

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

Annual Report and Financial Statements

For the Year Ended 31 March 2023

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 2023

Trustee Directors	Dr G Bryce (Chair) S Day W Entwisle W Green S Heyes S Jones R Kennedy T Killen M Lyne R Marlow A Phillips
Secretary	C Launchbury (until 16/03/2023) S Davies (from 16/03/2023)
Chief Executive Officer	W Sivewright (until 23/06/2022) C Hackett (from 23/06/2022)
Deputy Chief Executive	J Plowden
Finance Manager	S Davies
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

The Dorset & Somerset Air Ambulance Charity

Reference and Administrative Details

For the Year Ended 31 March 2023

Aldermore
6th Floor, The Monument Building
11 Monument Street
London, EX3R 8AF

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

Evelyn Partners
Portwall Place
Portwall Lane
Bristol, BS1 6NA

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2023

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 2023. 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
- W Entwisle (appointed 14 March 2023)
- W Green
- S Heyes
- S Jones
- R Kennedy
- T Killen
- M Lyne (appointed 14 March 2023)
- R Marlow (appointed 13 June 2023)
- A Phillips
- D Senior (resigned 24 July 2022)

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 2023

The Board

DSAA is led by a Board of Trustees embracing a balanced spectrum of skills and experience including healthcare, aviation, legal, business, finance and the Armed Forces. The Charity follows a protocol for the recruitment of new Trustees which facilitates both personal referrals and professional recruitment. The protocol enables both Trustees and candidates to make proper assessments before appointment. Trustees are appointed in accordance with the DSAA constitution, in line with a defined procedure 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 three sub committees responsible for the oversight of: staffing and remuneration; finance; and aviation. The board intends to maintain a balance in county representation.

Trustees serve a term of 3 years, but are eligible for re-appointment twice so that a trustee may serve a total of 9 years. The board can, but very rarely has, make an exception in the interests of the Charity. The current chair has been extended a year beyond the 9 years in order to provide support and continuity during the change in CEO during 2022.

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

Employees and Volunteers

The Charity is managed by full and part-time staff of 23 (totalling 19 FTE) and over 100 volunteers. Operations are delivered by a further 53 team members – including our DSAA Critical Care Team and Patient & Family Liaison Nurses, employed by the South West Ambulance Foundation Trust (SWASFT or SWAST) and NHS Hospital Trusts, and DSAA pilots employed by Specialist Aviation Services (SAS). Seven of the Critical Care Team are paid for by SWASFT, all the rest of the team members are paid for by DSAA irrespective of employer. In total 78 paid individuals on full or part time basis are responsible for the organisation's outputs. 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.

Remuneration of Key Personnel

The Staffing & 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.

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2023

Working with Volunteers

The Charity is extremely well supported by over 100 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 Support Officers 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.

Strategy

Charitable Purpose

Dorset and Somerset Air Ambulance is a registered charity, established to provide relief from sickness and injury for the people of Dorset and Somerset, by the provision of an air ambulance, with an air and road-delivered critical care capability.

Our Mission

To save and enhance lives through the funding and provision of an air ambulance service, with an air and road-delivered critical care capability.

Our Vision

Innovation and collaboration are maximised to continually improve patient outcomes and all who need it receive excellent clinical care.

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2023

Our Service

Our cohort of clinicians include a mixture of senior emergency physicians, intensive care consultants and anaesthetists, critical care nurses and specialist practitioners in critical care. 'Critical Care' is the treatment of people who are in a critically ill or unstable condition. These patients might be unable to breathe without support. Critical care is provided in hospital by Intensive Care Units (ICUs) but pre-hospitally by a 'Critical Care Team'.

When responding to incidents by air, we provide a 'Critical Care Team', consisting of at least a doctor, a specialist practitioner and a pilot for each mission. The doctors are predominately drawn from NHS Hospital Trusts across the region and the practitioners are from the South Western Ambulance Service NHS Foundation Trust (SWASFT or SWAST). Some clinicians have joined us from further afield, broadening the skills and experience of the team.

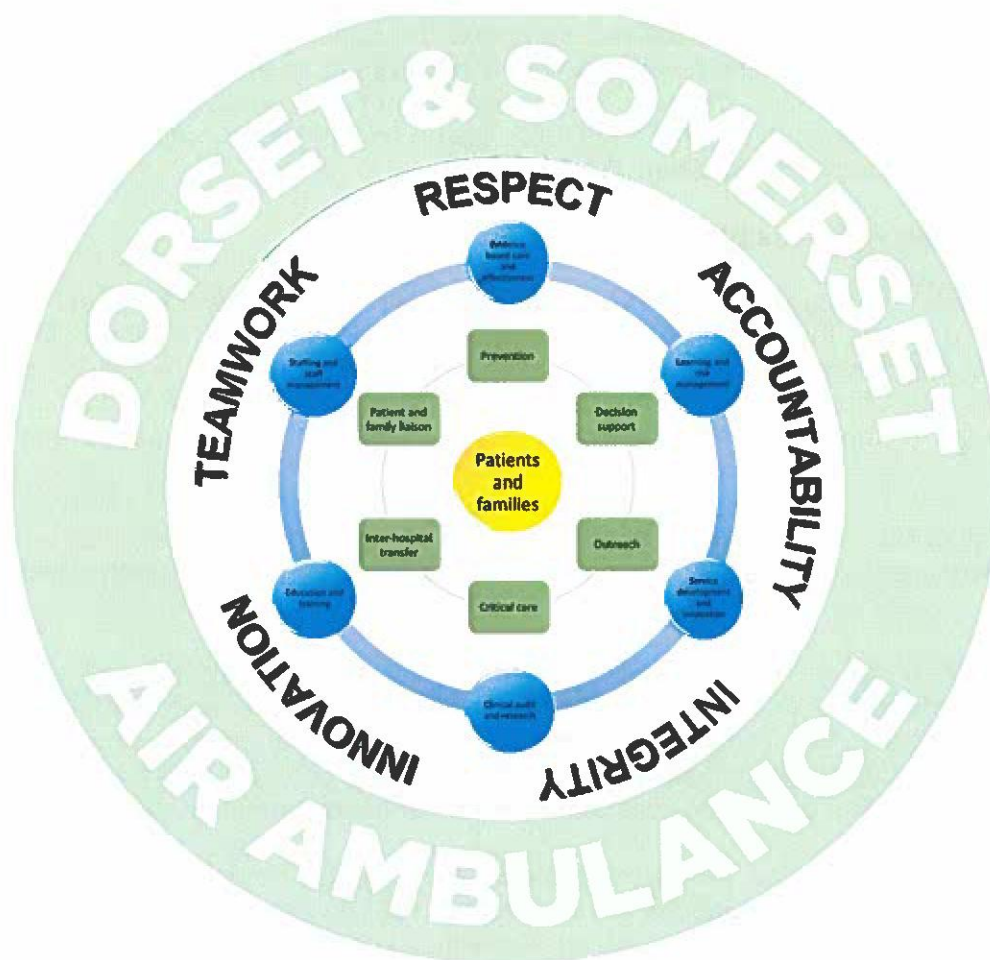
Our patient and family liaison nurses provide recovery support to patients who have been treated by our team, and to family members of patients, and can answer questions they might have about their pre-hospital care. They also provide links with patient support services and other charities aligned with the patient's condition, whilst encouraging peer support links with other similarly injured patients.

