

Yorkshire Air Ambulance Limited

Consolidated Financial Statements

Registered Number: 4053524

Charity Number: 1084305

Year Ended 31 March 2021

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Officers and Professional Advisers

The Board of Trustees	Peter Sunderland MBE, DL Brian Chapman James Eastwood Mike Harrop Kevin Hynes Mark Jones (appointed 29 June 2021) Vivian Lewis (resigned 30 April 2021) Richard Marsh Sarah Moore (resigned 30 June 2020) Dr Judith Parker John Samuel Amarjit Singh
Company Secretary	Irene Heap
Registered Office	Cayley House 10 South Lane Elland HX5 0HQ
Auditors	BHP LLP New Chartford House Centurion Way Cleckheaton BD19 3QB
Bankers	Lloyds Bank plc 6 Park Row Leeds LS1 1NX Virgin Money 94 Albion Street Leeds LS1 6AG
Solicitors	Wrigleys 17-21 Cookridge Street, Leeds LS2 3AG
Investment Managers	Brewin Dolphin 10 Wellington Place Leeds LS1 4AN Redmayne Bentley 9 Bond Court Leeds LS1 2JZ

Chairman's Statement

In my report for the year ending 31 March 2020, I stated:

2019-2020 has been a good year for the Charity, however with the COVID-19 crisis ongoing, I do envisage a difficult year for the YAA for 2020/2021 in successfully raising the necessary funds without having to resort to using our reserves. The strong financial base of the Charity, which has been built up over many years by prudent management of the funds so generously donated by the people of Yorkshire means that, unlike many other charitable organisations and businesses, YAA entered the COVID-19 crisis debt free. We can be confident that YAA will survive this challenging period in our lives and will continue to provide our life saving service for many years to come.

In March 2020 the UK COVID-19 pandemic arrived in the UK and with the Government decision for lockdown and social distancing, all our fundraising efforts had to be put on hold. Arrangements were made for our staff to work from home, and they have all done an excellent job of keeping the YAA Charity operations intact. I would like to record my thanks to all our staff and volunteers for their support during this very complicated and tough period.

An early decision was taken by the Trustee Board not to furlough any staff (except for two pilots over 3 weeks, when our paramedics were diverted to essential duties for the NHS in establishing the Nightingale Hospital facility in Harrogate). The Board felt it was essential for the long-term sustainable benefit of the Charity to allow the team to keep the YAA operation fully functioning and to revisit all our planned activities for the whole year. This period also gave our teams time to plan for the future and take care of any projects which had been in the pipeline. During the lockdown period we have been able to keep our helicopters running (in line with Government advice and guidance) with their Critical Care Teams.

The use of "Teams" and "Zoom" meetings has been of unimaginable benefit and enabled successful management of all the Charity's operations. They became the new 'norm' to meet with and catch up with colleagues.

I will start my report with our key financial information. For the year ending 31 March 2021, our total income was a record £10.01M, split between donations and other income of £3.14M, and legacies of £6.87M. Legacies showed a significant increase of £3.68M from last year, but donations reduced by £2.09M. I must give a particular mention to our legacy income for this last year as we have seen a significant, unexpected but very welcome increase on previous years. This is mainly due to the volumes and values of legacies considerably increasing. Operational costs increased by 2.9% to £5.20M, whilst net income showed an increase over 2020 of £6.3M, largely due to the increase in the value of our investment portfolio of £3.55M. The net assets value of the Charity increased by 26.7% and now stand at £39.63M.

Administration and fundraising expenditure were under budget and at 15% of income, leaving 85p in every £1 donated to be used for charitable activities, or for building reserves to cover the replacement of the helicopters. Our reserves policy and our levels of overhead expenditure are closely monitored by the Senior Management Team and Trustee Board and continue to be reviewed monthly. We continue to build the Helicopter Replacement Reserve to ensure that our ability to provide the best level of life saving service to the people of Yorkshire is maintained.

Our Airbus H145 D2 helicopters are now five years old and are still invaluable in providing the Yorkshire region with two modern mobile trauma units. We also continue to fly night vision operations (NVIS) in the evenings and during the winter months when the days are darker earlier. We continue to be able to run one 12hr shift out of RAF Topcliffe and a two-shift operation [06:00 to 00:00 Monday to Friday and 09:00 to 21:00 on Saturday & Sunday] from our Nostell airbase every day over the whole year. The Nostell based aircraft is also staffed with a Consultant level Doctor on board from 09:00-21:00 every day. Charitable operational activities expenditure has over the year increased by 12.0%, but are still in line with budget expectations.

