

Welsh Air Ambulance Charitable Trust

ANNUAL REPORT AND ACCOUNTS

1 August 2021 - 31 July 2022



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Ambiwlans
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CYMRU

WALES
Air
Ambulance
Charity

COMPANY NO: 4036600
CHARITY NO: 1083645

FOREWORD

This Annual Report covers the 12 months between 1 August 2021 and 31 July 2022, a period when Wales Air Ambulance marked its 21st anniversary (1 March, 2022). This is a significant milestone for a charity that has grown from a one-helicopter operation to become the largest air ambulance service in the UK, with four high-specification aircraft and a fleet of rapid response vehicles.

By 31 July 2022, the Service had attended 43,140 missions since its inception in 2001.

Our consultant-led service is delivered in partnership with the Emergency Medical Retrieval and Transfer Service (EMRTS), a part of NHS Wales. We have become an important part of the critical care provision within Wales, attending life and limb-threatening emergencies across the country. We are a scarce but incredibly valuable resource. Therefore, our crews operate pan-Wales. Regardless of where they are based, they travel the length and breadth of our nation to deliver emergency care.

A report published in March 2022 confirmed our lifesaving value (see page 6). The findings of an in-depth five-year evaluation of the Service indicated a significant 37%

reduction in deaths within 30 days amongst patients who suffered a blunt trauma and who received the emergency department-standard care provided by the Service's medics at the scene of an incident.

The Service has also seen a 41% reduction in secondary transfers for patients, vastly exceeding its original target of 30%. A secondary transfer is when an emergency patient is taken to a healthcare facility, usually the nearest to the incident, and then requires a transfer to another hospital that can offer them the specialist care that they need. Due to advanced decision-making at the scene of an incident, our Service's medics can diagnose the specific needs of a patient and take them directly to the appropriate healthcare facility – in many cases a Major Trauma Centre. This further reduces the time (by days/hours in some cases) it takes for a patient to receive the specialist care that they need while saving the NHS time and money by avoiding a secondary transfer.

So, we know that we deliver an excellent standard of medical care. We now want to know whether as many people as possible, across Wales, are benefiting from this exceptional care and that it is being

delivered in the most equitable way possible. Our Mission Statement (see page 4) is a clear commitment to the people of Wales and it is our duty to ensure that we are providing the best possible service with the resources that we have. To answer the above questions, we will work closely with EMRTS and the wider NHS in Wales.

During the reporting period, work began on the repurchase of our next aviation contract (the current contract is due to terminate in December 2023). This is an extensive, thorough, and robust process that will take 18 months to complete and the successful bidder will be announced in early 2023.

As always, we owe an enormous debt of gratitude to our employees, Trustees, volunteers supporters and partners. Without their dedication, passion and flexibility the Wales Air Ambulance Charity would not exist. It is because of them, and you, that we are able to serve Wales and save lives.

On behalf of the Trustees, I present to you this report with the financial statements of the Charity for the year ending 31 July 2022.

Dave Gilbert OBE
Chair of Trustees, Wales Air Ambulance Charity

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OUR PURPOSE

About Wales Air Ambulance

Launched on St. David's Day 2001, the Wales Air Ambulance is the official air ambulance service for Wales. We operate some of the most advanced air ambulances in the UK, saving precious time and lives – all thanks to the people of Wales.

We rely entirely on charitable donations to raise £8 million every year to keep the helicopters in the air and rapid response vehicles on the road across Wales.

Serving Wales, Saving Lives

Our Charity is on standby 24 hours a day, 365 days a year and operates from bases across Wales to ensure pre-hospital critical care is available Wales-wide.

Flying ED (Emergency Department)

Wales Air Ambulance offers advanced critical care and is often described as a 'Flying ED'. The on-board consultants and critical care practitioners are highly skilled and carry some of the most pioneering medical equipment in the world. Find out more about our medical operation on page 6.

Our Mission

To deliver lifesaving, advanced medical care to people across Wales, whenever and wherever they need it.

Our Vision

To improve the lives of patients and their families by being a world leader in advanced, time-critical care.

Our Operations

Wales Air Ambulance bases are in the following locations and operate during the stated hours. We are a valuable but scarce critical care resource that offers a specialised service. Therefore, our crews operate pan-Wales. Regardless of where they are based, they travel the length and breadth of our nation to deliver emergency care.

Caernarfon 8am - 8pm ☀️

Welshpool 8am - 8pm ☀️

Cardiff 24 hours a day ☀️ 🌙

Llanelli 7am - 7pm ☀️



THE MEDICAL OPERATION

About the Medical Operation

In April 2015, a new and more advanced medical workforce began to operate from the Wales Air Ambulance bases. The Wales Air Ambulance Charity partnered with NHS Wales to create a consultant-led medical operation - known within the NHS as the Emergency Medical Retrieval and Transfer Service (EMRTS) Cymru. EMRTS Cymru is responsible for the medical workforce and medical governance of the service.

Five-Year Service Evaluation (2015-2020)

Following an independently scrutinised evaluation of our service, the summary was as follows:

INCREASED CHANCE OF SURVIVAL

A significant 37% reduction in mortality after 30 days for patients with serious blunt trauma.

FLYING EMERGENCY DEPARTMENT

63% of patients (6,018) had treatments at the scene of their incident which previously they could only have within a hospital (including blood transfusions and anaesthesia).

TAKING THE PATIENTS TO THE RIGHT PLACE, FIRST TIME

Thanks to advanced decision-making, 42% of patients bypassed local hospitals to be taken directly to specialist care – saving time for the patient and extra resources for the NHS.

ATTRACTING CONSULTANTS INTO WALES

12 new consultants had been recruited into Wales due to the attraction of working with Wales Air Ambulance.



Medical Services

The medical services we offer are as follows:

- **Pre-hospital critical care for all age groups** (i.e. any treatment/decision that is carried outside of normal paramedic practice).
- **Undertaking time-critical, life or limb-threatening** adult and paediatric transfers from peripheral centres (inc. Emergency Departments, Medical Assessment Units, Intensive Care Units, Minor Injury Units) for patients needing specialist treatment at the receiving hospital. In addition, our Service provides an enhancement of neonatal and maternal prehospital critical care - both for home deliveries and deliveries in free-standing midwifery-led units (MLUs).

This includes:

Transporting neonatal teams to distant time-critical cases by air.

Supporting midwife units and home deliveries by stabilising neonates and women with life-threatening problems and transporting them to a consultant-led delivery unit.

Finally, the Service provides a multitude of roles at major-incident or mass-casualty events and a strategic medical advisor is available 24/7. This advisor is known as a top cover consultant.

Patient Aftercare Service

Many patients treated by the Wales Air Ambulance have suffered serious trauma. It can be difficult for both a patient and their family. As a service, we recognise the importance of an ongoing relationship with patients following their contact with our clinicians.

Our nurse-led aftercare service supports patients and relatives on their journey to recovery, providing consistency and support throughout, including after discharge home. Some key aspects of the Patient Liaison service are:

- Follow-up visits at varying intervals during recovery, differing from patient to patient.
- Answering questions about the treatment provided before hospital and filling in any gaps.
- Emotional support for both patients and relatives.
- Signposting to other organisations who can offer additional support.
- The opportunity to pass on a message to the crew via letter or email.
- Bereavement support for those who have lost a loved one.

Since the introduction of the aftercare service in 2020, there has been positive feedback from patients, relatives and staff alike.

WALES AIR AMBULANCE

Flying into the Future

with a **NEW** look!

The Charity, which marked its 21st birthday on Tuesday 1 March 2022, looks back with pride at its lifesaving achievements whilst also looking ahead to ensure that it can be on standby for the people of Wales in the decade to come. As part of this focus on the future, and following a full strategic review, the Charity unveiled a new-look identity on Friday 20 May 2022.

Feedback was sought from employees, volunteers, medical crews, trustees and supporters. With regards to the Charity's identity, the responses showed that people connected strongly with the Welsh identity conveyed by the Wales Air Ambulance but that the current logo was not reflective of what the Charity does.

A project team, led by the Charity's Creative Digital Designer Lauren Burden, took on board feedback and was tasked with creating a new Wales Air Ambulance identity and testing it with supporters.

The red rotor blades that made up the original Wales Air Ambulance logo have now been replaced with a modernised design. The new visual identity includes an abstract helicopter encircled by a distinct dragon's tail. The dragon's tail sets us apart from other air ambulance charities in the UK and is consistent with the livery on our helicopters and rapid response vehicles. The circular shape also symbolises protection and strength.

As well as a new logo, the rebrand included an enhanced colour palette, the introduction of clear and modern fonts, as well as the creation of brand guidelines which cover our Charity's tone of voice in communications and photographic style.

Public feedback about the rebrand has been overwhelmingly positive, as highlighted in the following comments:

"The proposed logo is very modern, unique, and would appeal to a younger demographic as well as appearing refreshing to current supporters."

"It's modern, unique and obvious that it is representative of an air ambulance."

"I love how the dragon's tail can be seen as the tailwind from the aircraft."

Lauren Burden said: "Research has shown that rebranding can increase opportunities for fundraising, whilst helping to spread awareness of the Charity. People's willingness to devote their time and money to a cause is directly influenced by the positive connection they have with a brand.

"This has been an exciting project to lead. We have identified our new brand but now we start the significant work of introducing it across the Charity, which we will do in the coming months."

Dr Sue Barnes, the Charity's Chief Executive, said: "We were delighted to unveil our new branding to the people of Wales. An organisation's brand is one of its most valuable assets and for the Wales Air Ambulance Charity, this is no different. Branding is key to our identity as it provides continuity and conveys who we are, what we do, and what we stand for. With the Charity embarking on an extensive and wide-reaching strategic review, it presented an opportunity for us to evaluate the brand.

