Ambulance Charity

Statement of Financial Activities (including Income and Expenditure Account)

For the Year Ended 31 March 2022

	Notes	Unres- tricted £	Res- tricted £	2022 Total £	Unres- tricted £	Res- tricted £	2021 Total £
Income:							
Donations and legacies	2	4,994,895	-	4,994,895	3,789,853	2,381	3,792,234
Trading activities	3	4,832,003	-	4,832,003	4,823,947	-	4,823,947
Investment income	4	553,578	-	553,578	627,815	-	627,815
Total income		10,380,476	-	10,380,476	9,241,615	2,381	9,243,996
Expenditure:							
Raising funds	5	1,020,005	-	1,020,005	952,949	-	952,949
Charitable activities	6	6,865,581	-	6,865,581	5,699,077	2,894	5,701,971
Total expenditure		7,885,586	-	7,885,586	6,652,026	2,894	6,654,920
Net income before other recognised gains and losses		2,494,890	-	2,494,890	2,589,589	(513)	2,589,076
Net gain / (loss) on investments	11	594,420	-	594,420	3,662,107	-	3,662,107
Net income before transfers		3,089,310	-	3,089,310	6,251,696	(513)	6,251,183
Transfers	17	-	-	-	(513)	513	-
Net movement in funds for the year		3,089,310	-	3,089,310	6,251,183	-	6,251,183
Reconciliation of funds							
Total funds brought forward		39,757,609	-	39,757,609	33,506,426	-	33,506,426
Total funds carried forward		42,846,919	-	42,846,919	39,757,609	-	39,757,609

The statement of financial activities has been prepared on the basis that all operations are continuing operations. There were no gains or losses arising in the year that are not shown above.

The statement of financial activities incorporates the income and expenditure account

The Dorset & Somerset Air Ambulance Charity – Company Registration Number: 03893356

Balance Sheet

As at 31 March 2022

			2022		2021
			£	£	£
	Notes				
Fixed assets					
Tangible fixed assets	10	8,106,129		932,787	
Investments	11	22,585,166		16,681,212	
			30,691,295		17,613,999
Non-current assets					
Debtors	12	-		2,139,789	
Investments	13	2,169,420		5,390,934	
			2,169,420		7,530,723
Current assets					
Stock	14	13,621		16,589	
Debtors	15	1,169,062		832,375	
Investments	13	5,544,732		4,822,648	
Cash at bank and in hand		4,242,159		9,819,621	
			10,969,574		15,491,233
Liabilities:					
Creditors falling due within one year	16	(983,370)		(878,346)	
Net current assets			9,986,204		14,612,887
Total net assets			42,846,919		39,757,609
The funds of the charity:					
Restricted funds	17	-		-	
Unrestricted funds	17	41,315,380		38,485,043	
Fair value reserve	17	1,531,539		1,272,566	
Total charity funds			42,846,919		39,757,609

The financial statements have been prepared and delivered in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Board of Trustees for issue on 5 October 2022 and signed on their behalf by:

Dr G Bryce
Chair

R Kennedy
Treasurer

The Dorset & Somerset Air Ambulance Charity
Statement of Cash Flows
For the Year Ended 31 March 2022