Our pilots are provided by Specialist Aviation Services Ltd, who operate our aircraft. They are carefully selected because air ambulance flights are more challenging than regular non-emergency flight services. They have a great deal of experience in low-level operations and instrument flying.

We operate 19 hours a day (7.00am – 2.00am) providing a critical care service, using our AgustaWestland 169 (AW169) helicopter and critical care car. We also provide an enhanced care service across Dorset and Somerset using our outreach cars.

Our Model of Patient-Focused Care

DSAA Model for Patient-Focused Care – P Hyde



The DSAA Model of Patient-Focused Care (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.

In order to continually improve patient care, DSAA conducts a detailed and comprehensive programme of analysis, audit and research on its clinical practices and outcomes using the PHEMnet clinical database system. PHEMnet is used as NHS systems of reporting alone are not yet able to provide the clear patient outcome data that reflects the care given in the pre-hospital environment.

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DSAA's team of Patient and Family Liaison Support Nurses 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 actively includes injury and illness prevention messages into the core of Charity activity and communications, and DSAA has an ongoing collaboration with Docbike, a motorcycle safety charity founded by one of the Charity's doctors.

Partnership make the DSAA service possible

DSAA owns its aircraft, G-DSAA or "Peggy" as it is known, but works with Specialist Aviation Services (SAS) to maintain, test, pilot, fly and govern that aircraft. Specialist Aviation Services provide a full aviation service managed through a contract that has been in effect in April 2017, with modifications as the service develops. 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.

DSAA has 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, working closely with clinicians and charity staff.

The South West Ambulance Foundation Trust (SWASFT or SWAST) 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 and associated equipment, support and maintenance. This forms part of the core capability of the Charity's clinical provision. SWASFT pay for 7 of the paramedics, but all the other costs are funded by the Charity.

A further contract with SWASFT 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.

Public Benefit

DSAA is free at the point of need and 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.

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No private benefit use of the Dorset & Somerset Air Ambulance helicopter is given to anyone at any time. The Trustees run the charity with due regard to the public benefit guidance issued by The Charity Commission and the Charity Act 2011.

Environmental Impact

Practical aviation for Helicopter Emergency Medical Service is currently inevitably based on the use of aviation jet fuel, and given the distances inherent in the geography of our region our ground-base transport cannot yet practically be electric. Therefore, the Charity is currently exploring the best way to off-set the carbon emission of aircraft and cars.

The Charity has also completed an initial assessment of our environmental impact. The main area outside aviation and transport in which we can make improvements is in the running impact of our base, which is operational in some form throughout 24 hours. As per our Future Plans (see page 13), in order to support the existing and further development of DSAA service to patients we are assessing how to redevelop our operational base. As part of that initiative, our intention is that in redeveloping our base to fit our current and future operational requirements, we will also make the new base more energy efficient and with appropriate use of renewable energy.

Achievements and Performance

The core of DSAA's service is pre-hospital critical care and enhanced care. This is care that the NHS cannot currently provide itself, and it relies on having a helicopter to get our critical care team to the patient and then the patient directly to the right hospital to provide the right urgent care that they need. DSAA's mission and vision mean that the Charity strives to reach all patients that need the critical care or enhanced care that we provide pre-hospital and would otherwise not be available.

In the last year, DSAA has again increased the number of patients it reaches with needed critical and enhanced care. In the twelve months to March 2023, DSAA was tasked to 2424 incidents, an increase from 2238 the previous year. 1213 of these missions were activations of the critical care team by helicopter or, occasionally, by car, in comparison to 1323 in the twelve months to March 2022.

Activity of the outreach cars increased, from 913 missions in the twelve months to March 2022 to 1210 by March 2023. This was in part due to the full establishment of the Somerset outreach car, which followed on from the initial introduction of the Dorset outreach car.

We ultimately provided critical or enhanced care to 1576 patients in the last year, all treated by our specialist Doctors and/ or Practitioners, an increase on the 1406 supported in the year ending March 2022. 792 of those supported this year were attended by the critical care team and 784 by enhanced care.

