

Registered Charity Number: 1083876

Company Number: 04066700



Company limited by guarantee

Financial Statements and Annual Report

For the year ended

30 June 2021

East Anglian Air Ambulance

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Year ended 30 June 2021

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East Anglian Air Ambulance

Charity Details

Year ended 30 June 2021

The Trustees present their report and audited consolidated financial statements of the charity and the group for the year ended 30 June 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice published in October 2019 applicable in the UK and Republic of Ireland (FRS 102).

Reference and administrative details

Registered charity name East Anglian Air Ambulance

Charity registration number 1083876

Company registration number 04066700

Principal office and registered office Helimed House
Hangar 14
Gambling Close
Norwich Airport
Norwich
NR6 6EG

The Trustees Major General Sir William Cubitt KCVO CBE DL (Chairman) * †
D Astill †
Mrs S Bourne †
Ms E S Evans *
R S Holden *
N R Savory FCA DL *
Mrs P A Walkinshaw DL
T F Wells †
A W Wilson (appointed 15 December 2020)
* Member of Finance Committee
† Member of Nominations Committee

Chief Executive M Jones

Company Secretary Mrs R Spencer

Auditor Lovewell Blake LLP
Chartered Accountants & Registered Auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

East Anglian Air Ambulance

Charity Details

Year ended 30 June 2021

Solicitors

Hansells
13 The Close
Norwich
NR1 4DS

Birketts LLP
Kingfisher House
1 Gilders Way
Norwich
NR3 1UB

Bankers

NatWest Bank plc
1 Broadland Business Park
Peachman Way
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Barclays Bank plc
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Investment Managers

BNY Mellon Fund Managers Limited
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East Anglian Air Ambulance

Chairman's Statement

Year ended 30 June 2021

Summary of performance

In 2020/2021, East Anglian Air Ambulance (EAAA) crews were tasked to 2,632 missions (2,360 in the previous year) and treated 1,769 patients (1,611 in the previous year). The difference between the numbers of missions and patients is due to stand-downs, where the patients no longer require critical care.

1,434 of these missions were attended by helicopter and 1,198 by Rapid Response Vehicle (RRV) due either to proximity of the patient, the new RRV-only night shift in Norwich, or occasionally to the unavailability of the helicopter for weather or technical reasons.

45% of the missions were in Norfolk, 19% in Suffolk, 18% in Cambridgeshire, 5% in Bedfordshire and the remaining 13% 'out of area' reflecting EAAA's willingness to be tasked across boundaries within the NHS East of England Ambulance Service Trust (EEAST) area and beyond. During the majority of the year, this was predominantly at night when the EAAA helicopter based in Cambridge was the only unit available across the region, but this situation changed at the year end when the Norwich aircraft became available for 24 hours per day, and Cambridge reverted to aircraft cover only on the day shift.

The majority of incidents attended by EAAA were cardiac arrests, road traffic collisions, accidental injuries, other medical emergencies, and self-harm. Whilst there were fewer taskings during the quieter periods of lockdown over the last year, activity has largely returned to normal levels, with emerging signs of increasing demand.

Survival from cardiac arrest relies on an intact 'Chain of Survival' which includes early bystander CPR (cardio-pulmonary resuscitation), early use of an AED (defibrillator), and early attendance of a critical care team such as an EAAA crew. To that end, the Charity plans to expand its community and professional resuscitation training programme. This activity was curtailed by the restrictions imposed during the Covid-19 pandemic but will restart now that restrictions have eased.

Throughout the pandemic, EAAA has continued to provide its Aftercare service to patients and their loved ones to help them come to terms with and cope with their incident and the aftermath. This can be a meeting with the crew or a longer-term programme of support and signposting to other specialist providers of post-discharge care and advice. Through necessary restriction of access to the operating bases, meetings between the crew and patients and their families have typically been organised through virtual platforms since the start of the pandemic but face-to-face meetings were reinstituted towards the end of the year. The Aftercare Team is also leading on securing data sharing agreements with hospitals to aid research and objective measurement of outcomes. The Aftercare Team supported 444 former patients in 2020/21, a 44% increase on the previous year, despite the intermittent redeployment of team members during the Covid-19 pandemic.

Blending medicine and aviation is, and is likely to remain an expensive business. In 2020/21, expenditure totalled £13.2m, of which £10.4m related to operational and support expenditure and £2.8m related to fundraising expenditure. The total expenditure equates to just £4.40 per year per head of the approximate 3 million population of the four counties, and the approximate cost per mission has remained at £3,500.

East Anglian Air Ambulance

Chairman's Statement

Year ended 30 June 2021

Total income for the year was £14.2m, the majority of which was raised through our fundraising activities (£13.9m). The other constituent is movement in the value of investments held by EAAA as part of its reserves. Following the bounce back in value of stock markets, this amounted to £1.5m over the year. Fundraising is a major effort every year and great credit is due to the community and the EAAA fundraising staff and volunteers, without whom we simply would not be here. The main sources of (gross) revenue were the EAAA Lottery (£6.4m), legacies (£3.5m), community fundraising (£2.5m) and grants from trusts and government.

After four years of planning, fundraising and preparation, EAAA was able to commence a full 24/7 service by helicopter (and RRV) on the last day of the year, enabling EAAA to respond around the clock by air from Norwich Airport. This is the realisation of a long-held ambition and will enable our critical care team to reach patients in some parts of the region who have been hitherto out of reach for our car-based crews overnight.

This final step in our service provision was also made possible through the achievement of two key milestones: the completion of our new headquarters and operating base at Norwich Airport, and the negotiation and signing of a new seven year aviation contract with our partners Babcock Mission Critical Services Onshore to guarantee provision of the 24 hour flying service.

The new base, Helimed House, provides essential rest and state-of-the-art training facilities for our crews. Helimed House also provides accommodation for all Norwich-based staff, bringing ground and frontline crews together under one roof for the first time in many years, thereby fostering the cross-functional working and proximity to the operation that is so valuable to many aspects of our work.

A positive side-effect of the pandemic has been the step change in collaboration between all air ambulance organisations which has been to the great mutual benefit. The productive partnership with its fellow air ambulance charities, both regionally and nationally has helped EAAA to continue to deliver the highest quality of patient care and as well as securing improvements in enabling infrastructure such as lit helipads at the major hospitals.

EAAA protects its service from adverse financial scenarios by holding at least 12 months' running costs in reserve. The reserve also provides income towards EAAA's running costs.

EAAA's work is a team effort. The operational crews comprise pilots employed by Babcock, clinicians who are self-employed locum doctors, seconded from partner hospitals or from the Services, or employed variously by EAAA (directly-employed consultants and registrars), and senior paramedics seconded from the East of England Ambulance Service Trust (EEAST). The Charity is run by an executive staff supported by volunteers. The money is raised by a dynamic staff of directly employed and volunteer fundraisers. The Charity is ably guided by the Trustees with the support of county committees, whose contributions are greatly appreciated.

EAAA is more conscious than ever that the funding of the critical service it provides comes from the community it serves. The last year has reinforced how reliant the future of the charity is on its supporters, and indeed how generous they are, particularly when we reach out to them in difficult times. Without their ongoing support, EAAA would not be able to continue its service, and we are extremely grateful.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

Objectives and activities

Objectives of the Charity

The objects of the Charity are:

- The relief of sickness and injury by the provision of emergency medical services and equipment and in particular by the provision of a helicopter air ambulance service or other emergency transportation wholly or mainly within the area served by the East of England Ambulance NHS Trust;
- For the benefit of the public and the advancement of health, the provision of training, research and education in the field of pre-hospital medicine and the treatment or prevention of sickness and injury; and
- The provision of health-related services by and including the provision of post-hospital support for patients.

Activities

The EAAA charity deploys medical teams by helicopter or RRV to predominantly life-threatening or life-changing accidents and medical emergencies, for 24 hours a day, 365 days a year mainly across Norfolk, Suffolk, Cambridgeshire and Bedfordshire. EAAA teams are tasked by EEASt as part of the 999 emergency system. The EAAA service is provided free of charge to the NHS and to the patient, with the funding raised from the community.

The medical teams comprise doctors trained in pre-hospital emergency medicine, and Critical Care Paramedics, with medical equipment and drugs which enable them to conduct medical interventions which are beyond the capability of the NHS road ambulance crews. They are also able to transport patients by helicopter to the appropriate specialist hospital which can be crucial given the distances often involved. They deploy from the EAAA bases at Norwich Airport and Cambridge Airport.

With survival from cardiac arrest relying on an intact 'Chain of Survival' which includes early bystander CPR (Cardio-Pulmonary Resuscitation), early use of an AED (defibrillator), and early attendance of a critical care team such as an EAAA crew, the Charity also delivers a community CPR training programme.

EAAA has also further expanded its Aftercare provision for patients and their loved ones to help them come to terms with and cope with their incident and the aftermath. This can be a meeting with the crew or a longer-term programme of support and signposting to other charities and support agencies for clinical and non-clinical support.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

Public benefit statement

The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit and that the Charity meets the requirements in the advancement of its objects.