		2022	2021
		£	£
	Notes		
Cash flows from operating activities			
Net movements in funds for the year		3,089,310	6,251,183
Adjustments to cash flows from non-cash items			
Proceeds on disposal of fixed assets		-	(21,000)
Depreciation and amortisation	10	220,021	107,366
Dividends and interest from investments	4	(553,578)	(627,815)
Investment revaluations	11	(594,420)	(3,662,107)
		<u>2,161,333</u>	<u>2,047,627</u>
Working capital adjustments			
Decrease/(increase) in stocks	14	2,968	174
Decrease/(increase) in debtors	15	(680,733)	104,984
Increase/(decrease) in creditors	16	105,024	30,518
		<u>1,588,592</u>	<u>2,183,303</u>
Cash flows from investing activities			
Dividends and interest from investments		553,578	627,815
Proceeds on disposal of fixed assets		-	21,000
Purchase of fixed assets	10	(7,393,363)	(143,759)
Acquisition of investments	11/13	(2,653,689)	(2,106,897)
Investment disposals	11	1,804,012	1,660,590
		<u>(7,689,462)</u>	<u>58,749</u>
Cash flows from financing activities			
Loan repayments received		2,483,835	328,015
		<u>2,483,835</u>	<u>328,015</u>
Net cash provided by/(used in) investing activities		<u>(7,689,462)</u>	<u>58,749</u>
Cash flows from financing activities			
Loan repayments received		2,483,835	328,015
		<u>2,483,835</u>	<u>328,015</u>
Net cash provided by/(used in) financing activities		<u>2,483,835</u>	<u>328,015</u>
Net increase/(decrease) in cash and cash equivalents		<u>(3,617,035)</u>	<u>2,570,067</u>
Cash and cash equivalents at the beginning of the reporting period		10,260,432	7,690,365
Cash and cash equivalents at the end of the reporting period		<u>6,643,397</u>	<u>10,260,432</u>
Cash & Cash equivalents reconciliation:			
Cash at bank		4,242,159	9,819,621
Cash held by investment manager	11	2,401,238	440,811
		<u>6,643,397</u>	<u>10,260,432</u>
Total cash & cash equivalents at the end of the reporting period		<u>6,643,397</u>	<u>10,260,432</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements

For the Year Ended 31 March 2022

1 Accounting Policies

1.1 Basis of accounting

The Dorset & Somerset Air Ambulance Charity is a company limited by guarantee incorporated in the United Kingdom under the Companies Act. The maximum liability of each member is limited to £1. The address of the registered office is given on page 1. The nature of the charity's operations and its principal activities are set out in the Trustees report on pages 3-17.

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

The charity 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.

The accounts are prepared for the company alone. The company has a dormant subsidiary, and consolidated accounts are not presented as the charity has taken advantage of the exemption provided by S405(2) of the Companies Act 2006 on the grounds of immateriality.

1.2 Income

Income from donations is recognised on a cash basis, in the year in which the income is physically received, except when the donors specify that they must be used in future accounting periods or donors conditions have not been fulfilled, then the income is deferred.

Bequests and legacies are included when entitlement is established, it is probable that the amount will be received, and the amount receivable can be estimated with sufficient accuracy. Where conditions for recognition have not been met, the legacies are disclosed in note 2.

Income from grants is recognised in the year in which they are receivable. Grants without performance conditions are presented within donations and legacies and within charitable activities when performance criteria apply.

Trading activity income from lottery receipts is recognised when the draw for the relevant week is made. Any amounts received prior to the draw being made are deferred.

Income from trading activities, other than lottery income, is included in the period in which the company is entitled to receipt.

Income from investments constitutes dividends and bank interest and is recognised in the year to which it relates.

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements For the Year Ended 31 March 2022

1.3 Expenditure

Resources expended are recognised on the accruals basis to match the period in which the expenditure was incurred, inclusive of any VAT which cannot be recovered. These include both costs associated with both charitable activity and those which relate to governance arrangements and the general running of the charity.

1.4 Donated services

In accordance with the Charities SORP (FRS 102), the unpaid volunteer time is not recognised in the financial statements. Refer to the Trustee Directors' Report for more information about their contribution.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

Short leasehold improvements	10 years straight line
Freehold land and buildings	50 years straight line
Medical equipment	4 – 5 years straight line
Fixtures & fittings	10 years straight line
Computer equipment	3 years straight line
Motor vehicles	7 years straight line
Aircraft	10 years straight line

Fixed assets costing less than £5,000 are not capitalised.

1.6 Investments

Fixed asset investments comprise investment portfolios maintained by investment managers. These are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs.) Subsequently, investments are held at market value, with all realised and unrealised gains passing through the SOFA.

Non-current asset investments are cash deposits with a maturity date of more than one year from the balance sheet date. These are recognised at the deposit amount plus any interest, with any interest gains passing through the SOFA when falling due.

Current asset investments are cash deposits with a maturity date of less than one year from the balance sheet date. These are recognised at the deposit amount plus any interest, with any interest gains passing through the SOFA when falling due.

1.7 Stock

Stock is valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving stock.