"The development of this new identity has been inclusive, bringing together the thoughts of those connected with the service. I'm also extremely proud that this significant piece of work has been undertaken in-house, using the creative expertise of our own communications and design team."

The Charity has been overwhelmed by the response to the rebrand and looks forward to seeing it develop across a multitude of platforms in the future.

Walk Wales

100km in May

As always you, our supporters, came out in force to take part in our annual Walk Wales challenge to raise vital funds for us.

During May 2022, nearly 290 of you put on your walking shoes and raised an incredible £33,313 to help us continue to be there for the people of Wales when they need us most.

The beauty of Walk Wales is that it allows people of all ages to virtually walk our great nation from the comfort of their own homes, locally, abroad or whilst exploring Wales.

This was the third year our successful fundraiser took place – thank you to everyone who either took part, donated, or encouraged someone to get those miles in.

Here's a little snippet of some of our supporters who took on the challenge:

Hayley Whitehead-Wright

Mum-of-one Hayley entered her first fundraiser for the Wales Air Ambulance.

Hayley raised £205 and took on the challenge with her son and family members. Hayley said: "I took part in Walk Wales to raise money for the Charity and to start getting fit. We went for walks around our local area and Ty Mawr Country Park. When I couldn't get out, I did some miles on my exercise bike."

Kara Richards

Dedicated seven-year-old Kara Richards, from Pontardawe, raised a fantastic £715 for us. Kara has had an interest in the Charity since the original lockdown and was delighted to take part in her first-ever fundraiser.

As well as getting in her kilometres with her mum, Natalie, Kara walked in rain or sunshine and even took on the challenge during her lunch breaks at school.

Natalie said: "Kara always makes it easy for us to be proud of her but we're so proud of her determination and dedication to completing the Walk Wales challenge and all the money she has raised for the Charity. She's our little star!"

Lord Family – Rhiannon, Simon, Billy and Albie

A family from Monmouthshire had a personal reason to 'walk Wales' after the Wales Air Ambulance helped save Albie's life when he was a newborn.

Albie, who is now three, had sepsis and time was critical. Rhiannon said: "They saved his life that day and we will forever be grateful for all that the air ambulance crew did for Albie. Every day with him is a blessing."

Meleri Brown

Teaching assistant Meleri Brown walked 100km in May because the Charity is close to her family's hearts - the Wales Air Ambulance medics helped save the life of Meleri's cousin, Gwyndaf Davies. Meleri, from Carmarthenshire, raised an incredible £1,375 and had the support of her pupils from Cynwyl Elfed school.

Meleri said: "I am overwhelmed by the support and generosity of friends and family which makes me feel proud to be part of my community. I know that this amount will make a big difference to the Charity."

FUNDRAISING STORIES

The following stories refer to a small number of the many fundraising activities undertaken on behalf of the Wales Air Ambulance Charity.

Jill Loses Nine Stone

As an incentive to lose weight, Jill Perry pledged to put £5 in her collection tin for every pound she lost. Jill has raised over £1,100 for our Charity and lost an incredible nine stone. The Garthangharad pub contributed to Jill's fundraiser by placing collection tins on their bars. A delighted Jill said: "I am happier, healthier, more confident and enjoying a nice lifestyle."

Jubilee Celebration raises £550

Marton Pool Holiday Home Park celebrated the Queen's Platinum Jubilee whilst raising funds for our Charity. The much-needed funds were raised during a street party in June 2022 which over 150 people attended. £550 was raised through a tombola table and craft sale. Many of the caravan owners who were unable to attend the weekend also made a donation.

Courier Company Show their Support

In 2021, Newtown-based Station Couriers helped to raise the profile of Wales Air Ambulance by promoting the Charity's branding on two single trailers and one rigid lorry. The company also donated £500 to us. Sian Jenkins, Director of Station Couriers, added: "Wales Air Ambulance has always been a charity close to our hearts. We have always felt that they do an amazing job and we know of family and friends that have needed to use the service."

School Boy Raises Money in Memory of His Dad

Calan-James Rees climbed Pen y Fan on the first anniversary of his father's death to raise money for the charity that fought to save his life. His dad, Sam Rees, sadly passed away following an off-road motorcycle accident.

In August 2021, the brave five-year-old climbed the highest peak in South Wales, joined by his mother Gemma Lewis and around 30 family members. Calan-James completed the fundraiser in just 1 hour and 21 minutes.

The family took with them Sam's memory teddy bear, which was made from his pyjamas and has some of Sam's ashes in the belly. Calan-James smashed his fundraising target and has raised over £1,800 for us.

An emotional Gemma said: "We wanted to finally give something back to these amazing people for their dedication, love and effort in saving lives and trying to save lives every day."



ANONYMISED CASE STUDIES

Case 1

Whilst out walking in a well-known beauty spot in North Wales a lady tripped and fell over, which caused a substantial break to her lower leg. The Wales Air Ambulance crew were called to assist the land Welsh Ambulance Service (WAST) paramedics as she was in significant pain. When the crew arrived, there was an obvious deformity to her lower leg. The crew administered strong pain relief to straighten her leg and place it in a splint therefore insuring continued adequate blood supply to her foot. The crew then airlifted her directly to a major trauma centre where she underwent surgery to correct her injuries.

Case 2

In North Wales, a normally fit and well gentleman had met up with a friend to go for a walk when he suddenly collapsed. His friend called 999 and started CPR. When the Wales Air Ambulance arrived on scene, the patient was not breathing and after attaching monitoring equipment it was found that his heart was beating in an abnormal rhythm. The crew quickly intubated the patient so that they could breathe for him and attached a defibrillator to his chest which delivered multiple shocks. Following this treatment, the patient's heart began beating normally again and he began to make some respiratory effort. The patient was kept sedated and placed on a ventilator. He was then transferred directly to a local hospital who specialise in cardiac care for ongoing investigations and treatment.

Case 3

A mother's worst fears were realised when her seven-year-old daughter was involved in a road traffic accident while crossing the road and was knocked unconscious. Wales Air Ambulance arrived on scene, and it was clear that she had sustained a severe head injury. To protect her brain from further injury, the crew sedated her with a general anaesthetic. They then connected her to a ventilator and took over her breathing before transferring her to the Major Trauma Paediatric Specialist Centre. Scans revealed that she had a skull fracture with bleeding on the brain. The patient was admitted to the Paediatric Intensive Care Unit where she remained sedated for over a week. After hospital rehabilitation, she was discharged home and reunited with her family two months after the accident.

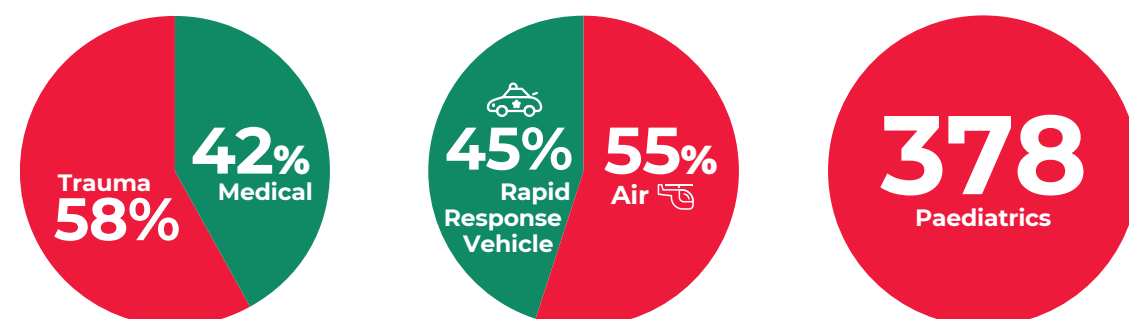
Case 4

The crew onboard Wales Air Ambulance were called out in the early hours of the morning after a car hit a lamp post and the passenger was ejected from the vehicle. On arrival, it became clear that the patient had signs of internal bleeding and was critically unwell. They administered multiple blood transfusions on scene which helped to stabilise her. The patient had sustained a head injury and her conscious level was reduced, so to protect her airway and her brain, she was given a general anaesthetic, placed on a ventilator, and given a solution to help reduce any swelling to the brain. Both her lungs had also collapsed, and the team had to carry out a surgical intervention to help reinflate them. Due to her critical condition, she was conveyed to hospital in the land ambulance, allowing the team to pull over at any time should her condition deteriorate. She was taken straight to The Major Trauma Centre for further time-critical and lifesaving interventions where she spent 30 days in Intensive Care. After six weeks in hospital, she was discharged and allowed to continue her rehabilitation and recovery at home.