The Charity exists to provide free of charge enhanced emergency medical care services to the people of East Anglia and its visitors, by virtue of two helicopter and RRV-based teams - each normally consisting of a doctor and a Critical Care Paramedic (CCP). These HEMS (Helicopter Emergency Medical Services) teams have the capacity to save life by conducting advanced medical interventions wherever a patient has become ill, whether for a medical reason such as a cardiac arrest or because of an accident of some kind.

The Charity's objects are pursued by means of a highly-skilled and experienced team of pre-hospital emergency consultants presiding over a team of clinicians using state-of-the-art equipment, delivered by the fastest means available to patients who then benefit from life-saving interventions of the kind normally delivered in an emergency department of a hospital. These can include the administration of a general anaesthetic which in some cases can significantly increase the likelihood of very seriously ill patients surviving until they can reach a hospital that is equipped to deal with them. As the NHS relies increasingly on widely distributed specialist facilities, the HEMS teams' ability to transport patients by helicopter is also of huge value.

EAAA runs a CPR training programme to raise awareness and encourage members of the community to feel confident in delivering CPR and using a defibrillator. This training is available free of charge to community groups, although donations are welcomed.

The Public Benefit is thus the medical treatment of critically ill or injured members of the public free of charge to the patient and to the NHS.

East Anglian Air Ambulance

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Year ended 30 June 2021

Strategic Report

Volunteers

The Charity has around 340 volunteers, managed by a small team of staff led by the Volunteer Programme Manager. There are nearly 220 regular volunteers and 120 occasional volunteers. Ordinarily they would support the Charity by co-ordinating collection tins, giving presentations to community groups and attending events. Increasingly they provide administrative support in the Charity's offices, helping the Supporter Engagement Team, the lottery and events teams and manning the welcome desk at Helimed House, our headquarters. There are also volunteer trainers in the First Aid programme; supporting the delivery of the Aftercare service, and of course, on the board of Trustees.

Our volunteers have remained very resilient and have resumed and then suspended volunteering activity in line with all the government guidelines and advice during the pandemic. The volunteering team prioritised regular communications with all the volunteers during this time to ensure that they felt included and engaged, to remind them of their value to the Charity and inviting them to join us again when opportunities and restrictions permitted. When volunteering activity had to stop, online training opportunities were offered, including safeguarding, gifts in wills messaging and general updates and refreshers from the Charity.

The health and wellbeing of our volunteers is paramount, and we have sought feedback at every opportunity before asking them to undertake any new roles or resume their old ones. We still risk assess all roles, and those wishing to undertake them, and seek further medical advice when appropriate.

Charity achievements

The Charity continues to focus on delivering the best outcomes for patients and their loved ones, primarily in the pre-hospital environment and increasingly in prevention and aftercare.

Despite the ongoing challenges of operating through the pandemic, EAAA was able to maintain its core operation across its two bases and crew availability was very high, with only a handful of shifts dropped due to clinician shortages caused by isolation. This confirmed that our internal processes to protect our staff from infection were robust, particularly as the staff shortages that were experienced were universally found to have stemmed from potential exposures elsewhere.

We are also proud and grateful to the unstinting support of the communities we serve that we were able to press forward with a number of service developments despite a challenging fundraising environment. This culminated in the commencement of EAAA's service being available for 24 hours a day by air on the last day of the financial year, the culmination of a phased project that commenced five years before.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

This expansion of our service reflects the Charity's current Five Year Strategic Plan which spans 2020-2025 and comprises four core strands:

1. Improve patient outcomes
2. Develop widespread positive awareness
3. Develop and maintain a secure and sustainable fundraising stream
4. Nurture and manage an outstanding team

In the light of achieving this defining service enhancement, and with the benefit of the experiences and developments of the last 18 months, the Charity will be undertaking a review of its strategic plan during FY2021/22 to ensure that the future direction and priorities are clear and appropriate. Until this has been completed, our achievements will continue to be set out against these four strands:

(i) Improving patient outcomes

During 2020/21 the Charity continued its relentless focus on improving the care for its patients, whether this stems from improved internal clinical training, new equipment or interventions, data sharing with other healthcare organisations, raising public awareness of the importance of early CPR and defibrillation in cardiac arrest patients or saving vital seconds at any stage of its missions. Clearly there have been constraints in what could be achieved in some areas during the restrictions imposed during the pandemic, with more activity in some areas than others.

The Charity's aftercare service increased the number of patients it supported during their long-term recovery from 308 last year to 444, representing approximately 25% of EAAA's patients. This increase was achieved by the four-strong team of Clinical Liaison Nurses despite being resource-constrained for long periods during the major outbreaks of the pandemic when some of our seconded nurses were redeployed to their host hospitals to treat Covid-19 patients. Various initiatives during the year contributed to the increase in patients that were supported, including the sending of aftercare cards with links to an online survey and bereavement cards to families whose loved ones had not survived; these have increased engagement over previous methods. Another innovation during the year was to set up a Patient Peer Support Group on Facebook where patients and families can share their experiences and support each other through difficult times. This now has more than 50 members.

The team continually reviews its list of resources, to improve its ability to appropriately signpost patients and/or their relatives to other charities and supportive agencies that can provide additional support to aid their recovery. This is to help minimise the impact of trauma in the community and improve patient outcomes following a life-changing or life-threatening medical emergency or incident.

The Aftercare Team has strong relationships with key hospitals in the region which is paying dividends in re-establishing contact with patients at an early stage in their recovery process and increasingly leading to greater sharing of data on patient outcomes to close the feedback loop with our clinicians, who need this information to reflect upon and refine their practice. In May 2021 the Aftercare Team presented their work to an international audience at a pre-hospital care conference 'The Journey of a Trauma Patient' organised by Barts Hospital.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

The Charity achieved two major milestones during the year, one of which was a necessary precursor to the other. In March 2021 EAAA took possession of its new operating base and headquarter building at Norwich Airport, Helimed House. From an operational perspective, this building has brought our facilities up to the required standard to properly support around the clock working of both our clinicians and pilots by providing appropriate rest facilities, for both on-shift personnel and for those between shifts or in need of rest and recuperation immediately post-shift. It has also introduced a state of the art immersive training suite for our clinicians to regularly practice the sorts of scenarios they will face when called out by simulating a variety of environmental conditions; moving imagery of any scenario can be projected on three sides of the room, augmented by a powerful surround sound system, temperature control from 4°C to 30°C, a high powered fan to simulate wind and high fidelity video recording equipment to aid personal learning and sharing of simulations. The building also brought together, for the first time in many years, all Norwich-based ground staff under the same roof as the frontline crew. This essential connection fosters collaboration and keeps all our staff in touch with the core operation and the Charity's purpose.

The second achievement was to commence clinical operations by air for 24 hours a day for the first time. This long held ambition has finally been achieved after about five years of phased development. The crew at Norwich Airport are now available for 24 hour per day by helicopter (or RRV), the first 24 hour HEMS capability in the East of England. It was estimated five years ago that this final extension to its service would enable EAAA to respond to approximately 600 more taskings each year and reach patients who otherwise are unlikely to receive treatment from a critical care team when they need it most.

A component that was fundamental to this achievement was the negotiation and signing of a new aviation contract with our partner Babcock Mission Critical Services Onshore. The contract was ground-breaking in being the first open-book contract for both parties and the contractual template was developed from scratch. The work to agree this new seven year contract took two years to complete and was achieved with pro bono advice to EAAA from two highly experienced aviation industry experts.

The whole Charity is very proud to achieve this important milestone, especially as it has been achieved during a severe pandemic and is testament to the Charity's prudent approach to its financial management and the remarkable support of the public over many years.

Another development of the facilities has delivered a daily increase of approximately 30 minutes in aircraft availability at EAAA's Cambridge base. The Charity had identified some time ago that having a dedicated hangar next to the operating base would save time for the pilots at the beginning and end of their operational day and result in more availability. By virtue of a grant from the Department of Health & Social Care, and the agreement of a variation to EAAA's ground lease at Cambridge Airport to accommodate it, a new hangar was constructed in early 2021 and came into use in April, thereby yielding approximately 180 further hours of availability to be despatched to patients each year.

Understandably Covid disrupted our planned training programmes, including delaying the implementation of intermediate life support courses (ILS) but towards the end of the year we were able to resume training healthcare professionals in advanced life support (ALS) including a new collaboration with Royal Papworth Hospital. 142 candidates were trained during the year, including 35 on the joint EAAA/RPH e-ALS.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

(ii) Widespread positive awareness

EAAA is fortunate to have a strong positive reputation in the region, but as a charity which relies on public donations in an increasingly competitive market, widening awareness of the importance of its work is more vital than ever before.

The Charity's work with patients underpins all its activities and the regard in which it is held by the community. The Charity recognises that reputation is precious, hard won and easily lost.

Clearly, the pandemic has made the job of maintaining, let alone increasing, awareness much more difficult. Different strategies have been necessary, and in respect of some activities, it has not been possible to deliver a similar programme. Virtual means of delivering our message have been adopted where possible, but, for example, our ability to use canvassers to sign up lottery players has been severely hampered over the last year. Perhaps surprisingly, the loss of players during this time has not been as bad as we first anticipated, but cancellations did become more apparent towards the end of the year. Thankfully the resumption of canvassing activity has turned this around.