1.8 Non-current assets - debtors

Non-current assets debtors are programme related investments, made through a loan to an unconnected company. The loan has been measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest, adjusted for any necessary impairment.

1.9 Debtors

Accrued income is recognised at the settlement amount due and prepayments are valued at the amount prepaid.

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements

For the Year Ended 31 March 2022

1.10 **Cash at bank and in hand**

Cash at bank and in hand comprise cash on hand and call deposits with a maturity of less than three months, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.11 **Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

1.12 **Pensions**

The Charity operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the Charity during the year in accordance with FRS 17.

1.13 **Operating lease rentals**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease. The charity has operating leases for the premises in which they operate, as well as motor, office equipment leases. The title of the leased premises and equipment remains with the lessor.

1.14 **Foreign currencies**

Transactions in foreign currencies are initially recorded in the charity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities and presented within charitable activities expenditure.

1.15 **Taxation**

As a registered charity, the company is not liable to corporation tax to the extent that income and gains are applied to charitable activities.

1.16 **Financial Instruments**

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and liabilities of the charity and their measurements are as follows:

Financial assets – trade, other debtors and loans (programme related investment) are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Investment portfolios are basic financial instruments measured at fair value through the income and expenditure account. Prepayments are not financial instruments.

Cash at bank and deposit accounts– is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2022

2. Donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Donations	1,326,403	-	1,326,403	845,243	2,381	847,624
Legacies	3,375,363	-	3,375,363	2,296,300	-	2,296,300
Collecting boxes	191,629	-	191,629	181,362	-	181,362
Gift aid	101,500	-	101,500	85,971	-	85,971
Exceptional government funding						
Other Covid Grants	-	-	-	380,977	-	380,977
	4,994,895	-	4,994,895	3,789,853	2,381	3,792,234

As at the year end, the charity had been notified of material legacies which have not been included in the Statement of Financial Activities due to the conditions for recognition not being met. These consist of 13 legacies totalling approximately £853,005 (2021: 23 legacies totalling approximately £1,626,637).

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2022

3. Trading activities

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Lottery	4,496,133	-	4,496,133	4,476,911	-	4,476,911
Birthday draw	280,800	-	280,800	330,740	-	330,740
Other fundraising & sponsorship	1,502	-	1,502	340	-	340
Sale of merchandise	8,056	-	8,056	4,191	-	4,191
Events income	45,512	-	45,512	(1,088)	-	(1,088)
Profit on sale of fixed assets	-	-	-	12,853	-	12,853
	<u>4,832,003</u>	<u>-</u>	<u>4,832,003</u>	<u>4,823,947</u>	<u>-</u>	<u>4,823,947</u>

Income received for the lottery totalling £501,384 (2021: £511,183) has been deferred and is recognised at the date the relevant draw takes place.

4. Investment income

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Dividends receivable	316,648	-	316,648	280,041	-	280,041
Interest receivable from banks/deposits	160,910	-	160,910	220,456	-	220,456
Loan interest receivable	76,020	-	76,020	127,318	-	127,318
	<u>553,578</u>	<u>-</u>	<u>553,578</u>	<u>627,815</u>	<u>-</u>	<u>627,815</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2022

5. Expenditure on raising funds

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Lottery prizes	89,570	-	89,570	90,597	-	90,597
Staff salaries	325,951	-	325,951	298,473	-	298,473
Commission	343,363	-	343,363	312,413	-	312,413
Rental of computer system	6,240	-	6,240	6,240	-	6,240
Lottery office costs	25,908	-	25,908	25,276	-	25,276
Beeline	70,312	-	70,312	72,383	-	72,383
Bank charges	38,629	-	38,629	29,796	-	29,796
Function costs	2,654	-	2,654	50	-	50
Collection tins	1,026	-	1,026	1,079	-	1,079
Goods purchased for resale	7,351	-	7,351	3,249	-	3,249
Investment management costs	109,001	-	109,001	113,393	-	113,393
	<u>1,020,005</u>	<u>-</u>	<u>1,020,005</u>	<u>952,949</u>	<u>-</u>	<u>952,949</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2022