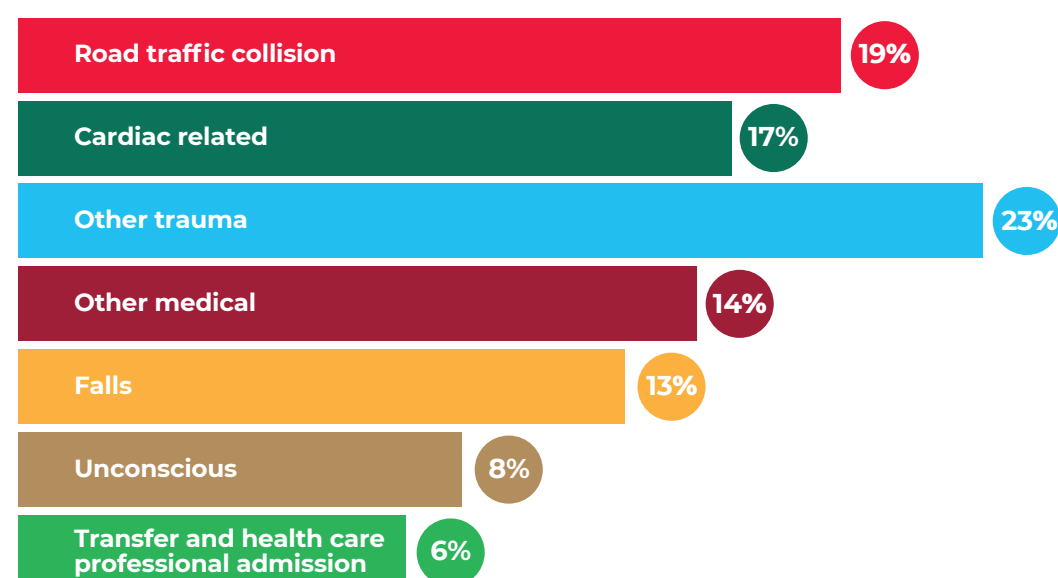


AUGUST 2021 – JULY 2022 MISSION DATA

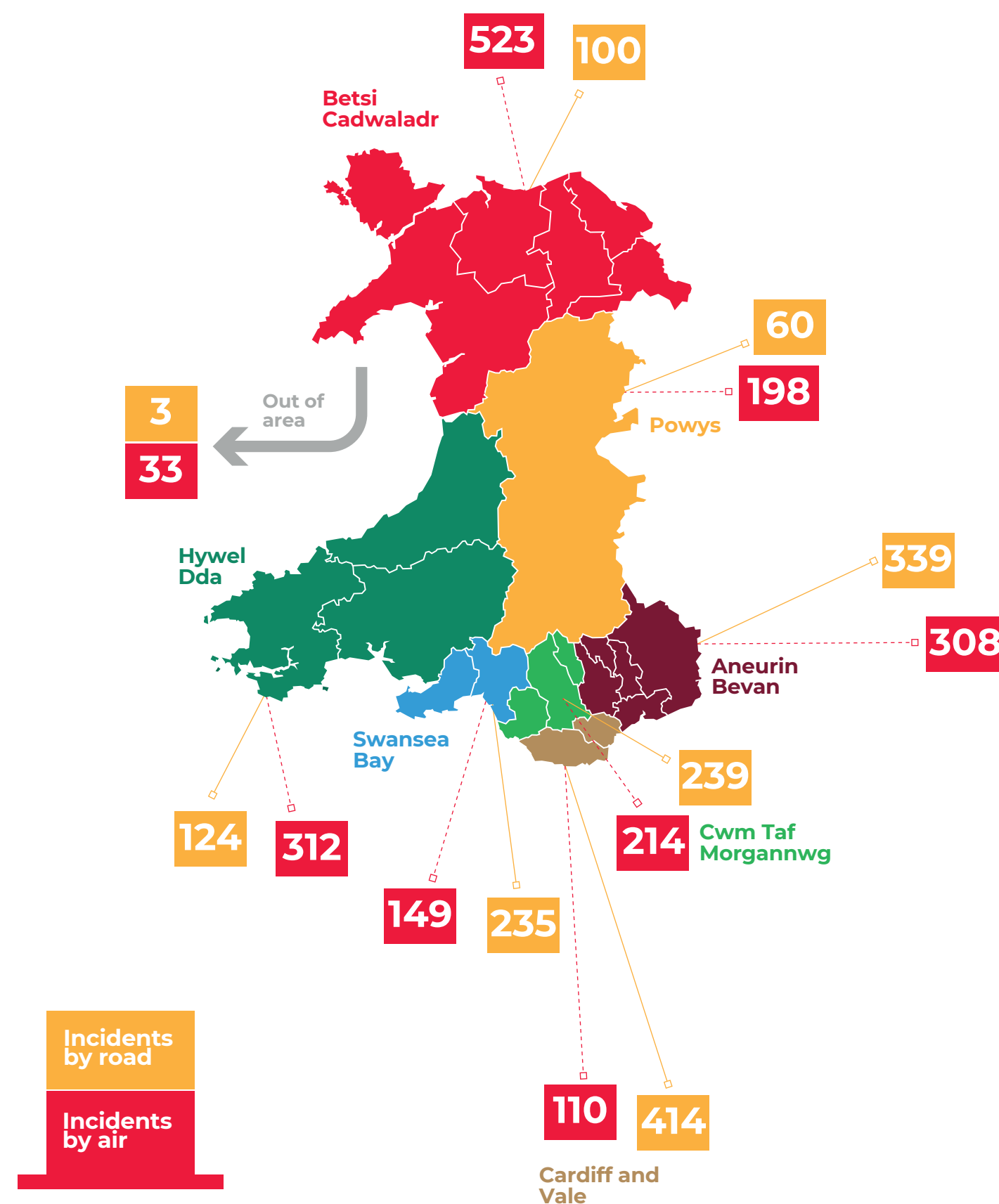
Total number of calls - 3361



Cases attended by category



PATIENT DESTINATIONS



FINANCIAL REVIEW

The financial outcome for 2021/22 is set out in the consolidated statement of financial activities on pages 42 to 63. The analysis below has been produced to simplify the financial statements and show how much The Welsh Air Ambulance Charitable Trust (WAACT) actually spends on its operations each year and how it is funded.

Financial Analysis

The result for 2021/22 was a surplus of £1.911 million (before losses on investments).

Total net income increased by £1.748 million whilst the cost of generating income and the spend on charitable activities increased by £89,000 and £1.020 million respectively.

Income Available for Charitable Spend

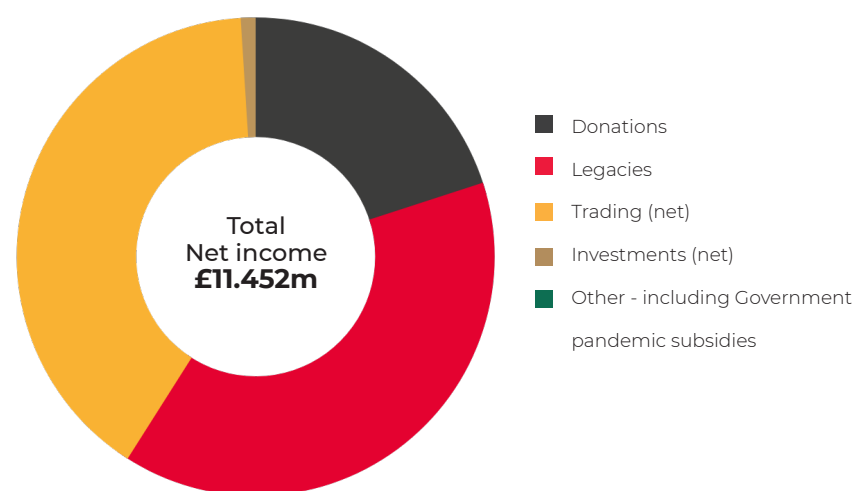
Despite the ongoing uncertainty and challenges faced by the charity sector as we continued to emerge from the COVID-19 pandemic, total net income amounted to £11.452 million, an increase of £1.748 million on 2020/21. The main reasons for the income movements were:

Donations (+£312,000) – Increased fundraising activity and the continued generosity of our supporters contributed to a 15.8% rise in donations.

Legacies (+£781,000) – Legacy income was ahead of the prior year (21.1%), largely because of income now received that was delayed by probate issues through the pandemic. Legacy notifications increased 14% compared with the prior year.

Trading (+£1.173 million) – Trading income was generated in the year via the Charity's lifesaving lottery, shops and commercial aviation activities (at Cardiff Heliport). The significant year-on-year increase in net trading income was predominantly due to the return of lottery canvassing activity, contributing to a growth in memberships of over 15,000 and taking the overall lottery membership to 134,000 at the year end. Lottery remains the largest income stream for the charity with a total income of £6.622m in the year. Income from our shops almost doubled from the previous year as there were no further government-imposed shop closures.

Other income (-£537,000) – a significant reduction in 2021/22 as the various pandemic staff retention schemes and retail property business premises grants supported by governments ceased. This reduced government support from £539,000 in 2020/21 to £5,000 in 2021/22.



INCOME	2021/22	2020/21
	£000s	£000s
Donations	2,290	1,978
Legacies	4,481	3,700
Trading (net)	4,570	3,397
Investments (net)	93	75
Other (including government pandemic subsidies)	17	554
Total net income	11,452	9,705
Cost of generating income	1,103	1,015
Net income available for charitable spend	10,349	8,690

Charitable Spend

Charitable spend in the year increased by £1.020 million (13.8%) compared with the previous year. The vast majority of this increase was due to helicopter operational costs which rose by £939,000, the main reasons of which are as follows:

- Increased flying costs: Whilst activity levels were in line with the previous year, costs associated with flying increased as a result of higher fuel prices (over 40% uplift) and aircraft maintenance costs.
- Fixed costs associated with our Aviation operator contract grew by 13.6% in the year. These fixed costs predominantly relate to the provision of the aircraft, staffing (pilots, engineers, operations support) and training.

In addition to Helicopter Operational costs, WAA began funding rapid response vehicles used by the medics when they are either unable to fly (e.g. weather), or when travelling by road is deemed more appropriate (e.g. proximity of incident to the base). The rapid response vehicles are an integral part of the Charity's lifesaving service. The funding of these vehicles commenced in April 2022 and total expenditure was £52,000 to the end of July 2022.