Following on from last year's highly successful '#TogetherWe' campaign to raise money for PPE, the Charity ran another campaign to raise funds for carrying blood products on our operational platforms. This again raised significant awareness of our activities and was successful in raising nearly £100k, thereby giving us the green light to work towards this service enhancement, which in some cases has proven lifesaving for particular categories of trauma patients.

We also continued to publish our in-house magazine 'Lift Off' to some 67,000 readers as well as it being available online. This featured articles on some of the pandemic-specific challenges we faced as well as patient stories and our plans for developing our services further.

While maintaining its reputation as a life-saving charity, EAAA will continue to work on raising awareness of what the community can do to help save lives too, through partnership working and placing the organisation as a truly collaborative leader in the sector.

East Anglian Air Ambulance

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Year ended 30 June 2021

(iii) Secure and sustainable income

Despite the adverse effects of the Pandemic, income for 2020/21 fell by only 5% compared to 2019/20. The Charity's lead income streams of the lottery and legacies remained strong, with the lottery income accounting for 46% of total fundraised income. Legacies continue to develop as a significant revenue stream, representing 25% of total income. We were also very fortunate that the level of income from general donations and regular giving continues to grow, increasing by 9% on 2019/20 levels.

Income from events, trusts and corporate donors were the main areas that were impacted by the Pandemic and the associated restrictions that were in place for much of the year. The Charity was able to adapt its approach to offset much of this; however, income from these areas was £0.84m lower than in 2019/20.

The diversity of income streams has ensured the Charity was well placed to weather the challenges of the Pandemic and work continues to find innovative ways of raising funds to ensure this remains the case for the future.

All Charity staff are encouraged to have two questions in mind - 'am I working in the best interest of the patient?' and 'can I justify this expenditure to any donor?'.

The first question has been covered in the section above. The second question encourages the Charity's staff to seek best value in every decision and minimise waste in every action.

The Charity's reserves policy, detailed later, underpins its financial sustainability, providing not only that prudent provision for a 'once in a lifetime rainy day', but also a source of additional income from those reserves prudently invested. The Charity has been able to benefit from the market conditions to generate a large gain on the investments we hold, which helped to offset the lower income we have suffered in some of our conventional fundraising streams. The last year has demonstrated the wisdom of our trustees over the years, with the reserves called upon to support our operations during a very real example of exactly what the reserves policy was put in place to cater for. The reserves policy is reviewed by Trustees annually.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

(iv) Nurture and manage an outstanding team

To deliver the very best care for every patient, the Charity must recruit, support and develop outstanding individuals for each role in the organisation. The success of the Charity is entirely dependent on the contribution of each and every individual.

The guiding principles are the Charity's values, designed by staff in July 2019, which detail how we need to behave in order to succeed. Our recruitment places emphasis on attitude as well as aptitude, which is embedded further during a thorough induction process and continually during employment through frequent '1-2-1's between staff and their line managers and annual appraisals. The latter are also based on the organisation's values. A wide range of training courses are available to staff throughout the year.

Staff are encouraged to take the certificated Level 1 'First Aid at Work' training, delivered in-house, and the Mental Health First Aid programmes. The Charity is also a strong supporter and promoter of the McQueen Charter which recommends good practice in maintaining mental health in the workplace.

During the last year when it has been impossible for staff to be physically together, the Charity put in place extensive welfare and wellbeing resources to support all staff in uncertain times, whether working at home, on the front line or furloughed. Significant effort has been put into communication to keep staff informed and engaged, and careful planning was undertaken to manage the return to some office working when guidelines and internal policies permitted to ensure that concerns were being addressed. Time was taken to undertake introductory staff tours of the new headquarters building before we resumed occupation to demonstrate that it would be a safe environment to work in.

Partly as a result of the engagement and wellbeing activities adopted in recent years, the Charity was delighted to win a number of significant awards during the year which raised awareness of EAAA as a great place to work:

- Norfolk Business Awards: Best Employer (November 2020)
- Best Companies: Best Charity to Work For in the UK, 6th Best Employer in the East of England region, 14th Best Medium-sized business (May 2021)
- Living Sport Awards (Cambridge): Best Employer (November 2020)
- SME Business Awards (Cambridge): Best Employer, Best Not For Profit organisation (March 2020)
- SME Business Awards (Bedfordshire): Business Chameleon (June 2021)

It is a credit to the Charity and its staff that once again recent vacancies at Director and other senior levels have been filled after thorough selection processes by internal candidates.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

Key performance indicators

	2021	2020
Total Missions	2,632	2,360
Total Patients	1,769	1,611
Missions by county		
Norfolk	1,181	1,064
Suffolk	491	421
Cambridgeshire	463	396
Bedfordshire	122	146
Essex	169	137
Hertfordshire	194	190
Other	12	6
	<u>2,632</u>	<u>2,360</u>
Patients by incident type		
Cardiac Arrests	433	372
Road Traffic Collisions	342	392
Accidental injury	339	280
Medical emergencies	371	285
Other	284	282
	<u>1,769</u>	<u>1,611</u>

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

Financial Review

Results for the year

Income

The total income for the year was £14.2m (2020: £14.8m).

Voluntary income other than from legacies totalled £4.1m (2020: £4.9m) of which £345k (2020: £859k) related to restricted income. The total income from government grants was £54k (2020: £420k).

Legacy income totalled £3.5m (2020: £3m) and in accordance with the accounting policy referred to elsewhere, £866k (2020: £758k), being 25% of legacy income, has been credited to the designated Planned Capital Expenditure Fund.

Trading income from EAAA's trading subsidiary which manages the lottery, raffle and sale of merchandise decreased by £42k to £6.4m. Costs decreased significantly by £433k to £0.99m (2020: £1.4m) due to the inability to canvass for new members, giving a net contribution of £5.4m (2020: £4.98m). Canvassing activity, and therefore costs, have since necessarily resumed in order that the lottery membership base is not only maintained but continues to grow.

Expenditure

Expenditure totalled £13.2m, an increase of £0.2m compared to 2020. An increase of £675k related to the costs of delivering charitable services, including helicopter operational costs and the employment of doctors/paramedics (£484k). However, this was offset considerably by reduced costs in fundraising of £478k due to the Pandemic-related constraints on fundraising activity.

Net income before unrealised gains on investment assets totalled £1m (2020: £1.8m) but investment gains of £1.5m (2020 saw a loss of £0.66m) improved the overall increase to the Charity's funds to £2.5m (2020: £1.15m). Total funds stood at £27.2m (2020: £24.6m).

The value of the investment portfolio at 30 June 2021 was £11.3m (2020: £11.3m). At 30 June 2021 bank deposit and current accounts comprised:

	2021	2020
	£'000	£'000
Designated cash deposit accounts (for the building of the new Norwich base)	24	3,068
General fund deposit account to cover lottery payments received in advance	518	517
Current account	<u>2,467</u>	<u>1,732</u>

Principal sources of funding

The Charity derives the majority of its income from the lottery (operated by its subsidiary company), legacies and community fundraising.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

Reserves

Reserves represent those parts of the Charity's unrestricted funds that are freely available to spend on the Charity's purposes and comprise:

- Designated Funds earmarked or designated for essential future spending – for example to fund a project that could not be met from future income alone
- The General Fund excluding tangible assets such as land and buildings held for the Charity's use

	2021 £'000	2020 £'000
Planned Capital Expenditure Fund (Designated)	400	4,729
General Fund	17,831	15,061
	<u>18,231</u>	<u>19,790</u>

Planned Capital Expenditure Fund

A designated fund is set aside in order to build up sufficient funds for particular capital projects. 25% of income from legacies is allocated to this fund each year, with further enhancements by transfers from the General Fund, at the discretion of the Trustees. The Norwich base capital project and the new hangar at the Cambridge base were completed during the year, and consequently funds were released from the Planned Capital Expenditure Fund to the General Fund as expenditure was incurred. Once all final payments have been made, it is envisaged that this fund will not be required in the near future and therefore any remaining funds will be released back into the General Fund for use in our normal course of operations. The Trustees regularly consider future potential capital needs and, if required, may choose to operate a similar fund in future years.

General Fund

It is the Trustees' policy that free reserves within the General Fund should be held at a level equivalent to approximately 12 months' expenditure. The Trustees consider it prudent to retain this level of reserves for ongoing working capital and to enable the Charity to continue in the event that:

- There is a temporary period of reduced income
- There is an unexpected increase in operational costs
- Unexpected management/overhead costs are incurred

The events of the last twelve months have tested this approach and enabled the Charity to continue not only delivering current service levels but to press ahead with planned service improvements, such as operating HEMS 24/7.

East Anglian Air Ambulance

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Year ended 30 June 2021

In determining the level of reserves required the Trustees have considered:

- Five-year budgets and forecasts
- Working capital requirements
- Changes in legislation relating to lottery canvassing or other external pressures
- Fluctuations in legacy income
- The planned costs of future service developments and other revenue expenditure projects
- Risks relating to a significant increase in planned voluntary income forecast over the next 5 years
- Potential increases in operational expenditure including additional costs for the direct employment of some doctors and paramedics
- Stock market fluctuations
- Changes in Government policy relating to the provision of Air Ambulance services

At 30 June 2021 the General Fund Reserve was £17.8m, being the equivalent of 16 months' budgeted expenditure for the year to 30 June 2021.