The warranty on G-YAAC and G-YOAA has now expired. However, we have negotiated a support package with Airbus Helicopters UK to cover all the parts on a power by the hour contract, which also helps with budgeting purposes. We are also entering the 6th year of our 10-year fixed price maintenance contract with Airbus UK.

Chairman's Statement (*continued*)

This will supplement our existing PBH contract which is already in place with Safran for our helicopter engines, and this ensures that our helicopters are maintained and cost effective and at a regular monthly defined cost.

During the year we entered into negotiations with Airbus UK re the planned replacement of both our helicopters and, following detailed discussions with them, we have placed an order for two new H145 D3 five bladed helicopters with improved avionics and medical fit and these are planned to arrive in March and September 2023. Although this is some two years earlier than we originally planned the major benefits for patients and flight operations have been uppermost in our deliberations. Discussions are ongoing re the future sale of our existing helicopters and a cost study is being evaluated re the benefits of keeping one helicopter as a relief and to give extra resilience when our helicopters are serviced, or for unforeseen downtime.

Capt. Steve Waudby, our Director of Aviation and Accountable Manager has now retired from flying HEMS missions due to CAA requirements (HEMS Pilots must cease single Pilot operations from age 60) but has retained his duties as our Director of Aviation. Capt. Owen McTeggart remains in position in the role of Chief Pilot, effective from March 2020. We also appointed a new Line Pilot to join the team and Capt. Jonathan Binnie took up his position with us in July 2020.

Simulator training facilities in Germany have been unavailable due to the pandemic, and training both new Pilots, and upskilling our existing Pilots and Paramedics who also fly as TCM's [Technical Crew Members] has had to be carried out on our own helicopters. Training such as this is a mandatory requirement, so it is vitally important it is all undertaken and kept up to date. Our operations are still carried out under our own AOC (Aircraft Operators Certificate) and include regular audits from the CAA Flight Operations and Flight Engineer Inspectors.

Our helicopters are crewed by very experienced medical teams of Critical Care Paramedics and Consultant level Doctors from Yorkshire Ambulance Service NHS Trust (YAS), and I would again thank YAS and their Executive team of Kathryn Lavery (Chair of the Board), Rod Barnes (Chief Executive) and John Holden (Head of EPRR & Special Operations) for their continued support. I also add our thanks to Dr Julian Mark, our Medical Director, for all his support, together with Dr Jez Pinnell (Medical Advisor), Dr Andy Pountney (Critical Care Doctor Team Lead) and Matt Syrat, our Clinical Operations Manager. This team have again worked tirelessly over the last 12 months ensuring the YAA/YAS partnership was able to safely deliver during the COVID-19 pandemic, the best possible speedy medical trauma care to all the people of Yorkshire.

Having our main Air Support Unit bases at Nostell and RAF Topcliffe is only possible through the support of many people. I would offer my thanks to The Lord St Oswald of the Nostell Estate and the Station Commander at RAF Linton-on-Ouse, Wing Commander Adey Hobson. I would also add thanks to the Commanding Officer Lieutenant Colonel Matthew Brocklesby and his team from the 4th Regiment Royal Artillery, Allenbrooke Barracks at Topcliffe for their continued support. Neale Jacobs, our Operations Director continues to give major support in the ongoing development and advancement of our two Air Support Units.

Abby Barmby our Director of Marketing & Communications Director and her team have done a wonderful job during the pandemic in keeping our operational events fully covered in the media and they have also taken the opportunity to update and expanded our website and promotional documents. They also designed and implemented all the artwork and displays for our two new sponsored promotional units, rapid response vehicles together with the layout and design of our new reception area at our Nostell airbase

On behalf of everyone at YAA, I would also sincerely thank our Patrons and Ambassadors who promote the work of the YAA across the Yorkshire region. I record our thanks to our Patrons; Gaynor Barnes, Sir Geoffrey Boycott OBE and Jon Mitchell, and our Ambassador Amanda Owen who have assisted the Charity in so many ways.