During 2022, WAA also started part-funding the Patient Liaison Service in partnership with EMRTS Cymru. Our Patient Liaison Nurses support patients and relatives on their recovery journeys. Costs only relate to the latter few months of the year and total £18,000.

Support costs associated with Charitable Activities increased by £78,000 in the year, and this was partly driven by the Charity's Aviation contract re-procurement process which started in October 2021.

CHARITABLE SPEND	2021/22	2020/21
	£000s	£000s
Helicopter Operational Costs	7,861	6,922
Helimed 67 Staff and Consumable Costs	154	211
Airbase Costs	114	92
Rapid Response Vehicles	52	-
Patient Liaison Service	18	-
Depreciation of Assets	43	73
Support Costs	197	119
Total Charitable Spend	8,439	7,417

Financial Resources

Bank holdings increased by £2.171 million in 2021/22 against an expectation. This was mainly due to a surplus (net income less charitable spend) of £1.911 million, of which £474,000 was added to the Charity's investment portfolio managed by Brewin Dolphin.

Financial Resources	2021/22 £000s	2020/21 £000s
Net income less charitable spend	1,911	1,315
Payments to acquire fixed asset investments	(474)	(900)
Increase in cash in investments	(45)	(27)
Add back depreciation of Fixed Assets	161	213
Purchase & Disposal of Fixed Assets	(122)	(99)
Stock (increase)/decrease	(1)	20
Debtors (increase)/decrease	136	(822)
Creditors (increase)/decrease	605	(499)
Cash at bank increase / (decrease)	2,171	199

Our Funds

The Charity held a number of funds (reserves) as at 31 July 2022. The total of which was £15.4 million (2020/21: £13.8 million). These comprised:

All figures in £000s	2021/22	2020/21
Fixed Asset Funds	1,426	1,465
Restricted Funds	95	16
Designated Funds:		
Night Flying Fund	-	743
MEDTRiM	67	-
Aircraft procurement	350	-
Future Aviation Contract	4,700	-
General Funds	8,807	11,548
Total Funds	15,445	13,766

Designated Funds

These reserves represent funds that have been designated for a particular purpose by the Trustees. Designated funds are made up of:

Night Flying Fund

The Charity realised its long-term objective to provide a 24/7 service for the people of Wales in December 2020. This fund was set up to support the additional costs of night flying.

MEDTRiM

Funds that aim to raise awareness about mental wellbeing and resilience across the service and involve the introduction of a formal approach for supporting Clinical staff following exposure to a traumatic event.

Aircraft procurement

The Charity's historical Aviation contracts saw its suppliers holding the leases for all aircraft, however, to protect the Charity's lifesaving service, Trustees have agreed that after the end of the existing contract (31 Dec 2023) three of the aircraft will be directly leased to the Charity. Trustees have therefore designated funds for the security deposit of these aircraft.

Future Aviation contract

Due to the significant rise in the Charity's Aviation costs that will be felt from 2024 as we enter a new Aviation contract, funds have been designated to cover the forecast deficits in the early years of the contract. Whilst the Charity has plans to increase its income to ensure it is able to meet the increased service delivery costs in the long term, this is likely to take four to five years to achieve. Trustees will use this fund to ensure the Charity can maintain its service provision until such time.

Restricted Funds

These are funds that can only be used for particular purposes as specified or agreed by the Donor. Most restricted funds relate to donations or legacies to be spent on a specific aircraft/airbase and are spent during the year in which they are received.

General Funds

These are the reserves remaining when restricted and designated funds are excluded from the total amount. General Funds are held so that the Charity can continue its operations in the event of an unforeseen shortfall in voluntary income or increase in costs.

Reserves Policy

All charities are required to consider how much money they need to hold in reserves. The extent varies depending on the scale and nature of the charity's activities.

Wales Air Ambulance's reserves policy aims to balance the need to maximise service delivery for given income, whilst managing financial risk and income volatility.

This policy is reviewed annually by the Finance Committee, and subsequently reviewed by the Board of Trustees.

WAACT provides an air ambulance operation for the people of Wales and to fund this service, we rely on a number of fluctuating income streams including donations and legacies.

To enable us to provide our lifesaving service in the future, we need to maintain a level of free reserves so that we can continue our operations in the event of an unforeseen shortfall in voluntary income or increase in costs. This is known as our target reserves.

The Trustees consider the following factors in order to determine an appropriate target level of free reserves:

- Forecasts for levels of income in future years, taking into account the reliability of each source of income and the prospects for opening up new sources.
- Forecasts for expenditure in future years on the basis of planned activity.
- The future strategic plans of the Charity over the medium to long term.

The Trustees calculate the amount required to be held in target reserves based on the assessment of the risks affecting the income and expenditure of the Charity on an annual basis, and a sum is held to cover the potential shortfall for each element of income and expenditure.

Based on these calculations, the Trustees estimate that a total of £9.0 million of target reserves is required. This sum covers approximately 15 months of forecast future charitable expenditure, or 11 months if based on financial projections for the year ending 31 July 2024.

Variance to Target Reserves Level

If reserves exceed 125% of target, management should prepare a plan of action, to be approved by Trustees within three months, to restore them to the target level. Likewise, if reserves are lower than 75% of target, management should prepare a plan, to be approved by the Trustees within three months, to restore them to the target level.

General (free reserves) are currently £8.8 million and therefore within the agreed target threshold.

Going Concern

The Trustees have considered both the Charity's financial position at the year end and the impact of future activities. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Wales Air Ambulance continues to manage key risks through our well-established risk management processes which have been embedded and have proved robust; for more information, please see pages 30-31.

Cash and reserves are monitored closely, with detailed short and long-term forecasts prepared annually and regularly reviewed and updated to ensure the long-term financial viability of the Charity. A risk-based reserves policy has been adopted; more details of this can be seen on pages 30-31.

The Charity has a strong balance sheet with unrestricted funds of £8.8 million. Any shortfall in income over the next 12 months can be covered by the Charity's cash reserves and investment funds, which total £6.7 million and £4.0 million respectively.

The Trustees, therefore, have a reasonable expectation that there are no material uncertainties about the Charity's ability to continue its operations, including to meet its liabilities, for the foreseeable future. As such, the charity continues to adopt the going concern basis in preparing the financial statements.

How We Invest Our Funds

The Trustees are permitted by the Charity's Articles of Association to invest any money not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

The Restricted and Designated Reserves (excluding the Tangible Fixed Asset Fund) are held as cash investments/deposits, whereas the General Reserves are held in a variety of investments according to the policy set out below.

Investment Policy

The objectives are to achieve capital growth, adopting a moderate risk approach and complying with the Trustee Investment Acts.

The investments are managed by independent investment managers, Brewin Dolphin Limited, appointed by the Trustees. These investments mainly comprise UK and international equities and fixed interest securities. The Trustees rely upon specialist advice for manager selection and allocation. The performance of our investment advisers and our investment portfolio is monitored by the Finance Committee.

We have adopted an ethical investment policy to ensure that our investments do not conflict with our aims and support Wales Air Ambulance's values as much as possible. Our investment managers actively monitor and engage with the companies in which they invest from an environmental, social and governance (ESG) perspective, using proprietary research, engagement and voting rights to influence change.

Investment managers have also been instructed not to invest directly in any organisation where more than 10% of turnover is derived from the manufacture or distribution of alcohol or tobacco industries.

A company's response to a material allegation of a breach of child exploitation conventions must be graded at least 'robust' in nature by VigeoEIRIS to justify retaining it within the portfolio.

The Trustees do not have a specific target level of income and income generated is currently reinvested in the portfolio. The Charity has agreed a long-term time horizon for its investments and is able to weather short-term volatility in order to meet its long-term objectives. The level of investment risk taken is reviewed regularly in conjunction with our investment advisers and has been appropriately mitigated by apportioning the funds into a well-diversified balanced portfolio.

The Investment policy is reviewed by the Board annually and is regularly reviewed by the Finance Committee.

Performance

The value of the investments fell by £0.16 million over the financial year, after accounting for capital of £0.47 million added over the course of the year. This represented a fall of 3.71% as compared with the benchmark rise of 1.10%. The closing balance of the Charity's investments as at 31 July 2022 was £4.0 million, up from £3.72 million a year earlier.

The Trustees regularly review the level of risk taken to ensure its comfortable with the degree of market volatility that the Charity is exposed to, and takes a long-term view over its investments.

GOVERNANCE

Structure and Management

The Welsh Air Ambulance Charitable Trust is a charitable company limited by guarantee and governed by its memorandum and articles of association. The Board of Trustees has overall responsibility for the direction, management and control of The Welsh Air Ambulance Charitable Trust. Some of these responsibilities are delegated under defined terms of reference to the Trustee Board committees.

Board of Trustees

Members of the Board of Trustees are also directors of the Charity for the purposes of company law. There is currently no upper limit to the time that an individual can be a Trustee but one-third of all Trustees are required to retire by rotation each year and, if willing to continue, offer themselves for re-election. The Trustees to retire by rotation are those who have been longest in office since their last appointment or reappointment.

Trustees are selected for their abilities to make an effective contribution to the Charity. The skills mix of the Board is reviewed every three years and recruitment of new Trustees is based on those skills gaps identified. The skills matrix includes: clinical, finance, legal, public relations, aviation, fundraising, HR management, strategic planning and governance. The Charity also strives to ensure we have representation from all across Wales.