With the planned introduction of enhanced services and moving to 24/7 HEMS, the Trustees plan to use some of the General Fund reserve to meet any additional costs in the short term. In the longer term the planned increase in fundraising income is expected to produce a more balanced budget. Other capital projects will also be considered.

Restricted Funds

Details of the restricted funds, which amounted to £288k at 30 June 2021, are shown in note 17 to the financial statements.

Investment policy

The majority of the Charity's reserves are held in investments and cash or deposit accounts.

A portion of these reserves have been identified as funds required to meet cash flow needs during the next four years including:

- (a) Working capital
- (b) Expenditure out of restricted funds
- (c) Planned capital expenditure

The majority of these reserves are held in cash and deposits emphasizing minimal risk and access at short notice. In addition, accrued income at 30 June 2021 amounted to £5m which included legacy income notified but yet to be received of £4.3m and a Government grant of £27k.

The remaining reserves are held in an investment portfolio to provide capital growth whilst also generating income to support the ongoing activities of the Charity. During the year, the Trustees routinely reviewed the Investment Strategy and, whilst the Trustees do not anticipate the need to realise the portfolio in the foreseeable future, they consider that the investments should be capable of being realised within 6 months.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

The key risk to the longer-term reserves is stock market volatility. To mitigate this, the risk profile of the funds is regularly reviewed and, at the end of the year, a decision was made to split the fund into two funds to diversify the risk (transaction completed post year-end). The Trustees understand that this is likely to mean that the capital value of these investments will fluctuate.

The Charity chooses to invest with reputable fund managers who specialise in charities and comply with normal ethical codes of investment.

The Finance Committee has the responsibility for recommending strategy and monitoring the performance of the investments which are held in pooled funds managed by BNY Mellon Fund Managers Limited, an authorised investment manager regulated by the FCA. The Committee reviews the information provided by the investment manager quarterly and reports to the Trustees who are responsible for decision making. The investment manager is required to present in person to the Committee on an annual basis.

Professional advice is taken where appropriate on the investment of cash deposits. EAAA policy is that the amount of cash held in current accounts or other deposit accounts with any one bank or institution is not to exceed £500k for more than three months.

Going concern

The Charity's financial position and performance have been outlined in the financial review above. The Trustees have assessed projected future income, expenditure and cash flows and analysed the strength of the Charity's reserves and liquid assets. Consideration has been given to stability and diversity of various income streams in making this assessment.

The global pandemic has had, and continues to have, an impact on our operations and our fundraising activities. Despite this, the Charity has had the financial resilience to maintain and develop services due to the generosity of our supporters now and across the many years of our history. We anticipate that income will remain lower than originally planned for the next twelve months; however, we are committed to developing new and innovative income opportunities.

The Trustees conclude that there is reasonable expectation that the Charity and its subsidiary have adequate resources to continue their activities for the foreseeable future. We will monitor progress against our longer-term financial plan and take appropriate steps to mitigate factors. Accordingly, the Trustees consider it wholly appropriate to continue to adopt the going concern basis in preparing the financial statements.

Plans for the future

The Charity's current 5 Year Strategic Plan runs from 2020 to 2025 and is configured around four interlinked strands that are mutually supportive in the form of a virtuous circle.

The Charity's clinical and operations teams' focus on the development of improvements and introduction of new technologies has continued and even accelerated during the challenges of the last year as they relentlessly focus on achieving the best possible patient outcomes.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

The engagement and fundraising teams will develop wider regular giving and broaden the appeal of the Charity's challenge events, whilst expanding awareness of the Charity's work across the region. There is recognition of the changing landscape of fundraising and the need to adapt, particularly in the way large scale participation events are delivered, and how we engage our supporters through virtual platforms.

EAAA is very proud of its new headquarter building and operating base in Norwich but has so far had little chance to leverage its advantages. The building offers a means to foster closer collaborative working amongst all staff, to engage and welcome visitors and supporters and to foster closer relationships with our community through external use of our meeting space. We are excited about the potential and keen to exploit it.

The pandemic has encouraged the Charity to make flexible and remote working available to all, so the new building has been configured to promote 'social' working while facilitating independent working remotely. Like many other organisations, EAAA is adopting a hybrid working model for many of its staff as we have individually and as an organisation broken the taboo of remote working and have concluded that achieving a balance of working from home and attending the office has many benefits.

After two years of negotiation, EAAA completed a brand new seven year agreement in April 2021 with its helicopter services provider, Babcock Mission Critical Services Onshore. This was agreed on an open book basis, the first contract of this type that either party had entered into. The emphasis is now on embedding the new contractual provisions and ways of working that the agreement introduces, working collaboratively to improve our service and learning together as we gain experience in operating for 24 hours a day by air. As part of the contract, and with the costs included in the agreed monthly charges, both helicopters (Airbus H145) will be upgraded during the next year with a new five-bladed head. This has a number of benefits to the operation and EAAA's patients, particularly a reduction in vibration, enabling more interventions to be performed during patient transit, and an increased payload, delivering an ability to carry more fuel and thereby extending range.

This achievement of this final step in the extension of its core service capability will allow the Charity to focus more effort into prevention, resuscitation training and aftercare, which could reduce the number of patients requiring pre-hospital emergency care, improve the condition in which they are presented, and hasten their rehabilitation after what may well have been the worst moment of their lives. A resuscitation training strategy is being developed that is likely to focus on two basic strands; free of charge community and schools training in basic CPR and the use of defibrillators, and chargeable training of medical professionals in Intermediate Life Support (ILS) and Advanced Life Support (ALS). Given the depth of experience of our clinicians in these areas, we believe EAAA has unique credibility to deliver such training, which will also increase awareness of the Charity and all that it does for its patients amongst these key audiences.

This developing vision is not something that can be delivered by EAAA on its own. It will require research, campaigning and collaboration with other charities, public sector and community organisations and the general public to make a noticeable difference and reduce the impact of trauma and medical emergency on the community.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

Structure, governance and management

Constitution

EAAA was established on 6 September 2000 as a charitable company limited by guarantee. It is governed by its Articles of Association which were fully reviewed and updated by the Trustees on 20 February 2018.

East Anglian Air Ambulance (Trading) Limited was formed on 2 January 2001 as a wholly-owned subsidiary to carry out trading activities on behalf of the Charity.

Recruitment and appointment of Trustees

The Directors of the Charity are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The Trustees oversee the governance of the Charity and are responsible for ensuring that the Charity is being run in accordance with the strategy and agreed policies and procedures.

The Trustees comprise of at least five and not more than nine persons. Trustees are appointed to serve in three-year terms which can be extended if this is agreed as being in the interests of the Charity. The Chairman may serve for a maximum two additional terms.

Accordingly, during the year, one Trustee retired (The Earl of Iveagh retired on 15 December 2020) and one new Trustee was appointed (A W Wilson was appointed on 15 December 2020).

The current Trustees are the Members of the Charity for Company Law purposes.

The election and re-election of Trustees normally takes place at the Annual Trustees meeting.

A Nomination Committee leads the process of selection of candidates for appointment to the Board of Trustees and to make recommendations to the Trustees regarding plans for succession.

Trustee induction and training

On appointment Trustees are given an induction briefing and a comprehensive Trustee Governance Manual which includes:

- Information about the organisational structure of the Charity
- Guidance on their roles and responsibilities
- The Memorandum and Articles of Association
- The latest statutory and management accounts

Trustees attend training sessions and are encouraged to keep up to date with Charity issues by reading Charity Commission newsletters and other relevant publications. The Charity uses the Charity Commission's Governance Code as a framework by which to assess application of good practice and opportunities for improvements.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

Organisational structure

The Charity is governed by the Trustees who meet every three months and are responsible for the strategy and direction of the organisation.

A Finance Committee comprising four Trustees, the Chief Executive, Company Secretary and representatives of the Executive Team meets quarterly to consider financial matters and reports to the Trustees accordingly.

At the date of this report, the Executive Team comprises:

- Chief Executive
- Director of Engagement and Income
- Medical Director
- Finance Director (and Company Secretary)
- Director of People and Culture
- Head of Operations

The Executive Team directs the day-to-day operational and fundraising activities of the Charity. The Chief Executive provides monthly written reports to the Trustees.

Decisions requiring Trustee approval are defined in the Trustees Governance Manual and include:

- Board and Committee appointments
- The Charity's strategic aims, its objectives and direction
- The appointment and remuneration packages of the Chief Executive and Executive Directors

The Charity is a member of Air Ambulances UK (AAUK), renamed and re-established as a national charity in January 2020. AAUK provides grants and membership services to the UK's air ambulance charities and its wider membership, including ambulance services and the supply chain that supports this valuable life-saving service. Members are governed by a Code of Conduct which formally recognises the integral part that air ambulances play in the medical service provision.

The Chief Executive and other members of the executive team have regular meetings with their counterparts at EEAST and the Essex & Herts Air Ambulance Trust (EHAAT) and Magpas Air Ambulance which also serve the EEAST area.