The type of incident that DSAA was tasked to was broadly similar to previous years. In the twelve months to March 2023, DSAA missions were 47% trauma, 24% cardiac, 26% medical and 1% urgent inter-hospital transfer (2% other); these compare to 50% trauma, 22% cardiac, 26% medical and 2% transfer in the previous period. A little under a half of the trauma incidents that DSAA are tasked to are road traffic accidents; with falls and then a wide range of different sources of trauma making up the rest. 'Medical' incidents are half cardiac arrest and then a range of collapses, fits, poisoning and other.

12% of the patients that DSAA treated in the twelve months to March 2023 were children, a total number of 182.

The Dorset & Somerset Air Ambulance Charity

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Getting the critical care team or enhanced care to a patient quickly is often vital, and therefore the teams continue to keep pressure on the time from activation to take-off. At night, this is slightly longer due to the need for additional flight planning. In the recent period, the mean time to take-off during daylight was 7 minutes, an improvement on 9 minutes in year to March 2022; and at night was 11.5 minutes vs previous 11 minutes. As timeliness can be vital, the teams are sometimes tasked, and therefore activated, when probably needed but then stood down when more details are known about the incident. Stand-down have remained relatively consistent through recent years at about a third, and DSAA is not striving to reduce this as that would risk activating late, and therefore arriving late, to patients that urgently need critical care.

Helicopter & Critical Care Car (CCC)

Pre-hospital critical care is delivered by a DSAA 'Critical Care Team', consisting of at least a doctor and a specialist practitioner. Getting the critical care team to the patient rapidly, and then getting the patient to the right hospital to deliver the right care, is where the aircraft with pilot and co-pilot come in. If the aircraft is not able to be used, due to weather or maintenance, the critical care team respond by car and onward patient transfer is using a road ambulance.

The geography of Dorset and Somerset means that the aircraft is usually required. The availability of our aircraft in the last twelve months has been kept above 90%, requiring the commitment and dedication of the engineering and aviation teams, often working during the night between 0200 and 0700 when DSAA does not have an operational shift.

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. This deliberate engagement with the ambulance service and other emergency services directly improves on-scene collaboration, so that DSAA crews can be most effective in the provision of care. The ORCs are also tasked to patients who need 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. If he/she assesses that the patient requires critical care, they can advise SWASFT and our Critical Care Team on the helicopter.

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.

Operational Support Activity

Our Patient and Family Liaison Nurses (PFLNs) team was expanded in 2022 and has continued to build relationships with 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.

Given the challenging nature of the work of DSAA's clinical and aviation crew, DSAA started a trial of psychological supervision programme for its own team three years ago. Following a review, this has now been confirmed as an ongoing, 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 Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2023

Clinical Research

The DSAA Research Team which is formally led by a Professor and Lead Research Practitioner. A rounded portfolio of research activity is being developed based on an assessment of the research needs in pre-hospital emergency medicine, which was completed with partners across the country.

DSAA is part of the SWIFT trial (Study of Whole Blood in Frontline Trauma). This study will look at whether giving 'whole blood', instead of red blood cells and plasma, to patients with severe bleeding before they get to hospital will be better at reducing the number of deaths 24 hours after injury, and reduce the need for further large blood transfusions.

Income Generation

Fundraising

The Charity's fundraising in significant part based on 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. Over the last year, DSAA has also increased the number of events it runs itself, trialling further running, cycling and open garden events as well as the established DSAA 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.

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. which includes £886,803 from sponsored activities, businesses and group fundraising and £671,606 from individual donors. Total donations have increased in the current year to £1,558,409 compared to £1,326,403 in the previous year.

Legacies

Legacy income this year was £1,525,453. This reduction from £3,375,363 in the previous year was expected due to the unusually high level of gifts in wills received in the twelve months to March 2022.

Committed Giving and Charity Prize Lottery

The Charity's prize lottery represents the single biggest component of our overall income. Over recent years, we have also introduced and are growing a 'committed giving' alternative way for supporters to make a regular monthly donation to DSAA. We manage the lottery and committed giving in house but outsource the canvassing activity to a third party canvassing provider.

Following the pandemic and in the current national employment situation, recruiting canvassers is currently extremely challenging. The vacancies in the DSAA committed giving and lottery canvasser teams has hampered DSAA maintaining the lottery and committed giving income.

Despite this, the lottery's gross income for the year ending March 2023 was £4,350,423, a £145,710 decrease on the previous financial year. However the two additional seasonal raffles banked £231,750, which is slightly less than the year ending March 2022.

Collection boxes

Our collection boxes are distributed across our counties, collected and maintained by volunteers working under the direction of DSAA staff. Opening of boxes, counting and banking is done only in DSAA offices in secured & monitored room. This year we have also added QR donation codes to our tins for those that do not carry cash, and we have trialled the use of contactless payment for donations at events.

Investments

The received £680,463 from its Core Financing Fund of long term investments. The Charities future target is to cover up to 5% of annual expenditure from this fund.

Income Generation Ethical Commitment, Safeguarding and Complaints handling

The Charity is committed to maintaining the highest standards of fundraising behaviour and is registered with the Fundraising Regulator. Our commitment made to donors and the public is to ensure that our fundraising is legal, open, honest and respectful. The standards of fundraising are set out in the Fundraising Code of Practice and DSAA carries out regular internal audits to ensure our fundraising activity adheres to the Fundraising Code of Practice. DSAA's Safeguarding policy states that concerns or allegations of abuse or neglect will always be taken seriously and investigated and DSAA seeks to safeguard adults at risk and children by valuing, listening to and respecting them. All Trustees, employees and volunteers have access to, and are familiar with, this policy and will know their responsibilities within it and have access to Safeguarding Procedures including how to report concerns or allegations of abuse. All managers are responsible for promoting awareness of this policy within their teams. All contracts with third parties associated with DSAA fundraising are set in line with the guidelines issued by the Fundraising Regulator.