All new Trustees undertake an induction programme, which includes visits to airbases where they are given the opportunity to meet with some of the operational team and learn more about the service and aircraft, coverage of the Charity's aims and how they are being fulfilled, the role and duties of the Trustees, company and charity law and governance, and financial and risk management. Trustees meet with the Chief Executive, members of the Senior Management Team and other relevant parties. Trustees are also provided with peer support via another Board member for the first year to ensure they have a direct point of contact for further support. Additional training is arranged as required for individual Trustees or for the Board as a whole.

Each Trustee is required to disclose actual or potential conflicts of interest to the Charity as part of the annual review and at the start of every meeting.

Board Committees

To perform its role effectively, the Board has established the HR Committee, Finance Committee and Aviation Committee. Some of the main Board responsibilities are delegated under defined terms of reference to these committees, which currently consist of at least two Trustees, one of whom is elected as Chairperson, and a member of the Senior Management Team. A summary of the role and purpose of each Committee is provided below.

HR and Organisation Development

The overall purpose of the Committee is to actively initiate, help develop, monitor and evaluate the strategic Human Resources and the Organisation Development actions and policies that will enhance and embed WAACT's reputation as an employer, and enable WAACT to recruit, develop, engage and retain skilled staff, volunteers, and Board members/Trustees. Meetings are held a minimum of three times per year.

Finance

The Finance Committee's role is one of strategic direction and oversight of the organisation's finances and investments. The committee considers and reviews all financial aspects of charity operations so as to ensure the short and long-term viability of the Charity. The Committee also reviews the findings of the external auditors including recommendations regarding improvements to the system of internal control. Meetings are held a minimum of three times per year.

Aviation

The Committee oversees all aviation aspects of charity operational facilities and bases as well as the Charity's aviation-related strategic direction. The Committee provides recommendations to the main board regarding the aviation services, contract and research and development. Meetings are held a minimum of once per year.

Governance structures can be set up by the Board of Trustees to oversee and direct specific large-scale projects of strategic importance. One such project undertaken during the year related to the Charity's Aviation contract re-procurement. The Charity began its procurement process to identify the Aviation Partner that will deliver the Charity's Aviation services from 2024 onwards. A Procurement Board made up of four Trustees was set up with overall responsibility for the oversight of the end-to-end procurement, reporting back to the main Board of Trustees as and when required.

Senior Management Team

The Senior Management Team, made up of the individuals listed below and led by the Chief Executive, is responsible for the day-to-day leadership and running of the Charity and the execution of the strategy and policies decided by the Trustee Board.

The Senior Management Team comprises:

- Chief Executive Officer
- Director of Finance
- Director of People & Organisational Development
- Director of Strategic Communications & Engagement

- Head of Infrastructure Services
- Head of Fundraising
- Head of Retail
- Head of Policies, Performance and Projects
- North Wales Development & Engagement Lead

The remuneration of the Senior Management Team is reviewed by the HR & Organisational Development Committee and recommendations provided for wider Board approval. In setting staff remuneration, the Trustees benchmark against other similarly sized charities and, where necessary, public and private sector organisations. The Board also reviews an organisation-wide cost of living increment to staff pay on an annual basis.

Our Auditors

Our auditors, Bevan Buckland LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Public Benefit

The Wales Air Ambulance Charity’s misson is to deliver lifesaving, advanced medical care to people across Wales, whenever and wherever they need it. Our service is delivered through a Partnership with EMRTS (Emergency Medical Retrieval and Transfer Service), whose medics are conveyed to the scene of the emergency by our helicopters and rapid response vehicles.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing the Charity’s aims and objectives and in planning future activities.

The Wales Air Ambulance Charity works independently of government and relies on donations to meet the cost of providing this public service.

Risk Management

The Charity has in place a Risk Management Policy, which provides a structured approach to risk management. The objective of the policy is to provide a framework to:

- Define Responsibilities
- Identify Risks
- Assess Priority Risks
- Develop Mitigating Strategies and Actions
- Monitor and Review Risk Activities
- Communicate and Report Risks

All identified risks are recorded in the risk register. The Senior Management Team and Board of Trustees regularly review the risks to which the Charity is exposed to and ensure systems and actions are in place to mitigate these risks.

Each risk has an owner responsible for the mitigation strategy. The key elements of the mitigation strategy are noted on the risk log with summary associated comments.

The most significant risks currently

Risk	Mitigation Implemented
Service operations Disruption (whether short, medium or long term) in the service availability of the aircraft resulting from technical fault, accident, grounding of all similar aircraft or supplier failure.	<ul style="list-style-type: none">• Contractual arrangements and monitoring of supplier performance and provision.• Availability of back-up aircraft.• Access to, and utilisation of, rapid response vehicles.
People Risk that we are unable to attract, develop and retain the talent and experience we require to fulfil our objectives and deliver our new 5-year strategy.	<ul style="list-style-type: none">• Improved appraisal process and introduction of Values-based Behaviours.• Robust management training programmes covering recruitment & selection and performance management.• Introduction of an Employee Forum to seek views and input from employee representatives.• Individual learning pathways developed and launched.• Regular staff and volunteer engagement surveys undertaken with appropriate feedback mechanisms.
Financial sustainability There is a risk that we have insufficient income and funds to achieve our strategic objectives and continue our operations without compromising on the delivery. This risk has been scored more probable this year due to: - the ongoing cost of living crisis which is putting pressure on disposable incomes - higher than normal inflation levels that will drive up our service delivery costs.	<ul style="list-style-type: none">• Careful management and planning of financial reserves, with regular reviews of short and long-term forecasts.• Diversifying fundraising income streams, with a particular focus on Individual Giving acquisition and retention.• Implementation of a new ‘Gifts in Wills’ strategy that aims to build a pipeline of pledges that will drive future legacy income.• Ensuring that the Charity achieves best value for money in its procurement, through a robust framework that’s embedded within the organisation.
Data governance and security: Failure to adequately use or protect data resulting in the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, data.	<ul style="list-style-type: none">• Strong cyber security in place to protect digital data. Cyber Essentials Plus Accreditation maintained.• Mandatory training provided to staff on areas such as GDPR and cyber security.• Data Governance Group established to ensure that all data is properly protected and used.• Privacy and security impact assessments have been introduced for all new business initiatives.

STATEMENT OF TRUSTEE RESPONSIBILITIES

The Trustees (who are also the directors of Welsh Air Ambulance Charitable Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to select suitable accounting policies and then apply them consistently;

- Observe the methods and principles in the Charity Statement of Recommended Practice (SORP).
- Make judgements and estimates that are reasonable and prudent.
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 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.

Report of the Trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 18th April 2023 and signed on the Board’s behalf by:

DAVE GILBERT OBE –
TRUSTEE, CHAIR

DR KYLE JACQUES –
TRUSTEE, VICE-CHAIR



INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report to the members and Trustees of Welsh Air Ambulance Charitable Trust

Opinion

We have audited the financial statements of Welsh Air Ambulance Charitable Trust (Limited by guarantee) (the 'Parent Charitable Company') and its subsidiary (the 'Group') for the year ended 31 July 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company balance sheets, the Group 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standards 102 'The Financial Reporting Standards applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 July 2022 and of the Group's and Charity's incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other Information

The Trustees are responsible for the other information. The other information comprises the information in the Report of the Trustees, but does not include the financial statements and our Report of the Auditors thereon. Our opinion on the financial statements does not cover the other information and 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 matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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 accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustee's 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 Trustee's Responsibilities set out on page 32, 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 Group's and the Parent 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 intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

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:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Enquiring of management, including obtaining and reviewing supporting documentation, concerning the Group's and Parent Charitable Company's policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:
 - management override of controls.
- Obtaining an understanding of the legal and regulatory frameworks that the Group and Parent Charitable Company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the Group and Parent Charitable Company. The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

- In addition to the above, our procedures to respond to risks identified included the following:
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
 - Enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
 - Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
 - In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
 - Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
 - Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 Report of the Independent Auditors.

Use of our Report

This report is made solely to the Group's and 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 those matters we are required to state to them in a Report of the Auditors 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, for our audit work, for this report, or for the opinions we have formed.

.....
Alison Vickers (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants And Statutory Auditors
Cardigan House, Ground Floor, Castle Court,
Swansea Enterprise Park,
Swansea
SA7 9LA

Date:.....

FINANCIAL STATEMENTS



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 JULY 2022

	Notes	Restricted Funds £'000	Unrestricted Funds £'000	Total 2022 £'000	Total 2021 £'000
INCOME					
Donations and legacies	3	234	6,542	6,776	6,217
Other Trading activities	4	-	8,494	8,494	6,831
Income from charitable activities		-	-	-	-
Investment income	7	-	119	119	94
Other income		-	13	13	16
Total Income		234	15,168	15,402	13,157
EXPENDITURE					
Expenditure on raising funds	9	(4)	(5,050)	(5,054)	(4,425)
Expenditure on charitable activities	10	(151)	(8,288)	(8,439)	(7,417)
Total resources expended		(155)	(13,338)	(13,493)	11,842
Net gains/(losses) on investment		-	(230)	(230)	545
Net incoming resources		79	1,600	1,679	1,860
Transfer between funds		-	-	-	-
Less Taxation		-	-	-	(5)
Net income after tax		79	1,600	1,679	1,855
Fund balances brought forward	22	16	13,750	13,766	11,911
Fund balances carried forward		95	15,350	15,445	13,766

All activities are continuing operations. There are no other gains or losses for the financial year.