6. Charitable activities

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Helicopter costs						
Helicopter costs	3,529,435	-	3,529,435	3,109,281	-	3,109,281
Critical care team	2,158,811	-	2,158,811	1,618,262	-	1,618,262
Medical equipment	124,769	-	124,769	188,236	-	188,236
Airbase costs	43,546	-	43,546	64,081	-	64,081
Paramedic training	200,740	-	200,740	160,721	-	160,721
Travel & subsistence	13,412	-	13,412	5,105	-	5,105
Car hire	4,202	-	4,202	4,179	-	4,179
Foreign currency loss/(gain)	(15)	-	(15)	8	-	8
VAT reclaimed	(98,679)	-	(98,679)	(70,172)	-	(70,172)
	<u>5,976,221</u>	<u>-</u>	<u>5,976,221</u>	<u>5,079,701</u>	<u>-</u>	<u>5,079,701</u>
Support & governance costs						
Wages and salaries	391,536	-	391,536	273,684	-	273,684
Accommodation	16,168	-	16,168	13,253	-	13,253
Print and stationery	6,341	-	6,341	3,146	-	3,146
Postage	4,924	-	4,924	4,740	-	4,740
Telephone	9,630	-	9,630	8,966	-	8,966
Vehicle insurance	1,098	-	1,098	1,092	-	1,092
Office equipment and maintenance	18,922	-	18,922	18,276	-	18,276
Publicity	8,630	-	8,630	129	-	129
Beeline	70,312	-	70,312	72,383	-	72,383
Insurance	18,622	-	18,622	18,257	-	18,257
Legal and professional	11,052	-	11,052	1,458	-	1,458
Training costs	3,905	-	3,905	468	-	468
Recruitment	21,530	-	21,530	479	-	479
Bank charges	14,577	-	14,577	20,070	-	20,070
Subscriptions	10,708	-	10,708	9,072	-	9,072
Health and safety	1,728	-	1,728	1,714	-	1,714
Depreciation	220,021	-	220,021	107,366	-	107,366
IT costs and website	49,156	-	49,156	55,733	2,894	58,627
Audit and accountancy	10,500	-	10,500	9,090	-	9,090
	<u>889,360</u>	<u>-</u>	<u>889,360</u>	<u>619,376</u>	<u>2,894</u>	<u>622,270</u>
	<u>6,865,581</u>	<u>-</u>	<u>6,865,581</u>	<u>5,699,077</u>	<u>2,894</u>	<u>5,701,971</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2022

7. Net incoming resources/operating surplus

	2022	2021
	£	£
Depreciation of owned assets	220,021	107,366
(Profit)/loss on sale of fixed assets	-	(12,853)
Auditors' remuneration for:		
Audit services	8,500	7,090
Accountancy services	2,000	2,000
	<u>220,021</u>	<u>107,366</u>

8. Trustee directors

None of the Trustee Directors (or any persons connected with them) received any remuneration during the current or prior year. No Trustee Directors were reimbursed any costs during the year (2021: One reimbursed travelling expenses of £273).

9. Employees

Number of employees

The average monthly head count was 20 staff (2021: 19 staff) and the average number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

	2022	2021
Chief Executive	1	1
Lottery staff	3	3
Fundraising staff	4	4
Management and admin staff	9	7
	<u>17</u>	<u>15</u>

Employment costs

	2022	2021
	£	£
Wages and salaries	603,783	482,075
Social security costs	54,826	40,890
Other pension costs	58,878	49,192
	<u>717,487</u>	<u>572,157</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2022

9. Employees (cont.)

The number of employees whose annual emoluments were £60,000 or more were:

	2022 number	2021 number
£60,000 - £70,000	2	1

These employees are a member of the defined contribution pension scheme, into which contributions of £27,515 (2021: £17,046) were made.

The key management personnel of the charity are considered to be the Chief Executive Officer, The Deputy Chief Executive (from 1 April 2021), the Finance Manager and the Lottery Manager. The total costs to the charity of employee benefits for the key management personnel were £260,335 (2021: £231,467).

Volunteers contribute unpaid time to fundraising activities. Due to extended periods of lockdown and other restrictions, volunteers have been extremely limited in their direct support to fundraising during the majority of the year. They have, however, provided some administrative assistance, where this could be provided from home. This has not been included in the financial statements in accordance with the Charities SORP (FRS 102).