Our Lottery and Committed Giving canvassers are all checked and go through a strict induction process where they will be asked to follow the canvassers charter. This states that they should always act with integrity, honesty, and transparency and in such a manner that supporters are not misled.

Dementia friends training is also undertaken so that canvassers can gain a better understanding of the disease while helping them to learn how to recognise a vulnerable adult and act appropriately. During interactions, canvassers are alert to any signs that the individual may not be able to make an informed choice and if the canvasser has any grounds for concern, then a commitment should not be taken. Any customer who joins with a canvasser will be given a confirmation receipt straight away, with a welcome letter arriving a few days later as a physical sign of what has been arranged. Any concern from a customer or a member of their family that they had not been aware of or understand what they had set up, will result in an immediate cancellation and if required the offer of a refund of any monies already taken. To ensure that we are maintaining the highest standards of fundraising we also make regular compliance calls to new lottery members to check that canvassers are all consistent in their behaviour and that the customer is happy with their canvasser experience and to able to support the charity in this way.

Any complaints that are received are treated seriously and dealt with promptly, amicably, and efficiently by the lottery or fundraising team. We ensure that complaints are treated in confidence and aim to resolve the complaint within 10 working days. Most complaints are satisfactorily and immediately resolved without the need for any further action. Any complaints regarding canvassers that do need to be escalated are passed to the canvassing supervisor and then LFS to investigate. Over the last year, we have escalated two complaints regarding canvassers to LFS, both of which have resulted in the canvassers concerned being spoken to and subsequently leaving the charity team. No complaints were received regarding fundraising activities outside of lottery and committed giving canvassing.

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2023

Future Plans

Increasing Critical Care availability

The number of patients that DSAA reaches has been increasing year-on-year since the Charity first began work. However, the patient reach that the Charity can achieve is currently limited by: the time that our aircraft is off-line for maintenance, repairs & pilot certification; weather restriction on flying, particularly low cloud; and the hours that DSAA does not have a duty shift, ie 0200 to 0700.

DSAA's mission and vision entail that Charity should try to reach all those patients that need its pre-hospital critical care. DSAA critical care availability could be increased by having at least one aircraft available throughout the current 19 hours per day duty shift. Furthermore, the Charity considers that there are patients needing critical care between the hours of 0200 and 0700 in Dorset and Somerset, who would benefit from the provision of its critical care service for 24 hours per day. DSAA is therefore currently assessing the potential to increase its aviation capacity in order to reach more patients during our current 19 shifts and then the potential to increase the hours of the day in which our critical care team is available.

In order to improve availability via aircraft during periods of low cloud, DSAA is working with the Civil Aviation Authority (CAA), supported by the Department for Transport, to implement a Global Navigation Satellite System approach to its base at Henstridge Airfield. This has been selected by the CAA as one of the five initial sites for 'blue light' services use of this system.

Air Base development

As the provision of care and the aviation capability of DSAA has developed, so the needs on the air base have increased. In order to support the existing and further development of the service, the charity is assessing the more efficient way to redevelop our operational base.

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.

Financial sustainability

Over recent years, DSAA has increased the reach and capability of its critical care and enhanced care to patients, focusing its efforts and spend onto those aspects of its mission and vision, and keeping centred on care for patients and their families. Supporters in Dorset and Somerset have been, and continue to be, generous with their support for our service. As the capability and activity level of the DSAA service has increased to fill patient need, so the costs have inevitably increased and these have been compounded by recent inflation, such that DSAA now spends annually all the charitable funds that it receives. In order to ensure that future costs and development of the clinical service are financially sustainable, DSAA is looking at slightly increasing its fundraising activity, investing modestly to increase its engagement with corporate partners, grant funders & charitable trusts, and individual donors.

Financial Review

Transactions and Financial position

The Statement of Financial Activities shows a net deficit in funds of £1,687,462 for the year (2022 – surplus £3,089,310) and reserves stand at £41,159,457 of which £13,156 is restricted. The cash and cash equivalents at the end of the financial year stood at £4,391,687 with a further £7,810,483 in cash term deposits.

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

The Charity has a £21m long term investment as its Core Financing Fund, with a target to cover up to 5% of annual expenditure. In the year to March 2023, the income received was £459,024, which equates to 5.2% of the annual expenditure.

The Fund is available to draw down if the charity experiences an exceptional drop in income, in order to keep blue light emergency service operational for two further years. In order to mitigate the risk of investments, the Core Financing Fund investments are managed by three separate investment managers and an active cash management service.

The Charity has adopted an ethical investment policy to ensure that its investments do not conflict with its aims, and our investment managers must demonstrate the Environmental, Social and Governance (ESG) issues are core to their 'house' investment policies and reviewed regularly.

Reserves policy

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. DSAA policy is therefore to hold 6-12 months free reserves.

During an exceptional period of legacy and prize lottery fundraising income, our Trustees made the decision to accumulate reserves for specific purposes that will improve the organisation's service delivery and future sustainability. These funds are designated into the following categories:

£16m	designated towards significant capital projects (£11 mil helicopter, £5 mil base)
£8m	free reserves (equivalent to 10 months operational costs)
£17m	long term investment as Core Financing Fund, with target to cover up to 5% annual expenditure Fund would be available to draw down if charity experiences an exceptional drop in income, in order to keep blue light emergency service operational for two further years

Increases in operational costs have coincided with legacy, prize lottery, donation and investment income all falling or stagnating. This has placed the charity in an ongoing annual deficit position, requiring it to expand and diversify income streams for it to continue providing essential support to critical care patients.

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

Risk

The principal risks to which the Charity is exposed are set out in its Risk Management Strategy which is supported by a Risk Matrix. The Risk 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 Risk Matrix is reviewed quarterly at each meeting of the Board, and 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.