The Charity's wholly owned trading subsidiary, East Anglian Air Ambulance (Trading) Limited runs a lottery and undertakes certain trading activities. The company operates independently of the Charity in accordance with Charity Commission guidelines.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

Remuneration Policy

The success of the Charity is largely dependent on its ability to attract and retain talented staff, with appropriate skills, whose own values align with those of the organisation.

The Charity is therefore committed to investing in its people, both from a remuneration perspective and in terms of their professional and personal development. The last year has also reinforced our long held view regarding the importance of positive wellbeing in the workplace. This has been an area of focus within EAAA for some time and was recognised as being exemplary during the darkest times of the pandemic, reflected in the awards bestowed upon the Charity during the year. It is also reflected in the promotion of the Head of HR to Director of People and Culture.

The Charity has a structured pay policy which ensures that salaries reflect the knowledge, skills, responsibilities, experience and personal competencies required for the satisfactory performance of each role. Salaries are reviewed annually and benchmarked primarily against the non-profit sector, but with an eye on other sectors given the competitive nature of the current employment marketplace.

The remuneration packages of the Chief Executive and Executive Directors are benchmarked against those of similar organisations and are reviewed by the Nominations Committee before being ratified by the Trustees.

Risk management

The Charity has a comprehensive Risk Management Policy. The Risk Register is monitored each month by the Executive Team, with significant risks reviewed quarterly by the Trustees, together with progress in implementing mitigations.

Risks are categorised under the following headings:

- Sustainable business
- EAAA reputation
- Patient outcomes (including clinical)
- Outstanding team

Department Directors are responsible for ensuring that controls are established to mitigate risks through planning and operational decision making, management systems, insurance cover and special advice. A more robust risk management review cycle has been introduced during the last year, with members of the Extended Leadership Team (ELT) driving the process to ensure that all staff are contributing to identifying and managing risks across the organisation. The Charity uses Datix software to report and manage incidents, almost all of which result from one of the risks referred to above.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

Where cash is required for capital projects within a two year period, the Trustees move funds from the investment portfolio to cash deposits as a hedge against adverse investment performance. Two such transfers were agreed during the year to ensure sufficient funds were available to complete the construction of the new Norwich Base.

The major risks and uncertainties facing the Charity have been identified as being issues which would lead to a curtailment or cessation of the air ambulance service as a result of:

- A disruption (whether short, medium or long term) in the service availability of the aircraft resulting from technical fault, accident or grounding of all similar aircraft
- A shortfall in the availability of frontline crew (doctors, paramedics or pilots) to support the rota
- A significant and ongoing fall in fundraising income
- The inability of the Charity to meet clinical standards and respond to clinical issues

The Trustees are satisfied that, so far as is practicable, procedures and systems are in place to mitigate these risks and others identified in the risk assessment process.

Health and Safety

EAAA is committed to promoting a positive safety culture throughout the Charity in accordance with its Health & Safety policies, procedures and risk assessments and all legislation.

The Charity will ensure that all operations are carried out in a way to remove and/or control any risk and ensure the health, safety and welfare of all its trustees, staff, volunteers, patients and all those that could be affected by its activities.

Safeguarding

The EAAA safeguarding statement was revised in September 2020:

'EAAA is committed to safeguarding everyone who comes into contact with the service, staff, volunteers, and those who receive care (patients, relatives, and public). EAAA also recognises that children and adults at risk from harm require particular safeguarding measures to be taken. EAAA is committed to providing a culture of zero tolerance of any forms of abuse.'

The Charity's safeguarding policy has been re-written in light of recent Government and Charity Commission guidance. The policy is intended to provide a common understanding of safeguarding issues, develop good practice in responding and recognising safeguarding concerns, outline roles and responsibilities, and clarify governance, monitoring and oversight within the organisation. It has been disseminated within the organisation, and an action plan developed and monitored to ensure our compliance. Safeguarding training has been delivered to our volunteers, is now incorporated in our staff induction programme and all staff (clinical and non-clinical) are also undertaking online safeguarding training on an annual basis to an appropriate level, depending on their role.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

Fundraising regulation

The Charity is registered with the Fundraising Regulator and follows the Code of Fundraising Practice issued by the regulator. Further to this the Charity has a Supporter Promise which is published on our website.

Our lottery and raffle activity is also regulated by the Gambling Commission and we adhere to their rules and regulations and complete gambling returns to their specified schedule. The Charity subscribes to the Direct Marketing Association and abides by the requirements of the General Data Protection Regulation (GDPR).

Several of the Fundraising Team are members of the Institute of Fundraising, the Chartered Institute of Marketing and the Direct Marketing Association and use these sources to stay abreast of changes and trends within the sector.

Fundraising complaints

The Charity continues to use an online reporting system for reporting, recording and monitoring all complaints. Fundraising complaints are evaluated daily and responded as quickly as possible.

In the year to 30 June 2021, EAAA received complaints relating to lottery canvassing from less than 0.02% of people contacted.

In accordance with our policy review schedule the Charity's complaints policy was updated in April 2021 and is published on the Charity's website.

Equal opportunities

EAAA is committed to ensuring equal opportunities, fairness of treatment, dignity, work-life balance and the elimination of all forms of discrimination in the workplace for all. The Charity aims to create a working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit. This commitment extends to staff, applicants, volunteers and contractors engaged in the work of the Charity.

Environmental management

EAAA is committed to setting a good example in minimising its energy consumption and carbon footprint using practical, affordable means that are endorsed and supported by the community.

The Charity recognises that helicopters running on non-renewable hydrocarbon fuel are not exemplars of low carbon transport. The Charity must therefore ensure that it delivers a service which is as efficient and effective as possible, while looking forward to a time when more environmentally friendly means of delivering critical care to patients suffering trauma or medical emergency become available.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

Our objectives are to:

- Actively monitor and encourage the development of more eco-friendly means of delivering a pre-hospital emergency medicine service by air and road
- Seek ways of reducing the Charity's carbon footprint throughout the entire operation
- Minimise the Charity's impact on the environment by regularly reviewing and evaluating the efficiency and effectiveness of our work
- Raise staff and volunteer awareness of environmental issues and promote individual good practice by setting eco-friendly values
- Communicate environmental performance both within the organisation and to the Charity's stakeholders annually

The Charity is currently undertaking a review of its environmental and sustainability strategy which it aims to publish and adopt by the end of the next financial year (June 2022).

Regulatory bodies

The Charity is subject to regulation by the Care Quality Commission, Civil Aviation Authority, Charity Commission, Gambling Commission, Information Commissioner and the Fundraising Regulator.

Connections with non-charities

EAAA follows the Charity Commission's guidance which requires charities to consider their relationships with non-charity organisations. The Charity has reviewed its relationship with its trading subsidiary, East Anglian Air Ambulance (Trading) Limited and the following organisations which are involved in delivering services to its beneficiaries:

- Babcock Mission Critical Services Onshore Limited (which owns and runs the aircraft)
- East of England Multi-Professional Deanery (which provides and employs Pre-Hospital Emergency Medicine "PHEM" trainee doctors)
- NHS East of England Ambulance Service Trust (EEAST) which provides PHEM trained paramedics, and manages the Critical Care Desk and the deployment of missions

Arrangements with these organisations and any risks identified in working with them are reviewed on a regular basis and action taken where appropriate.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2021

Trustees' responsibilities

The Trustees (who are also directors of EAAA for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

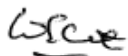
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue in operation.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

Signed by order of the Trustees on 8 December 2021.
Major General Sir William Cubitt KCVO CBE DL (Chairman)



East Anglian Air Ambulance

Independent Auditor's Report to the Members of East Anglian Air Ambulance

Year ended 30 June 2021

Opinion

We have audited the financial statements of East Anglian Air Ambulance (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 June 2021 which comprise the Group Statement of Financial Activities (including the Income and Expenditure account), the Group 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 30 June 2021, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

East Anglian Air Ambulance

Independent Auditor's Report to the Members of East Anglian Air Ambulance

Year ended 30 June 2021

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (including the Strategic Report and Trustees' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

East Anglian Air Ambulance

Independent Auditor's Report to the Members of East Anglian Air Ambulance

Year ended 30 June 2021

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 25, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance;
- Enquiry of entity staff compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

East Anglian Air Ambulance

Independent Auditor's Report to the Members of East Anglian Air Ambulance

Year ended 30 June 2021

Use of our report

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



Mark Proctor FCA DChA (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered Accountants and statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

31 January 2022

East Anglian Air Ambulance

Group Statement of Financial Activities (Including Income and Expenditure Account)

Year ended 30 June 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income					
Donations and legacies	2	7,202,525	345,297	7,547,822	7,920,787
Other trading activities	3	6,352,323	-	6,352,323	6,393,504
Investments	4	233,493	-	233,493	351,082
Other	5	99,802	-	99,802	169,235
Total income		13,888,143	345,297	14,233,440	14,834,608
Expenditure					
Raising funds	6	2,805,329	-	2,805,329	3,283,418
Charitable activities	7	10,188,071	223,993	10,412,064	9,737,940
Total expenditure		12,993,400	223,993	13,217,393	13,021,358
Net income before gains on investments		894,743	121,304	1,016,047	1,813,250
Net gains/(losses) on investments	13	1,531,665	-	1,531,665	(664,480)
Net income		2,426,408	121,304	2,547,712	1,148,770
Transfers between funds	17	282,664	(282,664)	-	-
Net movements in funds		2,709,072	(161,360)	2,547,712	1,148,770
Total funds brought forward	17	24,156,217	449,149	24,605,366	23,456,596
Total funds carried forward	17	26,865,289	287,789	27,153,078	24,605,366

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 33 to 52 form part of these financial statements.