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £58,878 (2021: £49,192).

Contributions totalling £10,007 (2021: £6,829) were payable to the scheme at the end of the year and are included in creditors.

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2022

10. Tangible fixed assets

Cost	Short leasehold improvements £	Freehold Land & Buildings £	Medical Equipment £	Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Aircraft £	Total £
At 1 April 2021	301,677	597,805	419,957	35,763	40,569	-	-	1,395,771
Additions	-	-	8,154	-	-	82,466	7,302,743	7,393,363
Disposals	-	-	-	-	-	-	-	-
At 31 March 2022	301,677	597,805	428,111	35,763	40,569	82,466	7,302,743	8,789,134
Depreciation								
At 1 April 2021	108,573	30,886	249,715	33,241	40,569	-	-	462,984
Charge for the year	30,325	11,956	61,824	582	-	8,836	106,498	220,021
Disposals	-	-	-	-	-	-	-	-
At 31 March 2022	138,898	42,842	311,539	33,823	40,569	8,836	106,498	683,005
Net book value								
At 31 March 2022	162,779	554,963	116,572	1,940	-	73,630	7,196,245	8,106,129
At 1 April 2021	193,104	566,919	170,242	2,522	-	-	-	932,787

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2022

11. Investments

	2022 £	2021 £
Listed shares	20,183,927	16,240,400
Cash held by investment manager	2,401,238	440,811
Shares in subsidiary undertaking	1	1
	<u>22,585,166</u>	<u>16,681,212</u>
Listed shares	2022 £	2021 £
Market value		
At 1 April 2021	16,240,400	12,345,568
Additions	5,153,119	1,893,315
Disposals	(1,804,012)	(1,660,590)
Revaluation	594,420	3,662,107
	<u>20,183,927</u>	<u>16,240,400</u>
At 31 March 2022		
	2022 £	2021 £
Historical cost		
At 1 April 2021	13,586,443	13,130,909
Additions	5,140,636	1,900,300
Disposals	(1,457,012)	(1,445,158)
Other movements	-	392
	<u>17,270,067</u>	<u>13,586,443</u>
At 31 March 2022		

Shares in subsidiary undertaking

Dorset & Somerset Air Ambulance (Trading) Limited was incorporated on 19 October 1999 as a wholly owned trading subsidiary of The Dorset & Somerset Air Ambulance Charity. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company. The company became dormant on 31 March 2013.

The profit for the year was £nil (2021: £nil) and the balance sheet total was £1 (2021: £1).

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2022

12. Non-current assets - Debtors

	2022 £	2021 £
Loan - programme related investment	-	2,139,789

During 2017 the charity provided an initial loan of £3,433,400 to a company to facilitate the purchase of a helicopter for exclusive use by the charity. The loan attracts an interest rate of 4.779% and security is in place in the form of a second mortgage over the asset. The loan is being repaid over 10 years, with the final repayment due in January 2027. During the year the charity acquired ownership of the helicopter. The loan was therefore repaid in full as part of the acquisition process. At 31 March 2022, £nil was outstanding (2021: £2,483,835), of which £nil is due within one year (2021: £344,046), and £nil in more than one year (2021: £2,139,789).

13. Investments

	2022 £	2021 £
Fixed rate cash held on deposit	7,714,152	10,213,582
Split as:		
Non-current asset investment (due > 1 year)	2,169,420	5,390,934
Current asset investment (due < 1 year)	5,544,732	4,822,648
	7,714,152	10,213,582

Investments are split in the statutory accounts based on maturity date.

14. Stocks

	2022 £	2021 £
Goods for resale	13,621	16,589

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements

For the Year Ended 31 March 2022

15. Debtors

	Note	2022 £	2021 £
Other debtors		423,570	88,547
Loan - programme related investment	12	-	344,046
Prepayments and accrued income		745,492	399,782
		<u>1,169,062</u>	<u>832,375</u>

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Deferred income: lottery receipts	501,384	511,183
Other creditors	88,003	79,297
Accruals	379,830	276,736
Amounts owed to group undertakings	1	1
Taxation and social security	14,152	11,129
	<u>983,370</u>	<u>878,346</u>