The financial support and benefit in kind support we receive from sponsors, businesses, and the people of Yorkshire and beyond is truly amazing [see the individual notations in the "Strategic & Trustee Report" section]. The Liz & Terry Bramall Foundation over many years has given the YAA much valued support, which has enabled the achievement of so many of our long-term strategic aims and objectives, and for that we sincerely thank the Foundation. I would also add our grateful thanks to the Yorkshire Charity Clays Days for again including YAA as benefactors of their annual event.

Chairman's Statement (*continued*)

B. Braun Medical Ltd based in Sheffield has, over many years, both in sponsorship and the use of the valuable B. Braun team, given the Charity their most valued support. I would like to specifically thank Brian Chapman [YAA Vice-Chairman] for supporting me, the Senior Management Team, and the Trustee Board, bringing his valuable skills, time, and expertise to the Charity. I would also record a special thanks to David Oates, Group Managing Director for his continuing help and support.

Our Finance Director, Heather Goodwill, has been a valuable addition to the Charity and has much improved our financial function since her inception, and has concluded this her first-year end accounts. Helen Callear and Kerry Dwyer, our joint Directors of Fundraising for the two regions have continued to maintain and increase our incomes and to manage the fundraising staff and volunteers during the difficult COVID-19 lockdown period.

Again, during the year there have been many important events and I would highlight a few of them. We have undertaken many VIP visits to our Nostell Air Support Unit (outside of the national lockdowns). These have been extremely well received and have proved to be a very effective method of increasing still further, awareness of the Charity's operations throughout Yorkshire.

This year our AGM was carried out via Zoom, but sadly our annual recognition dinner had to be cancelled due to COVID-19. It is hoped we will hold our 2021 AGM in October as planned and our recognition awards dinner will follow at a venue in York in February 2022.

A further Strategy Day is planned for October 2021 at our Nostell Air base.

Sadly, in January 2021, Viv Lewis retired from his position as a Trustee and has moved to live overseas in Portugal and I would, on behalf of all at YAA, wish to record our thanks to him for his help and support over his seven year tenure on the Board. I was also pleased to welcome Mark Jones in June 2021 as a new member to the Trustee Board.

I would like to congratulate AirTV on another successful year of their production of the award-winning Helicopter ER series which depicts many of the factual lifesaving trauma incidents which YAA attends. Further series have been confirmed and, as always, this increases the local and national awareness of the lifesaving work of the Doctors, Paramedics, and our aircrew. Their commentary "Intensive care in the air" during the screening of each episode is also reinforced by our Mission Statement.

We are constantly reviewing incomes and cashflow against our budgeted expectations and after 4 months of our financial year from 1st April 2021 we are seeing incomes in excess of circa 49% plus compared to our budgeted expectations.

All our fundraising activities are slowly reverting to more normal levels and hopefully by the year end in March 2022, the Charity will be in a more positive position.

CONCLUSION

It is impossible to look forward into the future until we reach alert level 0, however, I do have faith in all the Charity's staff that they will work to achieve the best outcome possible and, as always, we are controlling our costs. Everyone involved with the Charity has given their tireless support and dedication to ensure that donations continue to enable the support needed to operate our life saving operational service across the Yorkshire region. I would also pay tribute to all our Trustees, medical crews, sponsors, volunteers, and supporters for their continuing and supportive involvement during this difficult time. Sadly, we had to cancel our 20th year celebrations and our annual recognition dinner in York planned for October 2020. We do, however hope to mark our 21st birthday next year instead.

The new Rapid Response cars and two new Promotional Unit vehicles have now been delivered and are fully operational. The mobile promotional units have been generously sponsored by B. Braun Medical Ltd and The Yorkshire Freemasons. One of the RRV's has been sponsored by The Mark Benevolent Fund, and the other by The Henry Surtees Foundation, The Morrisons Foundation, Tesco's Bags of Help (via the York Clifton Moor store)

Chairman's Statement (*continued*)

and The Misses Barrie Charitable Trust. These new vehicles are proving very effective in both the treatment of patients and the promotional vehicles will assist in our fundraising and operational awareness throughout the Yorkshire region.

As always, I would note my personal thanks and those of all the YAA Trustee Board, to the Senior Management Team and staff, and to Matt Syrat [YAS] our Clinical Operations Manager for his help and support to YAA over the year.