East Anglian Air Ambulance

Group and Parent Charitable Company Balance Sheets

30 June 2021

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed assets					
Tangible assets	12	8,634,319	4,366,300	8,634,319	4,366,300
Investments	13	11,325,644	11,293,979	11,325,646	11,293,981
Cash at bank and in hand					
Designated fund deposits		23,639	3,068,351	23,639	3,068,351
		19,983,602	18,728,630	19,983,604	18,728,632
Current assets					
Stocks	14	148,789	113,983	128,452	101,298
Debtors	15	5,866,999	5,173,604	7,153,581	5,460,778
Cash on deposit		518,095	517,493	518,095	517,493
Cash at bank and in hand		2,467,141	1,731,959	603,420	929,627
		9,001,024	7,537,039	8,403,548	7,009,196
Creditors: Amounts falling due within one year	16	(1,831,548)	(1,660,303)	(1,236,953)	(1,135,341)
Net current assets		7,169,476	5,876,736	7,166,595	5,873,855
Total assets less current liabilities		27,153,078	24,605,366	27,150,199	24,602,487
Net assets		27,153,078	24,605,366	27,150,199	24,602,487
Charity Funds					
Restricted funds	17	287,789	449,149	287,789	449,149
Unrestricted funds					
Designated funds	17	400,000	4,728,733	400,000	4,728,733
General fund	17	26,465,289	19,427,484	26,462,410	19,424,605
Total unrestricted funds		26,865,289	24,156,217	26,862,410	24,153,338
Total Charity funds		27,153,078	24,605,366	27,150,199	24,602,487

The financial statements were approved and authorised for issue by the Board on 8 December 2021.

Signed on behalf of the board of Trustees



Major General Sir William Cubitt KCVO CBE DL (Chairman)



N R Savory FCA DL

Company number: 04066700

The notes on pages 33 to 52 form part of these financial statements.

East Anglian Air Ambulance

Group Statement of Cash Flows

Year ended 30 June 2021

	Note	Group 2021 £	Group 2020 £
Net cash flow from operating activities	23	<u>700,294</u>	<u>1,180,838</u>
Cash flows from investing activities			
Income received from investments		231,495	307,710
Payments to acquire tangible fixed assets		(4,742,715)	(2,839,748)
Bank interest received		1,998	43,372
Disposal of investments		<u>1,500,000</u>	<u>500,000</u>
Net cash flow from investing activities		<u>(3,009,222)</u>	<u>(1,988,666)</u>
Net decrease in cash and cash equivalents		(2,308,928)	(807,828)
Cash and cash equivalents at 1 July 2020	24	<u>5,317,803</u>	<u>6,125,631</u>
Cash and cash equivalents at 30 June 2021	24	<u><u>3,008,875</u></u>	<u><u>5,317,803</u></u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		3,008,875	5,317,803
Cash and cash equivalents at 30 June 2021	24	<u><u>3,008,875</u></u>	<u><u>5,317,803</u></u>

The notes on pages 33 to 52 form part of these financial statements.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

1. General information

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) General information and basis of preparation

East Anglian Air Ambulance is a private charitable company limited by guarantee in the United Kingdom. The registered office is Helimed House, Hangar 14, Gambling Close, Norwich Airport, Norwich, NR6 6EG. The nature of the charity's operations and principal activities are to relieve sickness and injury by the provision of an air ambulance service.

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice published in October 2019, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in Sterling which is the functional currency of the Charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiary East Anglian Air Ambulance (Trading) Limited on a line by line basis. A separate Statement of Financial Activities, or Income and Expenditure account, for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

(c) Funds

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 comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

1. General information (continued)

(d) Income

All income is included in the Statement of Financial Activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Legacies are included in the Statement of Financial Activities when the legacy has been received unless, before receipt, there is sufficient evidence to provide the necessary certainty that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

Donated goods and professional services are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity is probable and can be measured reliably. In accordance with the Charity SORP, general volunteer time is not recognised. Upon receipt, donated goods and services are recognised on the basis of the fair value to the Charity, being the amount the Charity would have been willing to pay to obtain the services on the open market. An equivalent amount is recognised as expenditure in the period of receipt.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from the government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, if it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

1. General information (continued)

(e) Legacies

With effect from 1 July 2012, 25% of all legacies received are credited directly to the Planned Capital Expenditure designated fund, unless otherwise agreed with the Executors. If the will indicates how the legacy is to be used it is credited to a restricted fund.

(f) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure includes any VAT which cannot be recovered and is charged as an expense in the Statement of Financial Activities in the year in which it is incurred. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, if it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including merchandise and lottery.

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, staff time or estimated usage as set out in notes 6 and 7.

(g) Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the period in which the cost is incurred.

Amounts payable for the provision of the helicopter are charged to the Statement of Financial Activities in the period to which they relate.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

1. General information (continued)

(h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Norwich base - building	- 2% straight line
Norwich base - leasehold land	- 150 years straight line
Plant & motor vehicles	- 20% straight line
Cambridge base - leasehold land & buildings	- 5% straight line
Medical & helicopter equipment	- 25% straight line
Fixtures, fittings, computers & database	- 33.3% straight line
Website	- 20% straight line

All items costing less than £500 are written off in the year of purchase.

(i) Fixed asset investments

Fixed asset investments comprise shares held in the subsidiary company, East Anglian Air Ambulance (Trading) Limited, together with a portfolio of quoted investments in pooled funds managed by BNY Mellon Fund Managers Limited. Investments in subsidiaries are measured at cost less impairment. Quoted investments are revalued to their fair value at the balance sheet date and the unrealised gain or loss is taken to the Statement of Financial Activities.

(j) Stocks

Stocks are valued at the lower of cost and net realisable value.

(k) Pensions

The Charity operates a defined contribution pension scheme. The charge in the Statement of Financial Activities represents the contributions payable by the Charity during the year.

(l) Tax

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

1. General information (continued)

(m) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

(i) Accrued legacy income

Management judgements are required to estimate a suitable amount of legacy income to accrue at the reporting date. The amount is calculated based on the conditions set out in the Charity SORP (FRS 102).

At 30 June 2021 the financial statements include accrued legacy income of £4,277,260 (2020: £2,726,715).

(ii) Donated goods and services

Management judgement is used to estimate the fair value of professional services donated to the Charity. This is in respect of Doctors and Critical Care Paramedics and pro bono professional services. This is calculated based on the fair value to the Charity, being the number of hours donated multiplied by the hourly rate that the Charity would have expected to be charged to obtain the services on the open market.

The financial statements for the year ended 30 June 2021 include donated goods and services of £1,237,933 (2020: £919,026).

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

1. General information (continued)

(n) Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the Statement of Financial Activities.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

2. Income from donations and legacies

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£	£
Collections & collecting tins	58,322	-	58,322	122,283	-	122,283
Third party & Charity events	396,184	-	396,184	881,121	-	881,121
Grants from trusts	181,168	-	181,168	404,028	-	404,028
Corporate donors	174,681	-	174,681	246,891	-	246,891
General donations	898,220	-	898,220	822,587	-	822,587
In memoriam	437,456	-	437,456	420,263	-	420,263
Gift Aid tax reclaimable	248,338	-	248,338	91,530	-	91,530
Circle of Benefactors	104,659	-	104,659	121,435	-	121,435
HM Treasury Capital Funding	-	-	-	-	336,472	336,472
Donations towards medical equipment	-	345,297	345,297	-	522,574	522,574
Donated goods and services	1,237,933	-	1,237,933	919,026	-	919,026
Legacies	3,465,564	-	3,465,564	3,032,577	-	3,032,577
	7,202,525	345,297	7,547,822	7,061,741	859,046	7,920,787

Total income from Government grants amounted to £57,468 (2020: £420,133), which includes £57,468 (2020: £83,661) shown within other income in note 5.