BALANCE SHEET

FOR THE YEAR ENDED 31 JULY 2022

	Notes	GROUP 2022 £000	CHARITY 2022 £000	GROUP 2021 £000	CHARITY 2021 £000
FIXED ASSETS					
Tangible assets	16	1,427	1,372	1,466	1,413
Investments	17	4,007	4,007	3,718	3,718
		5,434	5,379	5,184	5,131
CURRENT ASSETS					
Stock	18	87	36	86	36
Debtors	19	5,273	5,331	5,409	5,448
Cash at bank and in hand		6,690	6,576	4,521	4,475
		12,050	11,943	10,016	9,959
CREDITORS: Amounts falling due within one year	20	(2,036)	(1,895)	(1,431)	(1,342)
NET CURRENT ASSETS		10,014	10,048	8,585	8,617
PROVISIONS FOR LIABILITIES	21	(3)	-	(3)	-
TOTAL NET ASSETS		15,445	15,427	13,766	13,748
FUNDS					
Unrestricted Funds	22	15,350	15,332	13,750	13,732
Restricted Fund	22	95	95	16	16
		15,445	15,427	13,766	13,748

These financial statements were approved by the Board of Trustees on 18th April 2023 and signed on its behalf by:

DAVE GILBERT OBE –
TRUSTEE, CHAIR

DR KYLE JACQUES –
TRUSTEE, VICE-CHAIR

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

	Notes	Group		Charity	
		2022 £000	2021 £000	2022 £000	2021 £000
Net cash inflow/(outflow) from operating activities	1	2,691	1,117	2,615	1,122
Cash flows from investing activities					
Deposit Interest received		48	48	48	48
Investment income		71	46	71	46
Sale of fixed assets		-	14	-	14
Payments to acquire tangible fixed assets		(122)	(99)	(113)	(94)
Payments to acquire fixed asset investments		(474)	(900)	(474)	(900)
Cash used in investing activities		(477)	(891)	(468)	(886)
Increase in cash investments		(45)	(27)	(45)	(27)
Increase in cash and cash equivalents in the year		2,169	199	2,101	214
Cash and cash equivalents at the beginning of the year		4,521	4,323	4,475	4,261
Cash and cash equivalents at the end of the year		6,690	4,521	6,576	4,475

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2022

1 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Net Income	1,679	1,855	1,679	1,810
Deposit Interest received	(48)	(48)	(48)	(48)
Investment income	(71)	(46)	(71)	(46)
(Gains)/losses on investment	230	(545)	230	(545)
Depreciation of tangible fixed assets	161	213	154	208
(Profit)/loss on disposal of fixed asset	-	(14)	-	(14)
Deferred tax payable	-	3	-	-
	1,951	1,418	1,944	1,365
Working capital movement				
Decrease/(Increase) in Stock	(1)	21	-	14
Decrease/(Increase) in Debtors	136	(822)	117	(705)
(Decrease)/Increase in Creditors	605	499	553	452
	740	(303)	670	(239)
Net Cash Inflow/(Outflow) from Operating Activities	2,691	1,116	2,615	1,126

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

1. STATUTORY INFORMATION

Welsh Air Ambulance Charitable Trust is a company limited by guarantee, registered in England and Wales. The Company's registered number and registered office address can be found on the company information page.

2. ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the Charitable Company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

b) Basis of Consolidation

The consolidated accounts of the Group incorporate the accounts of the Charity and its subsidiary undertaking, both of which were prepared to 31 July 2022. The trading results of the subsidiary undertaking are consolidated on a line-by-line basis within the consolidated statement of financial activities (SOFA). A separate SOFA for the Charity is not presented as permitted by the SORP and the Companies Act 2006.

c) Fund Accounting

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

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes falling in future time periods.

Restricted funds are funds subject to specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

d) Incoming Resources

Incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the income can be quantified with reasonable accuracy.

1) Lottery Income

Lottery income is recognised after the weekly draw has taken place. A deferred income liability is recognised to account for the balance of those members paying in advance of future draws.

2) Donated Goods

The value of goods donated for sale in the shops operated by the Charitable Company is recognised at the point of sale unless it is practical for the goods to be measured at fair value on receipt. For those items, the value is recognised as stock on the balance sheet and then released to the income statement when the item is sold.

ACCOUNTING POLICIES (Cont'd)

3) Legacy Income

Legacies are accounted for as incoming resources once the three factors of entitlement, probable and measurement have been met so long as notification has been received from a representative of an estate prior to the year end.

Charities which receive a significant number of legacies in a reporting period and have detailed historical information on the settlement of legacies may apply an estimation technique in measuring the value of legacies that are recognised to allow for potential variation in settlement values and the risk of a will being contested.

Income Recognition of Legacies

Residuary legacies have been recognised using a case-by-case basis, when the amount receivable can be measured accurately following written confirmation from the estate executor/administrator.

4) Fuel Sales

Fuel sales are recognised to the extent that it is probable that the economic benefits will flow to the Company and the fuel sales can be reliably measured. Fuel sales are measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value-added tax and other sales taxes.

5) Other Heliport Income

Revenue from services, such as hanger rental and landing fees, is recognised when the service has been provided and the right to consideration has been earned.

6) Grant Income

Grants (including government grants) which are received to fund specific purposes are recognised as restricted incoming resources in the year in which the Charitable Company is entitled to the funds. Revenue grants are credited as incoming resources when they are receivable, provided conditions for receipt have been complied with.

e) Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis as a liability is incurred, including irrecoverable VAT. Cost of raising funds comprises direct costs associated with attracting grant income, being the proportion of time spent for direct headcount costs.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities, both costs directly attributable and indirect support costs. Governance costs include those costs associated with meeting constitutional and statutory requirements, principally accounting / audit and AGM expenses.

All costs allocated between expenditure categories are on a basis designed to reflect their resource usage. For some costs, this means direct allocation to activities, other costs are apportioned, e.g. by staff time spent on an activity, or another equitable usage measure.

f) Tangible Fixed Assets and Depreciation

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

Land & Buildings	2% on cost straight line
Motor Vehicles	25% on cost straight line
Fixtures & Fittings	25% on cost straight line
Office Equipment	15% on cost straight line
Plant & Machinery	25% on cost straight line

Assets below £250 are not capitalised, but included within expenses.

g) Holiday Pay

Employee benefits such as short-term compensated absence arising from employee entitlement to paid annual leave are recognised in line with FRS 102.

h) Pensions

The pension costs charged in the accounts represent the contributions payable to money purchase pension schemes by the Charity during the year.

i) Financial Instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

j) Investments

Assets held for investment purposes are valued at fair value (their market value) at the balance sheet date, except for investments in trading subsidiaries, which are held at cost, as the Trustees believe that the market value of the trading subsidiary is not materially different to its cost.

Realised gains and losses on investments are calculated as the difference between sales proceeds of these investments and their market value at the start of the year, or their subsequent costs, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year-end.

k) Stock

Stocks are valued at lower of cost and net realisable value after making allowances for obsolete and slow-moving items. Donated goods with a valuation over £50 per item have been included in the stock balance.

l) Debtors

Short-term debtors are measured at transaction price, less any impairment.

m) Cash at Bank and In Hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of twelve months or less from the date of acquisition or opening of the deposit or similar account.

ACCOUNTING POLICIES (Cont'd)

n) Creditors

Short-term creditors are measured at transaction price.

o) Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

p) Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year-end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

q) Operating Leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Details of operating lease commitments are as shown in note 25.

r) Provision for Liabilities

Provisions are recognised when the Company has a present obligation (legal and constructive) from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

s) Related Party Transactions

The Trustees have taken advantage of the exemption under FRS102 and have not disclosed related party transactions with its wholly owned subsidiary undertaking.

t) Functional and Presentation Currency

The Company's functional and presentation currency is pounds sterling.

u) Going Concern

The Trustees have considered both the Charity's financial position at the year-end and the impact of future activities. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Wales Air Ambulance continues to manage key risks through its well-established risk management processes which have been embedded and have proved robust; for more information, please see pages 30-31.

Cash and reserves are monitored closely, with detailed short and long-term forecasts prepared annually and regularly reviewed and updated to ensure the long-term financial viability of the Charity. A risk-based reserves policy has been adopted; more details of this can be seen on pages 30-31.

The Charity has a strong balance sheet with unrestricted funds of £8.8 million. Any shortfall in income over the next 12 months can be covered by the Charity's cash reserves and investment funds, which total £6.7 million and £4.0 million respectively.

The Trustees, therefore, have a reasonable expectation that there are no material uncertainties about the Charity's ability to continue its operations, including to meet its liabilities, for the foreseeable future. As such, the Charity continues to adopt the going concern basis in preparing the financial statements.

ACCOUNTING POLICIES (Cont'd)**v) Financial Instruments****Basic Financial Assets**

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

Other Financial Assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of Financial Assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Basic Financial Liabilities

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

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

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

w) Critical Accounting Estimates and Assumptions

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below;

Legacies - Income recognition

Residuary legacies have been recognised using a case-by-case basis, when the amount receivable can be measured accurately following written confirmation from the estate executor/administrator.

Provisions

Provision is made for the dilapidation on leasehold premises. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements.

3. DONATIONS & GIFTS

	Unrestricted funds £'000	Restricted funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
Donations	2,178	112	2,290	1,978
Legacies	4,363	118	4,481	3,700
CJRS grant income	-	4	4	298
Coronavirus premises grants	1	-	1	241
	6,542	234	6,776	6,214

4. OTHER TRADING ACTIVITIES

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Lifesaving Lottery	6,622	5,747	6,622	5,747
Donated goods	1,195	612	1,195	612
Cardiff Heliport	567	403	-	-
Caffi HEMS	110	64	-	-
Merchandise	-	5	-	-
	8,494	6,831	7,817	6,359

*Cardiff Heliport income does not include rent paid by the Charity to the Trading Subsidiary as this has been eliminated on consolidation of the accounts.