2020-2021 has been a difficult year for the Charity – with the COVID-19 crisis still ongoing. The strong financial base of the Charity, which has been built up over many years by prudent management of the funds so generously donated by the people of Yorkshire means that, unlike many other charitable organisations and businesses, YAA entered the COVID-19 crisis debt free. We can be confident that YAA will survive this challenging period in our lives and will continue to provide our life saving service for many years to come.

My sincere thanks to everybody who has supported the Charity over the last 21 years – you have all been instrumental in establishing the necessary funds to develop and maintain the Yorkshire Air Ambulance's facilities to "Save Lives across Yorkshire".

Please stay safe and continue to maintain your support for the Yorkshire Air Ambulance.

A handwritten signature in blue ink, appearing to read 'P. Sunderland', with a long horizontal stroke extending to the right.

Peter Sunderland MBE, DL
Chairman

Date: 28th September 2021

Strategic Report and Trustees' Report for the Year Ending 31 March 2021

The Trustees are pleased to present their Strategic Report and Trustee Report together with the Consolidated Financial Statements of the Charity and its subsidiaries for the year ending 31 March 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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Our Purpose and Activities

The purpose of the YAA is the relief of sickness and injury, the protection of human life and the meeting of other medical need by the provision, support and use of air ambulance and other ambulance provision and logistic support.

The vision to support our activities is to provide a state-of-the-art air ambulance service where we can reach a critically injured patient anywhere within Yorkshire in the fastest possible time. We aim to achieve this by having a helicopter stationed at each of our two Air Support Units – one at RAF Topcliffe, near Thirsk, and one at our facility at Nostell, near Wakefield. Our helicopters transport Yorkshire Ambulance Service NHS Trust (YAS) critical care teams to the scene of the incident and, where necessary, transport patients to the most appropriate major trauma centre or other hospital in the region. Most importantly our teams are able to start medical treatment of the patient at scene, which can often mean the difference between life and death. We really are 'intensive care in the air' carrying some of the most advanced medicines administered by a team of specially trained medics, comprising critical care paramedics and Consultant level Doctors who specialise in trauma care and anaesthesia.

To sustain our operations, we need to raise in the region of £12,000 per day. Our main fundraising focus has always been to educate the people of Yorkshire about the service we provide, and the fundraising practices we employ. We always aim to be transparent about this, as we are purely the custodians of the monies raised by our generous supporters. **We do not cold call, send unsolicited mail, door knock, chug or exchange donor details**, and we are very clear about this in our marketing and communications. Finally, we aim to inform our supporters how their money has been spent. For every £1 donated this year, 85p was spent to meet our charitable purpose - which is saving lives across Yorkshire.

Achievements and Performance - Fundraising

Fundraising has always been at the heart of everything we do – without the generous support of the people of Yorkshire, and other kind-hearted people who live further afield, we wouldn't be able to keep our helicopters in the air and helping to save lives. As previously mentioned, the YAA has to raise approximately £12,000 each day of the year to keep the operation running. We have often said that if each adult in Yorkshire gave us just £1 each year, we would have sufficient funds to keep us operating.

Last year, despite the pandemic the charity achieved an income of just over £10.0M, which included legacy income. Excluding Legacy & In Memory income, and with community fundraising badly hit by the pandemic it was much lower than budgeted at £3.14M, unprecedented income from legacies helped us in this year when we most needed it.

Maintenance for our two Airbus H145 helicopters is budgeted for via plans through Airbus Helicopters UK and this allows us to control costs better and more accurately. Both helicopters are owned fully by the Charity, which has been reported previously. We have also recently announced our intention to upgrade our fleet in Summer 2023 to the new 5-bladed, D3 version of the Airbus H145, and this will be paid for by planned savings, careful budgeting and the sale of the current fleet.

Normally our financial results are only achievable because of the outstanding efforts of our charity team throughout the year, in particular our Fundraising team, who are out in the region seven days per week, raising

Strategic Report and Trustees' Report for the Year Ending 31 March 2021 (continued)

awareness and building community relationships for the YAA. Not to mention the army of committed volunteers who support us by helping at the many, many community-based events we attend each year. However, this year has been particularly difficult for the whole team, with many events cancelled, postponed or delayed. The Charity have reacted to this by embracing digital fundraising, online talks and meetings and hybrid event models where possible. Our sincerest thanks go to all the Charity staff and volunteers for their resilience and resourceful adaptation to events beyond our control during this difficult time.