3. Income from other trading activities

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£	£
Lottery income	5,968,936	-	5,968,936	6,002,224	-	6,002,224
Raffle income	319,642	-	319,642	325,498	-	325,498
Merchandise income	62,412	-	62,412	62,041	-	62,041
Scratch card income	1,333	-	1,333	3,741	-	3,741
	6,352,323	-	6,352,323	6,393,504	-	6,393,504

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

4. Income from investments

	2021			2020		
	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£	£	£	£
Bank interest received	1,998	-	1,998	43,372	-	43,372
Dividends received	231,495	-	231,495	307,710	-	307,710
	233,493	-	233,493	351,082	-	351,082

5. Other income

	2021			2020		
	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£	£	£	£
Income from recycling	4,154	-	4,154	18,908	-	18,908
Furlough grant received	57,468	-	57,468	83,661	-	83,661
Training courses	38,180	-	38,180	66,666	-	66,666
	99,802	-	99,802	169,235	-	169,235

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

6. Analysis of expenditure on raising funds

	Costs of generating voluntary income £	Fundraising trading (lottery) £	Fundraising trading £	Total 2021 £	Total 2020 £
Fundraising & event costs	143,990	204,213	-	348,203	506,547
Lottery prizes	-	158,300	-	158,300	160,996
Canvassers and agents commission	-	301,821	-	301,821	732,591
Marketing and consultancy	155,840	11,520	-	167,360	176,829
Goods for resale	-	-	45,294	45,294	32,581
Staff costs	1,099,610	168,467	39,570	1,307,647	1,244,673
Premises establishment costs	87,209	9,232	9,702	106,143	89,705
Administration costs	181,843	150,120	6,627	338,590	318,734
Depreciation and profit/loss on disposal of fixed assets	19,087	4,295	8,589	31,971	20,762
Total 2021 (unrestricted)	1,687,579	1,007,968	109,782	2,805,329	3,283,418
Total 2020 (unrestricted)	1,747,040	1,444,835	91,543	3,283,418	

Costs are allocated directly or apportioned on the following basis:

Staff costs	Staff time
Premises establishment costs	Floor area
General office administration costs	Staff time
Training and recruitment costs	Staff time
Legal and professional	Time
Depreciation	Usage
Bank charges and interest	Transactions

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

7. Analysis of expenditure on charitable activities

	Operational & support costs £	Governance costs £	Total 2021 £	Total 2020 £
Helicopter costs	5,647,843	-	5,647,843	5,331,962
Doctors' salaries and fees	758,776	-	758,776	1,285,634
Doctors and Critical Care Paramedics - donated services	1,157,133	-	1,157,133	919,026
Legal and professional - pro bono services	80,800	-	80,800	-
Other staff costs	1,555,178	-	1,555,178	1,179,255
Medical consumables and other clinical costs	202,394	-	202,394	161,958
Premises establishment costs	103,777	-	103,777	83,282
Administration costs	420,280	43,157	463,437	477,420
Depreciation and profit/loss on disposal of fixed assets	442,726	-	442,726	299,403
	10,368,907	43,157	10,412,064	9,737,940
Restricted	223,993	-	223,993	
Unrestricted	10,144,914	43,157	10,188,071	
Total 2021	10,368,907	43,157	10,412,064	
Restricted	76,453	-	76,453	
Unrestricted	9,614,578	46,909	9,661,487	
Total 2020	9,691,031	46,909	9,737,940	

Costs are allocated directly or apportioned on the following basis:

Staff costs	Staff time
Premises establishment costs	Floor area
General office administration costs	Staff time
Training and recruitment costs	Staff time
Legal and professional	Time
Depreciation	Usage
Bank charges and interest	Transactions

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

8. Net income for the year

Net income is stated after charging:	2021 £	2020 £
Depreciation of tangible assets	474,696	320,165
Operating lease rentals - helicopter standing charges	4,930,261	4,527,688
Operating lease rentals - other	105,944	96,951

9. Auditor's remuneration

	2021 £	2020 £
Audit of the Charity's annual financial statements	12,700	12,300
Audit of the subsidiary company's annual financial statements	7,350	7,150
Professional services	12,353	17,044
	<u>32,403</u>	<u>36,494</u>

10. Trustees' and key management personnel remuneration and expenses

The Trustees did not receive any remuneration from the Charity during the year or in the previous year.

No members of the Board received expenses in the course of their duties during the year in respect of travel and subsistence (2020: none).

The total amount of employee benefits received by key management personnel was £511,392 (2020: £461,521). The Trustees consider the key management personnel to be the CEO and five executive team members (2020: CEO and five executive team members).

11. Staff costs and employee benefits

The average number of contracted employees and full time equivalent (FTE) during the year was as follows:

	2021 No.	2020 No.	2021 FTE No.	2020 FTE No.
Operations	11	11	9	9
Doctors	11	9	6	6
Locum Doctors	24	25	-	-
Lottery	3	3	3	3
Fundraising	28	27	26	25
Communications and marketing	4	4	4	4
Administration	16	17	15	16
Faculty	5	-	-	-
	<u>102</u>	<u>96</u>	<u>63</u>	<u>63</u>

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

11. Staff costs and employee benefits (continued)

The total staff costs and employee benefits were as follows:

	2021	2020
	£	£
Wages and salaries	2,887,774	2,690,842
Social security costs	295,146	272,485
Pension contributions	143,665	133,990
Life insurance	8,406	7,078
	3,334,991	3,104,395

The aggregate ex-gratia payments during the year totalled £nil (2020: £10,000).

The number of employees who received total employee benefits (excluding pension contributions) of more than £60,000 was as follows:

	2021	2020
	No.	No.
£60,000 to £70,000	1	2
£70,000 to £80,000	2	-
£90,000 to £100,000 *	1	1
£100,000 to £110,000 **	2	-
£110,000 to £120,000	-	1
£120,000 to £130,000 **	1	1

Year ended 30 June 2021: * Chief Executive, ** Doctors.

12. Tangible fixed assets - Group

	Long leasehold land & buildings - Norwich base	Short leasehold land & buildings - Cambridge base	Plant & motor vehicles	Fixtures, fittings and computers	Medical & helicopter equipment	Total
	£	£	£	£	£	£
Cost						
At 1 July 2020	2,312,800	1,566,092	480,661	510,598	1,106,616	5,976,767
Additions	3,980,855	443,809	8,235	215,917	93,899	4,742,715
At 30 June 2021	6,293,655	2,009,901	488,896	726,515	1,200,515	10,719,482
Depreciation						
At 1 July 2020	-	347,337	302,860	409,888	550,382	1,610,467
Charge for the year	45,463	89,271	64,992	75,524	199,446	474,696
At 30 June 2021	45,463	436,608	367,852	485,412	749,828	2,085,163
Net book value						
At 30 June 2021	6,248,192	1,573,293	121,044	241,103	450,687	8,634,319
At 30 June 2020	2,312,800	1,218,755	177,801	100,710	556,234	4,366,300

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

12. Tangible fixed assets - Charity

	Long leasehold land & buildings - Norwich base	Short leasehold land & buildings - Cambridge base	Plant & motor vehicles	Fixtures, fittings and computers	Medical & helicopter equipment	Total
	£	£	£	£	£	£
Cost						
At 1 July 2020	2,312,800	1,566,092	480,661	499,934	1,106,616	5,966,103
Additions	3,980,855	443,809	8,235	215,917	93,899	4,742,715
At 30 June 2021	6,293,655	2,009,901	488,896	715,851	1,200,515	10,708,818
Depreciation						
At 1 July 2020	-	347,337	302,860	399,224	550,382	1,599,803
Charge for the year	45,463	89,271	64,992	75,524	199,446	474,696
At 30 June 2021	45,463	436,608	367,852	474,748	749,828	2,074,499
Net book value						
At 30 June 2021	6,248,192	1,573,293	121,044	241,103	450,687	8,634,319
At 30 June 2020	2,312,800	1,218,755	177,801	100,710	556,234	4,366,300

13. Fixed asset investments

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Market value at 1 July 2020	11,293,979	12,458,459	11,293,979	12,458,459
Disposals	(1,500,000)	(500,000)	(1,500,000)	(500,000)
Net gain/(loss) on revaluation	1,531,665	(664,480)	1,531,665	(664,480)
Market value at 30 June 2021	11,325,644	11,293,979	11,325,644	11,293,979
Investment in subsidiary at 1 July 2020 and 30 June 2021	-	-	2	2
Carrying value at 30 June 2021	11,325,644	11,293,979	11,325,646	11,293,981
Investments at fair value comprise:				
Equities	11,325,644	11,293,979	11,325,644	11,293,979
Total	11,325,644	11,293,979	11,325,644	11,293,979

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

13. Fixed asset investments (continued)

Investments at fair value represent the investment in the Newton Growth and Income Fund For Charities. The fair value is determined by reference to the market value at the balance sheet date.

The Charity holds 2 shares of £1 each in its wholly owned subsidiary company East Anglian Air Ambulance (Trading) Limited (company number 04136827) which is incorporated in the United Kingdom. The company runs a lottery, operates Grand Raffle Draws and sells merchandise. The profits of the company are donated to the East Anglian Air Ambulance by Gift Aid.

The summary financial performance of the subsidiary is:

	2021 £	2020 £
Turnover	6,351,645	6,393,504
Expenditure	(984,807)	(1,417,370)
Bank interest receivable	710	5,826
Profit	5,367,548	4,981,960
Amount donated to East Anglian Air Ambulance by Gift Aid	5,367,548	4,981,960
Net assets	2,881	2,881

14. Stocks

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Retail goods for resale	166	306	-	140
Drugs and medical consumables	148,623	113,677	128,452	101,158
	148,789	113,983	128,452	101,298

15. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	20,934	40,975	20,115	21,975
Amount due from subsidiary undertakings	-	-	1,523,816	367,992
Other debtors	131	97,153	-	96,655
VAT	36,751	625,226	1,438	588,866
Prepayments	807,416	611,494	606,445	586,534
Accrued income	5,001,767	3,798,756	5,001,767	3,798,756
	5,866,999	5,173,604	7,153,581	5,460,778

Accrued income includes accrued legacy income of £4,277,260 (2020: £2,726,715) and HM Treasury capital funding of £27,133 (2020: £790,313).