5. NET (OUTGOING)/INCOMING RESOURCES ON ORDINARY ACTIVITIES AFTER CHARGING

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Depreciation	161	213	154	208
Other operating leases	20	56	20	56
Auditors' remuneration - audit	13	15	13	12
-other services	-	-	-	-
AND AFTER CREDITING				
Surplus on sale of fixed asset	-	14	-	14

6. DEFINED CONTRIBUTION PENSION SCHEME

The Charity operates a defined contribution pension scheme; the assets being held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £90,000 (2021: £91,000).

7. INVESTMENTS

	Unrestricted 2022 £'000	Restricted 2022 £'000	Unrestricted 2021 £'000	Restricted 2021 £'000
Group				
Listed investment income	71	-	46	-
Bank deposit interest	48	-	48	-
	119	-	94	-

8. TAXATION

Group

No corporation tax liability arose in the trading company (2021: £1,748).

Charity

As a registered charity, there is no liability to tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992, in so far as these are applied to the charitable objects of the Charity.

9. EXPENDITURE ON RAISING FUNDS

	Direct costs £'000	Support costs allocated £000	Total 2022 £'000	Total 2021 £'000
Donations & legacies	484	619	1,103	973
Lifesaving Lottery	1,285	174	1,459	1,203
Retail expenditure	1,347	459	1,806	1,742
Cardiff Heliport	530	-	530	352
Caffi HEMS	129	-	129	120
Merchandise	-	-	-	16
Investment management costs	26	-	26	19
	3,802	1,252	5,054	4,425

10. CHARITABLE ACTIVITIES

	Unrestricted £'000	Restricted £'000	Total 2022 £'000	Total 2021 £'000
Helicopter operational costs	7,630	231	7,861	6,922
Rapid Response Vehicles	52	-	52	0
Helimed 67 staff and consumables costs	154	-	154	211
Airbase costs	114	-	114	92
Crew Training & Wellbeing (MEDTRiM)	1	-	1	9
Patient Liaison Service	18	-	18	0
Aviation contract procurement	36	-	36	0
Depreciation	37	6	43	73
Support costs	161	-	161	110
	8,202	237	8,439	7,417

11. SUPPORT COSTS

Cost Categories	Donations & legacies £000	Lifesaving Lottery £000	Retail £000	Charitable activities £000	Total 2022 £000	Total 2021 £'000
Remuneration	475	89	327	34	925	293
IT (software, consultancy and equipment)	65	14	65	-	144	93
Premises	43	8	38	53	142	115
Governance	20	20	20	74	134	88
Miscellaneous	16	42	9		67	47
	619	173	459	161	1,411	636

All costs are attributed by activity on the basis of head count or time spent on each activity.

12. GOVERNANCE COSTS

Analysed as	2022 £'000	2021 £'000
Remuneration	113	65
External audit fees	13	15
Trustees insurance	3	3
Trustees' travel and meeting expenses	5	5
	134	88

13. CHARITABLE COMPANY RESULTS

The Charitable Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements.

The results are summarised below:

	2022 £'000	2021 £'000
Total incoming resources	14,781	12,685
Total resources expended	(12,872)	(11,420)
Net incoming resources	1,909	1,265
Net unrealised investment gain/(loss)	(230)	545
Net movement in funds	1,679	1,810
Funds:		
At 1 August 2021	13,748	11,938
At 31 July 2022	15,427	13,748

14. STAFF NUMBERS AND COSTS

Group	2022 £'000	2021 £'000
Gross salaries	1,991	1,637
Social security	169	119
Pension costs	96	83
	2,256	1,839

The average number of employees, (excluding directors who are Trustees) analysed by function was as follows:

	2022 Number	2021 Number
Fundraising	17	17
Finance, Administration and HR	21	13
Retail	38	38
Heliport	3	3
Caffi HEMS	3	4
	82	75

The Trustees received no emoluments from the Charitable Company. Two Trustees were reimbursed expenses totalling £604 (2021 - two Trustees were reimbursed expenses totalling £321) for travel during the year.

The number of employees whose emoluments (including benefits and employers' pension) were paid over £60,000 in the year were as follows:

	Number
£60,000 - £70,000	2
£70,000 - £80,000	-
£80,000 - £90,000	1

15. KEY MANAGEMENT

The total remuneration of the key management (the Senior Management Team) including any employer pension contributions was £543,000 (2021: £345,000).

16. TANGIBLE FIXED ASSETS

GROUP	FREEHOLD LAND & BUILDINGS £000	FIXTURES & FITTINGS £000	PLANT & MACHINERY £000	OFFICE EQUIPMENT £000	MOTOR VEHICLES £000	TOTAL £000
COST						
At beginning of year	1,179	548	356	187	88	2,358
Additions	-	46	11	52	13	122
Disposals	-	-	-	(8)	-	(8)
At end of year	1,179	594	367	231	101	2,472
DEPRECIATION						
At beginning of year	22	407	292	94	78	893
Charge for year	19	60	40	31	11	161
Eliminated on disposal	-	-	-	(8)	-	(8)
At end of year	41	467	332	117	89	1,046
NET BOOK VALUE						
At 31 July 2022	1,138	127	35	114	13	1,427
At 31 July 2021	1,157	141	64	93	10	1,465
CHARITY COST						
At beginning of year	1,141	530	344	187	88	2,290
Additions	-	41	7	52	13	113
Disposals	-	-	-	(8)	-	(8)
At end of year	1,141	571	351	231	101	2,395
DEPRECIATION						
At beginning of year	19	404	282	94	78	877
Charge for year	18	55	39	31	11	154
Eliminated on disposal	-	-	-	(8)	-	(8)
At end of year	37	459	321	117	89	1,023
NET BOOK VALUE						
At 31 July 2022	1,104	112	30	114	13	1,372
At 31 July 2021	1,122	126	62	93	10	1,413

17. FIXED ASSET INVESTMENTS**Charitable Company**

	SHARES IN GROUP UNDERTAKINGS	MARKET VALUE OF OTHER FIXED ASSET INVESTMENTS	TOTAL
	£	£	£
Cost or valuation			
At beginning of year	1	3,717,822	3,717,823
Shares purchased at cost	-	1,280,998	1,280,998
Shares disposed at book value	-	(857,206)	(857,206)
Cash movement during the year	-	50,208	50,208
Charges for year	-	(25,925)	(25,925)
Income received	-	71,152	71,152
Decrease in value of investment	-	(230,340)	(230,340)
At end of year	1	4,006,709	4,006,710
Market value at 31 July 2022	1	4,006,709	4,006,710
Market value at 31 July 2021	1	3,717,822	3,717,823

The market value at 31 July 2022 comprises a sum of £4,006,709 (2021: £3,717,822) managed by Brewin Dolphin.

GROUP	MARKET VALUE OF OTHER FIXED ASSET INVESTMENTS	TOTAL
	£	£
Cost or valuation		
At beginning of year	3,717,822	3,717,822
Shares purchased at cost	1,280,998	1,280,998
Shares disposed at book value	(857,206)	(857,206)
Cash movement during the year	50,208	50,208
Charges for year	(25,925)	(25,925)
Income received	71,152	71,152
Decrease in value of investment	(230,340)	(230,340)
At end of year	4,006,709	4,006,709
Market value at 31 July 2022	4,006,709	4,006,709
Market value at 31 July 2021	3,717,822	3,717,822

The market value at 31 July 2022 comprises a sum of £4,006,709 (2021: £3,717,822) managed by Brewin Dolphin.

17. FIXED ASSET INVESTMENTS CONTINUED

The aggregated amount of capital and reserves and a summary of the subsidiary results for the financial year were as follows:

	2022	2021
	19	19
Capital and Reserves		
Turnover	727	533
Expenses	687	483
Surplus for the year	40	50
Add tax refund/ Less tax on surplus	-	(5)
Less Gift Aid	(40)	
Surplus for the year after tax	(0)	45

18. STOCKS

	GROUP 2022 £000	CHARITY 2022 £000	GROUP 2021 £000	CHARITY 2021 £000
Donated goods	36	36	36	36
Merchandise	-	-	30	-
Caffi HEMS	-	-	2	-
Fuel Stock	51	-	18	-
	87	36	86	36

19. DEBTORS

	GROUP 2022 £000	CHARITY 2022 £000	GROUP 2021 £000	CHARITY 2021 £000
Amounts falling due within 1 year				
Welsh Air Ambulance Trading Ltd	-	103	-	123
Trade debtor	84	16	88	54
Legacy Debtors	4,217	4,217	5,062	5,062
Accrued Income & Other Debtors	95	86	65	49
Prepayments	805	762	143	121
VAT debtors	70	57	51	39
Taxation & Social Security	2	-	-	-
	<u>5,273</u>	<u>5,240</u>	<u>5,409</u>	<u>5,448</u>
Amounts falling due after 1 year	-	90	-	-
Welsh Air Ambulance Trading Ltd	-	90	-	-
	<u>5,273</u>	<u>5,331</u>	<u>5,409</u>	<u>5,448</u>

Two separate loan agreements are in place between Welsh Air Ambulance Charitable Trust and Welsh Air Ambulance Trading Ltd. Loan interest of £4,010 has been charged this year.

Included in the charity debtors is a balance of £193,000 (2021 £118,000) from Welsh Air Ambulance Trading. This amount includes a gift aid payment of £39,688 (2021 £nil).