Much of the operational risk is managed in conjunction with SAS and SWASFT. The DSAA Aviation Sub-Committee has reviewed SAS as the provider of aviation services to DSAA and the Trustees are assured that SAS is a competent provider to deliver aviation services to DSAA. Trustees with clinical experience review the workings of DSAA clinical governance activities, which fall under the overall clinical governance within SWASFT.

DSAA, like most charities, must manage risk relating to 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.

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2023

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.

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.

The Dorset & Somerset Air Ambulance Charity
Trustee Directors' Report
For the Year Ended 31 March 2023

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: 13/9/23

The Dorset & Somerset Air Ambulance Charity
Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 March 2023

Opinion

We have audited the financial statements of The Dorset & Somerset Air Ambulance Charity (the 'charitable company') for the year ended 31 March 2023, 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 2023 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 16], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 2023

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: 19/09/2023

The Dorset & Somerset Air Ambulance Charity
Statement of Financial Activities (including Income and Expenditure Account)
For the Year Ended 31 March 2023

	Notes	Unres- tricted £	Res-tricted £	2023 Total £	Unres- tricted £	Res-tricted £	2022 Total £
Income:							
Donations and legacies	2	3,364,683	26,787	3,391,470	4,994,895	-	4,994,895
Trading activities	3	4,652,040	-	4,652,040	4,832,003	-	4,832,003
Investment income	4	680,468	-	680,468	553,578	-	553,578
Total income		8,697,191	26,787	8,723,978	10,380,476	-	10,380,476
Expenditure:							
Raising funds	5	1,124,732	-	1,124,732	1,020,005	-	1,020,005
Charitable activities	6	7,773,776	-	7,773,776	6,865,584	-	6,865,584
Total expenditure		8,898,508	-	8,898,508	7,885,586	-	7,885,586
Net income / (expenditure) before other recognised gains and losses		(201,317)	26,787	(174,530)	2,494,890	-	2,494,890
Net gain / (loss) on investments	11	(1,512,932)	-	(1,512,932)	594,420	-	594,420
Net income before transfers		(1,714,249)	26,787	(1,687,462)	3,089,310	-	3,089,310
Transfers	16	13,631	(13,631)	-	-	-	-
Net movement in funds for the year		(1,700,618)	13,156	(1,687,462)	3,089,310	-	3,089,310
Reconciliation of funds							
Total funds brought forward		42,846,919	-	42,846,919	39,757,609	-	39,757,609
Total funds carried forward		41,146,301	13,156	41,159,457	42,846,919	-	42,846,919

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

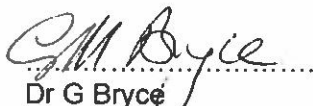
Balance Sheet

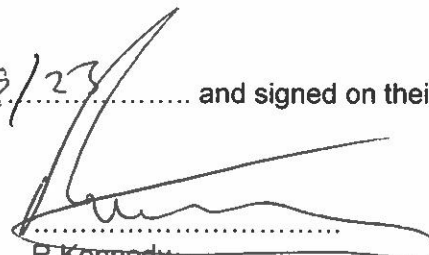
As at 31 March 2023

		2023	2022
		£	£
	Notes		
Fixed assets			
Tangible fixed assets	10	7,659,181	8,106,129
Investments	11	21,429,069	22,585,166
		<u>29,088,250</u>	<u>30,691,295</u>
Non-current assets			
Investments	12	4,500,414	2,169,420
		<u>4,500,414</u>	<u>2,169,420</u>
Current assets			
Stock	13	5,485	13,621
Debtors	14	782,705	1,169,062
Investments	12	3,310,069	5,544,732
Cash at bank and in hand		4,391,687	4,242,159
		<u>8,489,946</u>	<u>10,969,574</u>
Liabilities:			
Creditors falling due within one year	15	(919,153)	(983,370)
		<u>7,570,793</u>	<u>9,986,204</u>
Net current assets			
		<u>7,570,793</u>	<u>9,986,204</u>
Total net assets		<u>41,159,457</u>	<u>42,846,919</u>
The funds of the charity:			
Unrestricted funds:			
General funds	16	5,072,392	41,315,380
Fair value reserve	16	33,909	1,531,539
Designated funds	16	36,040,000	-
		<u>41,146,301</u>	<u>42,846,919</u>
Total unrestricted funds			
		<u>41,146,301</u>	<u>42,846,919</u>
Restricted funds	16	13,156	-
		<u>13,156</u>	<u>-</u>
Total charity funds		<u>41,159,457</u>	<u>42,846,919</u>

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 ..12/9/23/..... 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 2023

		2023 £	2022 £
	Notes		
Cash flows from operating activities			
Net movements in funds for the year		(1,687,462)	3,089,310
Adjustments to cash flows from non-cash items			
Loss on disposal of fixed assets		10,504	-
Depreciation and amortisation	10	474,988	220,021
Dividends and interest from investments	4	(680,468)	(553,578)
Investment revaluations	11	1,512,932	(594,420)
		<u>(369,506)</u>	<u>2,161,333</u>
Working capital adjustments			
Decrease/(increase) in stocks	13	8,136	2,968
Decrease/(increase) in debtors	14	386,357	(680,733)
Increase/(decrease) in creditors	15	(64,217)	105,024
		<u>(39,230)</u>	<u>1,588,592</u>
Net cash flow from operations		<u>(39,230)</u>	<u>1,588,592</u>
Cash flows from investing activities			
Dividends and interest from investments		680,468	553,578
Proceeds on disposal of fixed assets		900	-
Purchase of fixed assets	10	(39,444)	(7,393,363)
Acquisition of investments	11/12	(4,628,490)	(2,653,689)
Investment disposals	11	2,093,336	1,804,012
		<u>(1,893,230)</u>	<u>(7,689,462)</u>
Net cash provided by/(used in) investing activities		<u>(1,893,230)</u>	<u>(7,689,462)</u>
Cash flows from financing activities			
Loan repayments received		-	2,483,835
		<u>-</u>	<u>2,483,835</u>
Net cash provided by/(used in) financing activities		<u>-</u>	<u>2,483,835</u>
Net increase/(decrease) in cash and cash equivalents		<u>(1,932,460)</u>	<u>(3,617,035)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>6,643,397</u>	<u>10,260,432</u>
Cash and cash equivalents at the end of the reporting period		<u>4,710,937</u>	<u>6,643,397</u>
Cash & Cash equivalents reconciliation:			
Cash at bank		4,391,687	4,242,159
Cash held by investment manager	11	319,250	2,401,238
		<u>4,710,937</u>	<u>6,643,397</u>
Total cash & cash equivalents at the end of the reporting period		<u>4,710,937</u>	<u>6,643,397</u>