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

16. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank loans and overdrafts	9,349	-	-	-
Trade creditors	839,009	792,104	778,183	763,419
Taxation and social security	93,890	80,634	93,890	80,634
Accruals and deferred income	886,968	782,135	362,548	288,708
Other creditors	2,332	5,430	2,332	2,580
	1,831,548	1,660,303	1,236,953	1,135,341

Included within accruals and deferred income is £508,404 (2020: £481,927) relating to income from lottery ticket sales received in advance. This relates to monies received before the year end for draws held at later dates. Deferred income from 2020 of £505,496 (2020: deferred income from 2019 of £513,496) has been credited to the Statement of Financial Activities during the year.

17. Analysis of charitable funds

Analysis of movements in unrestricted funds

Year ended 30 June 2021

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance at 30 June 2021 £
General Fund	19,427,484	13,021,752	(12,993,400)	5,477,788	1,531,665	26,465,289
Designated Planned Capital Expenditure Fund	4,728,733	866,391	-	(5,195,124)	-	400,000
	24,156,217	13,888,143	(12,993,400)	282,664	1,531,665	26,865,289

The transfer to the General Fund comprises £282,664 from the HM Treasury Capital Fund following the completion of the new Cambridge hangar and £5,195,124 from the Designated Planned Capital Expenditure Fund relating to the Norwich base and the additional cost of the Cambridge hangar which was not covered by the HM Treasury Capital grant.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

17. Analysis of charitable funds (continued)

Year ended 30 June 2020

	Balance at 1 July 2019 £	Income £	Expenditure £	Transfers £	Investment losses £	Balance at 30 June 2020 £
General Fund	16,887,071	13,217,418	(12,944,905)	2,932,380	(664,480)	19,427,484
Designated Planned Capital Expenditure Fund	5,985,637	758,144	-	(2,015,048)	-	4,728,733
	22,872,708	13,975,562	(12,944,905)	917,332	(664,480)	24,156,217

Transfers to the General Fund comprise amounts from the restricted Medical Equipment Fund of £518,661, HM Treasury Capital Fund of £389,086 and Norwich Base Fund of £9,585 and from the designated Planned Capital Expenditure Fund of £2,015,048. All of these transfers are in respect of tangible assets purchased.

Analysis of movements in restricted funds

Year ended 30 June 2021

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2021 £
Medical Equipment Fund	47,922	279,588	(158,284)	-	169,226
Training Fund	-	4,620	(4,620)	-	-
Covid Response Fund	-	61,089	(61,089)	-	-
HM Treasury Capital Fund	401,227	-	-	(282,664)	118,563
	449,149	345,297	(223,993)	(282,664)	287,789

The transfer from the HM Treasury Capital Fund of £282,664 relates to the amount of grant funding received towards the cost of the Cambridge hangar, which was completed during the year. This was transferred to the General Fund.

Year ended 30 June 2020

	Balance at 1 July 2019 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2020 £
Medical Equipment Fund	113,587	522,574	(69,578)	(518,661)	47,922
Training Fund	6,875	-	(6,875)	-	-
HM Treasury Capital Fund	453,841	336,472	-	(389,086)	401,227
Norwich Base Fund	9,585	-	-	(9,585)	-
	583,888	859,046	(76,453)	(917,332)	449,149

Transfers comprise amounts from the Medical Equipment Fund of £518,661, HM Treasury Capital Fund of £389,086 and Norwich Base Fund of £9,585 to the General Fund in respect of tangible assets purchased.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

17. Analysis of charitable funds (continued)

Fund descriptions

(a) General funds

These represent the tangible fixed assets and 'free reserves' of the group excluding designated funds.

(b) Designated funds

Planned Capital Expenditure Fund

In addition the Charity has a "designated" fund set aside from legacy and other income towards the cost of capital projects planned during the next five years.

25% of all legacy income is credited directly to this fund, unless otherwise agreed with the executors or the terms of the will state otherwise. The fund may also be enhanced by transfers from the General Fund, at the discretion of the Trustees, in order to build up sufficient reserves for particular planned projects.

	£
Fund balance at 1 July 2020	4,728,733
25% of legacy income	866,391
Transfer to General Fund	(5,195,124)
Fund balance at 30 June 2021	<u>400,000</u>

(c) Restricted funds

Medical Equipment Fund

This fund represents donations received towards the purchase of medical equipment. Once the equipment has been purchased the cost is transferred back to unrestricted funds. The balance carried forward at 30 June 2021 is £169,226 (2020: £47,922).

Training Fund

This fund represented donations received towards training costs. The balance carried forward at 30 June 2021 is £nil (2020: £nil).

HM Treasury Capital Fund

This fund comprises funding receivable from HM Treasury towards the new Norwich base, the purchase of Rapid Response Vehicles and night vision goggles. The balance carried forward at 30 June 2021 is £118,563 (2020: £401,227).

Norwich Base Fund

This fund comprised donations received towards the cost of the new base in Norwich. The balance carried forward at 30 June 2021 is £nil (2020: £nil).

Covid Response Fund

This fund comprises income received towards dealing with the Covid-19 pandemic. The balance carried forward at 30 June 2021 is £nil.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

18. Analysis of group net assets between funds

At 30 June 2021

	General Fund £	Designated Funds £	Restricted Funds £	Total £
Fixed asset investments	11,325,644	-	-	11,325,644
Tangible fixed assets	8,634,319	-	-	8,634,319
Stock	148,789	-	-	148,789
Debtors	5,839,866	-	27,133	5,866,999
Bank	2,348,219	400,000	260,656	3,008,875
Creditors	(1,831,548)	-	-	(1,831,548)
Fund balances at 30 June 2021	26,465,289	400,000	287,789	27,153,078

At 30 June 2020

	General Fund £	Designated Funds £	Restricted Funds £	Total £
Fixed asset investments	11,293,979	-	-	11,293,979
Tangible fixed assets	4,366,300	-	-	4,366,300
Stock	113,983	-	-	113,983
Debtors	3,701,612	681,679	790,313	5,173,604
Bank	1,611,913	4,047,054	(341,164)	5,317,803
Creditors	(1,660,303)	-	-	(1,660,303)
Fund balances at 30 June 2020	19,427,484	4,728,733	449,149	24,605,366

19. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Land & buildings 2021 £	Aircraft 2021 £	Land & buildings 2020 £	Aircraft 2020 £
Operating leases expiring:				
Not later than one year	-	5,238,336	99,940	4,884,635
Later than one and not later than five years	-	20,953,344	37,149	2,072,450
Later than five years	-	9,167,088	-	-
	-	35,358,768	137,089	6,957,085

Under the terms of the contract, lease payments on the aircraft are linked to various indices. As a result of this amounts payable in the future may fluctuate.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

20. Trustees indemnity insurance

During the year the Charity purchased an insurance policy which is designed specifically for Charity Trustees. The cost of this policy for the year was £1,296 (2020: £994).

21. Company status

The Company is limited by guarantee. In the event of winding up, each member is liable to contribute a sum not exceeding £1.

22. Surplus of the Charity (parent company)

A surplus of £2,547,712 (2020: £1,148,770) has been recognised in the accounts of the Charity. The Charity is not required to produce its own profit and loss account because of the exemption provision in Section 408 of the Companies Act 2006.

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income for the year	2,547,712	1,148,770
Income received from investments	(231,495)	(307,710)
Depreciation of tangible fixed assets	474,696	320,165
Net (gains)/losses on investments	(1,531,665)	664,480
Bank interest received	(1,998)	(43,372)
Increase in stocks	(34,806)	(44,306)
Increase in debtors	(693,395)	(996,063)
Increase in creditors	171,245	438,874
Net cash flows from operating activities	<u>700,294</u>	<u>1,180,838</u>

24. Reconciliation of net cash flow movement to movement in net funds

	Group 2021 £	Group 2020 £
Decrease in cash in the period & change in net funds	(2,308,928)	(807,828)
Net funds at 1 July 2020	5,317,803	6,125,631
Net funds at 30 June 2021	<u>3,008,875</u>	<u>5,317,803</u>

The Charity holds a bank deposit of £518,095 (2020: £517,493) on behalf of East Anglian Air Ambulance (Trading) Limited.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2021

25. Related party transactions

The company has taken advantage of the exemptions conferred by FRS 102 not to make disclosures regarding transactions with East Anglian Air Ambulance (Trading) Limited.

The Charity received donations totalling £10,000 (2020: £18,605) from Charitable Trusts and another entity connected to a Trustee.

The Charity purchased services amounting to £nil (2020: £275) from Hansells Solicitors and Financial Advisers, a business in which R S Holden has an interest.

The Charity purchased services amounting to £2,850 (2020: £19,269) from Mills & Reeve LLP, a business in which D Astill has an interest.

The Charity made purchases amounting to £nil (2020: £125) from R C Snelling Limited, a business in which N Savory is a director.

26. Financial instruments

The carrying amounts of the group and charity's financial instruments are as follows:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Financial assets				
Measured at fair value through net income	11,325,644	11,293,979	11,325,644	11,293,979

27. Capital commitments

The Charity had capital commitments at 30 June 2021 of £167,157 (2020: £4,047,972).