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP 2022 £000	CHARITY 2022 £000	GROUP 2021 £000	CHARITY 2021 £000
Trade Creditors	464	329	489	406
Pension / PAYE accrual	50	50	31	31
Deferred Income	607	607	565	565
Accruals	915	909	344	340
Taxation & Social Security	-	-	2	-
	<u>2,036</u>	<u>1,895</u>	<u>1,431</u>	<u>1,342</u>

Deferred income relates to lottery membership paid in advance of the prize draws.

21. DEFERRED TAX LIABILITY

	£000
Balance at 1 August 2021	3
Timing differences	-
Balance at 31 July 2022	<u>3</u>

22. STATEMENT OF FUNDS

GROUP	AT 1 AUGUST 2021	INCOME	EXPENSES	TRANSFER	UNREALISED GAIN ON INVESTMENTS	AT 31 JULY 2022
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
General funds	11,548	15,168	(12,439)	(5,239)	(230)	8,807
Designated funds:						
- Fixed Asset Fund	1,459	-	(155)	122	-	1,426
- Night Flying	743	-	(743)	-	-	-
- MEDTRiM	-	-	-	67	-	67
- Aircraft procurement	-	-	-	350	-	350
- Future Aviation contract	-	-	-	4,700	-	4,700
Restricted funds						
Fixed Asset Fund	6	-	(6)	-	-	-
Restricted Use Funds	10	234	(150)	-	-	95
	<u>13,766</u>	<u>15,402</u>	<u>(13,493)</u>	<u>-</u>	<u>(230)</u>	<u>15,445</u>

CHARITY	AT 1 AUGUST 2021	INCOME	EXPENSES	TRANSFER	UNREALISED GAIN ON INVESTMENTS	AT 31 JULY 2022
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
General funds	11,583	14,546	(11,825)	(5,231)	(230)	8,843
Designated funds:						
- Fixed Asset Fund	1,407	-	(148)	113	-	1,372
- Night Flying	743	-	(743)	-	-	-
- MEDTRiM	-	-	-	67	-	67
- Aircraft procurement	-	-	-	350	-	350
- Future Aviation contract	-	-	-	4,700	-	4,700
Restricted funds						
Fixed Asset Fund	6	-	(6)	-	-	-
Restricted Use Funds	10	234	(150)	-	-	95
	<u>13,748</u>	<u>14,781</u>	<u>(12,872)</u>	<u>-</u>	<u>(230)</u>	<u>15,427</u>

22. STATEMENT OF FUNDS CONTINUED

GROUP	AT 1 AUGUST 2020	INCOME	EXPENSES	TRANSFER	UNREALISED GAIN ON INVESTMENTS	AT 31 JULY 2021
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
General funds	8,618	12,528	(10,044)	(99)	545	11,548
Designated funds:						
- Fixed Asset Fund	1,546	-	(186)	99	-	1,459
- Night Flying	1,704	-	(961)	-	-	743
Restricted funds						
Fixed Asset Fund	33	-	(27)	-	-	6
Restricted Use Funds	10	629	(629)	-	-	10
	11,911	13,157	(11,847)	-	545	13,766

CHARITY	AT 1 AUGUST 2020	INCOME	EXPENSES	TRANSFER	UNREALISED GAIN ON INVESTMENTS	AT 31 JULY 2021
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
General funds	8,697	12,056	(9,621)	(94)	545	11,583
Designated funds:						
- Fixed Asset Fund	1,494	-	(181)	94	-	1,407
- Night Flying	1,704	-	(961)	-	-	743
Restricted funds						
Fixed Asset Fund	33	-	(27)	-	-	6
Restricted Use Funds	10	629	(629)	-	-	10
	11,938	12,685	(11,419)	-	545	13,748

THE FUNDS REPRESENT

Fixed Asset

The capital spend designated fund represents the surpluses which have been spent on capital assets. These surpluses are not available since the cash has been committed on such assets.

Night Flying

The Charity realised its long term objective to provide a 24/7 service for the people of Wales in December 2020. This fund was set up to support the additional costs of night flying.

MEDTRiM

Funds designated to raise awareness about mental wellbeing and resilience across the service and involve the introduction of a formal approach for supporting Clinical staff following exposure to a traumatic event.

Aircraft procurement

The Charity's historical Aviation contracts saw its suppliers holding the leases for all aircraft, however to protect the Charity's lifesaving service, Trustees have agreed that after the end of the existing contract (31 Dec 2023) three of the aircraft will be directly leased to the Charity. Trustees have therefore designated funds for the security deposit of these aircraft.

Future Aviation contract

Due to the significant rise in the Charity's Aviation costs that will be felt from 2024 as we enter a new Aviation contract, funds have been designated to cover the forecast deficits in the early years of the contract. Whilst the Charity has plans to increase its income to ensure it is able to meet the increased service delivery costs in the long term, this is likely to take four to five years to achieve. Trustees will use this fund to ensure the Charity can maintain its service provision until such time.

Restricted Funds:

Fixed Asset Fund

The balance of restricted funds carried forward relates to the net book value of fixed assets purchased.

Restricted Use Fund

These restricted funds are unspent funds, restricted in purpose, to be used in the future.

Donor	Purpose of fund	Opening balance 2022	Income 2022	Expenditure 2022	Transfers 2022	Closing balance 2022
£000	£000	£000	£000	£000	£000	£000
Individual Donation	Rapid Response Vehicle Caernarfon - running costs	-	-	-	-	-
Various Donors	Childrens Wales Air Ambulance - general	-	8	(8)	-	-
Various Donors	Welshpool base - general	-	-	-	-	-
Various Donors	Caernarfon base - general	-	6	(6)	-	-
Grace Trust	Grant for Patient Relative Room	-	3	(3)	-	-
Various Donors	For use in North Wales - general	-	86	(86)	-	-
Individual Legacy Gift	For use in Powys - general	-	1	(1)	-	-
Total		-	103	(103)	-	-

General Funds

These are the reserves remaining when restricted and designated funds are excluded from the total amount. General Funds are held so that the charity can continue its operations in the event of an unforeseen shortfall in voluntary income or increase in costs.

23. A CURRENT YEAR 12 MONTHS AND PRIOR 12 MONTHS COMBINED POSITION AS FOLLOWS:

GROUP	AT 1 AUGUST 2020	INCOME	EXPENSES	TRANSFER	UNREALISED GAIN ON INVESTMENTS	AT 31 JULY 2022
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
General funds	8,618	27,696	(22,483)	(5,338)	314	8,807
Designated funds:						
- Fixed Asset Fund	1,546	-	(341)	221	-	1,426
- Night Flying	1,704	-	(1,704)	-	-	-
- MEDTRiM	-	-	-	67	-	67
- Aircraft procurement	-	-	-	350	-	350
- Future Aviation contract	-	-	-	4,700	-	4,700
Restricted funds						
Fixed Asset Fund	33	-	(33)	-	-	-
Restricted Use Funds	10	864	(779)	-	-	95
	11,911	28,559	(25,340)	(0)	314	15,445

CHARITY	AT 1 AUGUST 2020	INCOME	EXPENSES	TRANSFER	UNREALISED GAIN ON INVESTMENTS	AT 31 JULY 2022
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
General funds	8,697	26,602	(21,446)	(5,324)	314	8,843
Designated funds:						
- Fixed Asset Fund	1,494	-	(329)	207	-	1,372
- Night Flying	1,704	-	(1,704)	-	-	-
- MEDTRiM	-	-	-	67	-	67
- Aircraft procurement	-	-	-	350	-	350
- Future Aviation contract	-	-	-	4,700	-	4,700
Restricted funds						
Fixed Asset Fund	33	-	(33)	-	-	-
Restricted Use Funds	10	1,061	(976)	-	-	95
	11,938	27,466	(24,291)	-	314	15,427

24. SHARE CAPITAL

The charitable company is limited by guarantee and as such has no share capital. In the event of the charitable company being wound up, the liability of each member is limited to £10.

25. GIFT AID

During the year the Charity was gift-aided a donation of £40k (2021: £nil) from its wholly owned subsidiary, Welsh Air Ambulance Trading Limited. (Company number 04036635)

25. FINANCIAL COMMITMENTS

Financial commitments under non cancellable operating leases will result in the following annual payments in respect of land and buildings:

	LAND & BUILDINGS			
	CHARITY 2022 £000	GROUP 2022 £000	CHARITY 2021 £000	GROUP 2021 £000
Expiring within 1 year	279	40	279	33
Expiring within 2-5 years	199	183	199	173
Expiring after 5 years	-	2,377	-	2,427

Financial commitments under non cancellable operating leases will result in the following annual payments in respect of motor vehicles:

	MOTOR VEHICLES			
	CHARITY 2022 £000	GROUP 2022 £000	CHARITY 2021 £000	GROUP 2021 £000
Expiring within 1 year	-	-	29	29
Expiring with 2-5 years	-	-	-	-
Expiring after 5 years	-	-	-	-

26. TRUSTEE INDEMNITY INSURANCE

Included in administration costs is the cost of Trustees' liability insurance amounting to £2,601 (2021 £2,763).

Officers & Contacts

Trustees

R M James
D R Kitto
D Gilbert
K Jacques
D Jones-Morris
J Wagstaffe
S Curtis
O S Davies
R Locke
L Church
A Burdge
S Ley

Company Secretary

J Stephens

Chief Executive

S Barnes

Registered office

Ty Elusen
Ffordd Angel,
Llanelli Gate,
Dafen
Llanelli
SA14 8LQ

Registered Company Number

4036600 (England and Wales)

Registered Charity Number

1083645

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