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 2023

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 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 2023

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the depreciation on the aircraft held within fixed assets, as discussed below:

The charity's most important capital asset is its aircraft, the AW169 G-DSAA also known as 'Peggy'. Depreciation of this aircraft is estimated based on assumption that at the end of 10 years after purchase of G-DSAA by DSAA the aircraft will have a value of 50% of the price at which DSAA purchased it. The period of 10 years and the residual value percentage assumed take into account that G-DSAA was bought some 5 years after it initially entered service (ie not new) and that 10 years from purchase would not take the aircraft to its full level of depreciation and final value.

Various different methods are used to estimate the value of an aircraft for the purpose of valuing depreciation, and the method used by DSAA results in a monthly depreciation amount comparable to that estimated by other AW169 owners.

2. Donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Donations	1,531,622	26,787	1,558,409	1,326,403	-	1,326,403
Legacies	1,525,453	-	1,525,453	3,375,363	-	3,375,363
Collecting boxes	177,772	-	177,772	191,629	-	191,629
Gift aid	129,836	-	129,836	101,500	-	101,500
	3,364,683	26,787	3,391,470	4,994,895	-	4,994,895

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 7 legacies totalling approximately £766,275 (2022: 13 legacies totalling approximately £853,005).

The Dorset & Somerset Air Ambulance Charity
Notes to the Financial Statements
For the Year Ended 31 March 2023

3. Trading activities

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Lottery	4,350,423	-	4,350,423	4,496,133	-	4,496,133
Birthday draw	231,750	-	231,750	280,800	-	280,800
Other fundraising & sponsorship	2,302	-	2,302	1,502	-	1,502
Sale of merchandise	11,242	-	11,242	8,056	-	8,056
Events income	56,323	-	56,323	45,512	-	45,512
	<u>4,652,040</u>	<u>-</u>	<u>4,652,040</u>	<u>4,832,003</u>	<u>-</u>	<u>4,832,003</u>

Income received for the lottery totalling £416,176 (2022: £501,384) has been deferred and is recognised at the date the relevant draw takes place.

4. Investment income

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Dividends receivable	459,024	-	459,024	316,648	-	316,648
Interest receivable from banks/deposits	221,444	-	221,444	160,910	-	160,910
Loan interest receivable	-	-	-	76,020	-	76,020
	<u>680,468</u>	<u>-</u>	<u>680,468</u>	<u>553,578</u>	<u>-</u>	<u>553,578</u>

The Dorset & Somerset Air Ambulance Charity
Notes to the Financial Statements
For the Year Ended 31 March 2023

5. Expenditure on raising funds

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Lottery prizes	91,293	-	91,293	89,570	-	89,570
Staff salaries	377,266	-	377,266	325,951	-	325,951
Commission	369,997	-	369,997	343,363	-	343,363
Rental of computer system	6,240	-	6,240	6,240	-	6,240
Lottery office costs	26,289	-	26,289	25,908	-	25,908
Beeline	67,855	-	67,855	70,312	-	70,312
Bank charges	36,968	-	36,968	38,629	-	38,629
Function costs	4,530	-	4,530	2,654	-	2,654
Collection tins	1,555	-	1,555	1,026	-	1,026
General costs	1,868	-	1,868	-	-	-
Goods purchased for resale	10,786	-	10,786	7,351	-	7,351
Investment management costs	130,085	-	130,085	109,001	-	109,001
	1,124,732	-	1,124,732	1,020,005	-	1,020,005

The Dorset & Somerset Air Ambulance Charity
Notes to the Financial Statements
For the Year Ended 31 March 2023

6. Charitable activities

	Unres- tricted funds	Res- tricted funds	2023 Total	Unres- tricted funds	Res- tricted funds	2022 Total
	£	£	£	£	£	£
Helicopter costs						
Helicopter costs	4,148,745	-	4,148,745	3,529,435	-	3,529,435
Critical care team	1,947,627	-	1,947,627	2,158,811	-	2,158,811
Medical equipment	190,554	-	190,554	124,769	-	124,769
Airbase costs	47,939	-	47,939	43,546	-	43,546
Paramedic training	232,045	-	232,045	200,740	-	200,740
Travel & subsistence	37,878	-	37,878	13,412	-	13,412
Car hire	3,956	-	3,956	4,202	-	4,202
Foreign currency gain	(8)	-	(8)	(15)	-	(15)
VAT reclaimed	(114,738)	-	(114,738)	(98,679)	-	(98,679)
	6,493,998	-	6,493,998	5,976,221	-	5,976,221
Other charitable activities						
Grants awarded -						
Institution	30,000	-	30,000	-	-	-
	30,000	-	30,000	-	-	-