Reconciliation of deferred income : Lottery receipts

Opening balance	511,183	490,602
Received during the year	4,486,334	4,497,492
Released during the year	(4,496,133)	(4,476,911)
	<u>501,384</u>	<u>511,183</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2022

17. Summary of movement in funds

	Opening balance £	Income £	Expenditure £	Gain/(loss) on Investments & transfers £	Closing balance £
Unrestricted funds					
General	38,485,043	10,380,476	(7,885,586)	335,447	41,315,380
Fair Value Reserve	1,272,566	-	-	258,973	1,531,539
	<u>39,757,609</u>	<u>10,380,476</u>	<u>(7,885,586)</u>	<u>594,420</u>	<u>42,846,919</u>
	<u>39,757,609</u>	<u>10,380,476</u>	<u>(7,885,586)</u>	<u>594,420</u>	<u>42,846,919</u>

Summary of movement in funds – 2021

	Opening balance £	Income £	Expenditure £	Gain/(loss) on Investments & transfers £	Closing balance £
Unrestricted funds					
General	33,506,426	9,241,615	(6,652,026)	2,389,028	38,485,043
Fair Value Reserve	-	-	-	1,272,566	1,272,566
	<u>33,506,426</u>	<u>9,241,615</u>	<u>(6,652,026)</u>	<u>3,661,594</u>	<u>39,757,609</u>
Restricted funds					
Air Ambulance UK	-	2,381	(2,894)	513	-
	<u>-</u>	<u>2,381</u>	<u>(2,894)</u>	<u>513</u>	<u>-</u>
	<u>33,506,426</u>	<u>9,243,996</u>	<u>(6,654,920)</u>	<u>3,662,107</u>	<u>39,757,609</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2022

Summary of movement in funds (continued)

- The fair value reserve is an accumulation of unrealised gains and losses, being the difference between market value and the cost of investments.
- Air Ambulance UK was received towards the items to allow employees to work from home due to Covid-19.

Where transfers have been made out of funds, they relate to the purchase of fixed assets, which is taken to discharge the restriction.

18. Analysis of assets between funds

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Tangible fixed assets	8,106,129	-	8,106,129	932,787	-	932,787
Fixed asset investments	22,585,166	-	22,585,166	16,681,212	-	16,681,212
Non-current assets	2,169,420	-	2,169,420	7,530,723	-	7,530,723
Net current assets	9,986,204	-	9,986,204	14,612,887	-	14,612,887
	<u>42,846,919</u>	<u>-</u>	<u>42,846,919</u>	<u>39,757,609</u>	<u>-</u>	<u>39,757,609</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements

For the Year Ended 31 March 2022

19. Financial instruments**Categorisation of financial instruments**

	2022	2021
	£	£
Financial assets measured at fair value through income and expenditure account	22,585,166	16,681,212
Financial assets that are debt instruments measured at amortised cost	12,648,734	22,910,401
	<u>35,233,900</u>	<u>39,591,613</u>
Financial liabilities measured at amortised cost	<u>457,826</u>	<u>349,205</u>

Item of income, expenditure, gain or losses

	Income	Expense	Net gains	Net losses
	£	£	£	£
2022				
Financial assets measured at fair value through income and expenditure account	316,648	-	594,420	-
Financial assets that are debt instruments measured at amortised cost	236,930	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
	<u>553,578</u>	<u>-</u>	<u>594,420</u>	<u>-</u>

	Income	Expense	Net gains	Net losses
	£	£	£	£
2021				
Financial assets measured at fair value through income and expenditure account	280,041	-	3,662,107	-
Financial assets that are debt instruments measured at amortised cost	347,774	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
	<u>627,815</u>	<u>-</u>	<u>3,662,107</u>	<u>-</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2022

20. Financial commitments

At 31 March 2022 the charity was committed to making the following payments under non-cancellable operating leases:

	2022	2021
	£	£
Land and Buildings		
Expiry date:		
Within one year	-	-
Between two and five years	-	-
Other		
Expiry date:		
Within one year	733,264	613,506
Between two and five years	-	1,734
	<hr/>	<hr/>
	733,264	615,240
	<hr/>	<hr/>

21. Related parties

There were no related party transactions during the year (2021: none).