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2023

6. Charitable activities (cont.)

Support & governance costs

Wages and salaries	476,547	-	476,547	391,536	-	391,536
Accommodation	13,732	-	13,732	16,168	-	16,168
Print and stationery	4,307	-	4,307	6,341	-	6,341
Postage	6,585	-	6,585	4,924	-	4,924
Telephone	10,388	-	10,388	9,630	-	9,630
Vehicle insurance	943	-	943	1,098	-	1,098
Office equipment and maintenance	21,612	-	21,612	18,925	-	18,925
Publicity	13,371	-	13,371	8,630	-	8,630
Beeline	67,854	-	67,854	70,312	-	70,312
Insurance	19,578	-	19,578	18,622	-	18,622
Legal and professional	9,433	-	9,433	11,052	-	11,052
Training costs	9,153	-	9,153	3,905	-	3,905
Recruitment	22,675	-	22,675	21,530	-	21,530
Bank charges	16,060	-	16,060	14,577	-	14,577
Subscriptions	8,273	-	8,273	10,708	-	10,708
Health and safety	1,727	-	1,727	1,728	-	1,728
Depreciation	474,988	-	474,988	220,021	-	220,021
Loss on disposal of fixed assets	10,504	-	10,504	-	-	-
IT costs and website	52,028	-	52,028	49,156	-	49,156
Audit and accountancy	10,020	-	10,020	10,500	-	10,500
	1,249,778	-	1,249,778	889,363	-	889,363
	7,773,776	-	7,773,776	6,865,584	-	6,865,584

7. Net incoming resources/operating surplus

	2023 £	2022 £
Depreciation of owned assets	474,988	220,021
(Profit)/loss on sale of fixed assets	10,504	-
Auditors' remuneration for:		
Audit services	8,600	8,500
Accountancy services	1,720	2,000

8. Trustee directors

None of the Trustee Directors (or any persons connected with them) received any remuneration during the current or prior year. Two Trustee Directors were reimbursed during the year for travelling expenses £138 (2022: No reimbursements).

9. Employees

Number of employees

The average monthly head count was 23 staff (2022: 17 staff) and the average number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

	2023	2022
Chief Executive	1	1
Lottery staff	3	3
Fundraising staff	8	4
Management and admin staff	7	9
	<u>19</u>	<u>17</u>

Employment costs

	2023 £	2022 £
Wages and salaries	723,843	603,783
Social security costs	69,501	54,826
Other pension costs	60,469	58,878
	<u>853,813</u>	<u>717,487</u>

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

	2023 number	2022 number
£60,000 - £70,000	1	2
£70,000 - £80,000	1	-

These employees are a member of the defined contribution pension scheme, into which contributions of £17,835 (2022: £27,515) were made.

The key management personnel of the charity are considered to be the Chief Executive Officer, The Deputy Chief Executive, the Finance Manager and the Lottery Manager. The total costs to the charity of employee benefits for the key management personnel were £287,136 (2022: £260,335).

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 £60,469 (2022: £58,878).

Contributions totalling £8,651 (2022: £10,007) 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 2023

10. Tangible fixed assets

Cost	Short leasehold improvements	Freehold Land & Buildings	Medical Equipment	Fixtures & Fittings	Computer Equipment	Motor Vehicles	Aircraft	Total
£	£	£	£	£	£	£	£	£
At 1 April 2022	301,677	597,805	428,111	35,763	40,569	82,466	7,302,743	8,789,134
Additions	13,631	-	8,154	-	17,659	-	-	39,444
Disposals	(18,245)	-	-	-	-	-	-	(18,245)
At 31 March 2023	297,063	597,805	436,265	35,763	58,228	82,466	7,302,743	8,810,333
Depreciation								
At 1 April 2022	138,898	42,842	311,539	33,823	40,569	8,836	106,498	683,005
Charge for the year	30,325	11,956	55,208	582	-	11,780	365,137	474,988
Disposals	(6,841)	-	-	-	-	-	-	(6,841)
At 31 March 2023	162,382	54,798	366,747	34,405	40,569	20,616	471,635	1,151,152
Net book value								
At 31 March 2023	134,681	543,007	69,518	1,358	17,659	61,850	6,831,108	7,659,181
At 1 April 2022	162,779	554,963	116,572	1,940	-	73,630	7,196,245	8,106,129

11. Investments

	2023	2022
	£	£
Listed shares	21,109,818	20,183,927
Cash held by investment manager	319,250	2,401,238
Shares in subsidiary undertaking	1	1
	<u>21,429,069</u>	<u>22,585,166</u>
Listed shares	2023	2022
	£	£
Market value		
At 1 April 2022	20,183,927	16,240,400
Additions	4,532,159	5,153,119
Disposals	(2,093,336)	(1,804,012)
Revaluation	(1,512,932)	594,420
At 31 March 2023	<u>21,109,818</u>	<u>20,183,927</u>
	2023	2022
	£	£
Historical cost		
At 1 April 2022	17,270,067	13,586,443
Additions	4,532,159	5,140,636
Disposals	(2,734,312)	(1,457,012)
Other movements	-	-
At 31 March 2023	<u>19,067,914</u>	<u>17,270,067</u>

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 (2022: £nil) and the balance sheet total was £1 (2022: £1).

12. Investments

	2023	2022
	£	£
Fixed rate cash held on deposit	7,810,483	7,714,152
	<u>7,810,483</u>	<u>7,714,152</u>
Split as:		
Non-current asset investment (due > 1 year)	4,500,414	2,169,420
Current asset investment (due < 1 year)	3,310,069	5,544,732
	<u>7,810,483</u>	<u>7,714,152</u>

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

13. Stocks

	2023	2022
	£	£
Goods for resale	5,485	13,621
	<u>5,485</u>	<u>13,621</u>

The Dorset & Somerset Air Ambulance Charity
Notes to the Financial Statements
For the Year Ended 31 March 2023

14. Debtors

	2023	2022
	£	£
Other debtors	125,743	423,570
Prepayments and accrued income	656,962	745,492
	<u>782,705</u>	<u>1,169,062</u>

15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Deferred income: lottery receipts	416,176	501,384
Other creditors	219,943	88,003
Accruals	262,228	379,830
Amounts owed to group undertakings	1	1
Taxation and social security	20,805	14,152
	<u>919,153</u>	<u>983,370</u>

Reconciliation of deferred income : Lottery receipts

Opening balance	501,384	501,384
Received during the year	4,265,215	4,496,133
Released during the year	(4,350,423)	(4,496,133)
	<u>416,176</u>	<u>501,384</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements

For the Year Ended 31 March 2023

16. Summary of movement in funds

	Opening balance £	Income £	Expenditure £	Gain/(loss) on Investments & transfers £	Closing balance £
Unrestricted funds					
General	41,315,380	8,697,191	(8,898,508)	(36,041,671)	5,072,392
Fair Value Reserve	1,531,539	-	-	(1,497,630)	33,909
	<u>42,846,919</u>	<u>8,697,191</u>	<u>(8,898,508)</u>	<u>(37,539,301)</u>	<u>5,106,301</u>
Designated funds					
Disruption reserve	-	-	-	20,000,000	20,000,000
New Aircraft Fund	-	-	-	11,000,000	11,000,000
Airbase Redevelopment	-	-	-	5,000,000	5,000,000
Staff Responding Scheme	-	-	-	40,000	40,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,040,000</u>	<u>36,040,000</u>
Total unrestricted funds	<u>42,846,919</u>	<u>8,697,191</u>	<u>(8,898,508)</u>	<u>(1,499,301)</u>	<u>41,146,301</u>
Restricted funds					
County Air Ambulance					
Trust- HELP Appeal	-	26,787	-	(13,631)	13,156
	<u>-</u>	<u>26,787</u>	<u>-</u>	<u>(13,631)</u>	<u>13,156</u>
Total funds	<u>42,846,919</u>	<u>8,723,978</u>	<u>(8,898,508)</u>	<u>(1,512,932)</u>	<u>41,159,457</u>

The designated funds shown above reflect decisions taken by the Trustees prior to the year end. Since the year end, the reserves policy has been updated further – please see the Trustees Report for details.

The Dorset & Somerset Air Ambulance Charity
Notes to the Financial Statements
For the Year Ended 31 March 2023

Summary of movement in funds – 2022

	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
Total funds	39,757,609	10,380,476	(7,885,586)	594,420	42,846,919

- The fair value reserve is an accumulation of unrealised gains and losses, being the difference between market value and the cost of investments.
- Designated funds – Disruption reserves – free reserves to mitigate short- to medium-term risk of disruption, set at 2 years running costs.
- Designated funds – New Aircraft fund – towards purchase of a second aircraft which will enable the team to be fully operational and be able to reach patients more of the time.
- Designated funds – Airbase Redevelopment fund – towards redeveloping the operational airbase
- Designated funds – Staff Responding Scheme – reserves in order to conserve the value of the reserves against inflation and to provide income to contribute to the regular running costs of the service.
- County Air Ambulance Trust – HELP appeal – funds have been received towards the runway lights and windsock and Helipad lighting.

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

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements

For the Year Ended 31 March 2023

17. Analysis of assets between funds

	Tangible fixed assets £	Long term investments £	Cash at bank and in hand (including short term investments) £	Other net current assets/ (liabilities) £	2023 Total £
Unrestricted funds	7,659,181	-	(2,421,917)	(130,963)	5,106,301
Designated funds	-	25,929,483	10,110,517	-	36,040,000
Restricted funds	-	-	13,156	-	13,156
	<u>7,659,181</u>	<u>25,929,483</u>	<u>7,701,756</u>	<u>(130,963)</u>	<u>41,159,457</u>

Prior year - 2022

	Tangible fixed assets £	Long term investments £	Cash at bank and in hand (including short term investments) £	Other net current assets/ (liabilities) £	2022 Total £
Unrestricted funds	8,106,129	24,754,586	9,786,891	199,313	42,846,919
Designated funds	-	-	-	-	-
Restricted funds	-	-	-	-	-
	<u>8,106,129</u>	<u>24,754,586</u>	<u>9,786,891</u>	<u>199,313</u>	<u>42,846,919</u>

18. Financial instruments

Categorisation of financial instruments

	2023 £	2022 £
Financial assets measured at fair value through income and expenditure account	21,429,069	22,585,166
Financial assets that are debt instruments measured at amortised cost	12,813,833	12,648,734
	<u>34,242,902</u>	<u>35,233,900</u>
Financial liabilities measured at amortised cost	<u>473,520</u>	<u>457,826</u>

Item of income, expenditure, gain or losses

	Income £	Expense £	Net gains £	Net losses £
2023				
Financial assets measured at fair value through income and expenditure account	459,024	130,085	-	1,512,932
Financial assets that are debt instruments measured at amortised cost	221,444	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
	<u>680,468</u>	<u>130,085</u>	<u>-</u>	<u>1,512,932</u>

	Income £	Expense £	Net gains £	Net losses £
2022				
Financial assets measured at fair value through income and expenditure account	316,648	109,001	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>109,001</u>	<u>594,420</u>	<u>-</u>

19. Financial commitments

At 31 March 2023 the charity was committed to making the following payments under non-cancellable operating leases:

	2023	2022
	£	£
Land and Buildings		
Expiry date:		
Within one year	-	-
Between two and five years	-	-
Other		
Expiry date:		
Within one year	732,461	733,264
Between two and five years	876	-
	<hr/> 733,337 <hr/>	<hr/> 733,264 <hr/>

20. Related parties

There were no related party transactions during the year (2022: none).