The charity prides itself on not using any "cold calling", "chugging" or other direct methods of fundraising. This philosophy is emphasised to all of our employees and volunteers and helps us to ensure that no one feels obligated or pressurised into donating to the charity. Our fundraising team and volunteers support individuals, businesses, clubs and organisations which approach us to organise fundraising events and activities. We do not use any third-party fundraising organisations to carry out fundraising activities. The charity acknowledges and thanks in writing all individuals or organisations which donate to the charity and in doing so, may notify the charity of any issues which may have arisen and which should be brought to the charity's attention.

The YAA and its Trustees value the charity's reputation as critical to its future success and each month any complaints received by the charity are reported to the Trustees and, where necessary, fully investigated. We are pleased to report no formal complaints were received by the charity during either this year or the previous year.

Every year we continue to build strong relationships with our principal supporters. Many of these individuals, businesses and organisation have become like family over the years. Other newer and expanding relationships we know will develop further into lasting partnerships and we are excited to be working with them. The following is a summary of who we work very closely with:

Air TV: the production company behind our award-winning television series Helicopter ER, Air TV are long-standing supporters of the YAA, and are very much part of our Charity family. As well as the production of Helicopter ER, Air TV also support us with valuable film footage, video production and regular media training for our fundraising and marketing teams.

ARCO: the Hull based, fourth generation family-owned business, is the UK's leading supplier of safety equipment, workwear, safety boots and shoes, gloves and maintenance supplies. We have worked in partnership with ARCO for over 9 years now, with the logo taking a prominent position on both our aircrafts as part of a sponsorship agreement. Arco have continued to support us with the procurement of Health & Safety equipment and materials and have recently reconfirmed their commitment to the Charity.

B. Braun Medical Ltd: based in Sheffield, B. Braun Medical Ltd are our longest standing corporate supporter who came on board with the Charity back in 2003. Since then, the global medical supplies company have continued to support the YAA in all aspects of our operations and fundraising. As well as sponsoring our aircrew's helmets, B. Braun also provide their professional expertise and event support for our Annual Recognition Awards dinner, as well as other events throughout the year. B. Braun Medical Ltd have this year also become proud sponsors of one of our promotional and educational vehicles.

Huddersfield Town Football Club: our partnership with Huddersfield Town Football Club continues and brings in valuable income from a variety of sources. Included in this is the annual and ever popular "Pedal for Pounds" bike ride. Income generated is shared equally between the Huddersfield Town Foundation and local charities chosen by the football club and the YAA, and has raised over £2M since inception. Unfortunately this year, the bike ride was cancelled due to the pandemic but we look forward to working with the club on future Pedal for Pounds and Walk for Pounds Challenges.

I'Anson Brothers Ltd: Masham based I'Anson Brothers are one of the UK's leading manufacturers of animal feedstuff. Managing Director Chris I'Anson has become a great friend to the YAA and the company support us where they can, including proudly carrying the YAA livery on their transport fleet. We are also delighted that they have committed to another 3 years of support with us.

Strategic Report and Trustees' Report for the Year Ending 31 March 2021 (continued)

The Jack Brunton Charitable Trust: The Trust was established in 1986 by local farmer and landowner, Jack Brunton. He gifted funds to benefit the rural villages, towns and communities within boundaries of the old North Riding of Yorkshire. Since 2012 the Trust has greatly donated towards buying essential helicopter and medical support equipment at both of our bases.

James Potter Eggs: this family run business has supported the YAA for many years now by donating 1p from every dozen eggs they sell in their Yorkshire outlets, which include some national supermarket chains. They also promote the YAA by advertising us on their egg cartons and cardboard boxes and are a valued supporter of the Charity.

Moore Family Management: a Hull based family run business who have supported the Charity for many years with security expertise and financial support, and are another of our principal supporters who feature on the helicopters.

Recycling Solutions: RS are our new recycling partner, having taken over this valuable contract at the beginning of 2020. They have quickly grasped the concept and culture of the YAA and have proved a great partner to work with so far. Recycling is a vitally important income stream for the Charity, and we know the scheme is in great hands with RS. We continue to work with them on growing and developing our network of sites where our recycling banks can be hosted. We are pleased to report that income for the first full year of the partnership exceeded £146k.

Reed Boardall: based in Boroughbridge, Reed Boardall is the newest principal partner to join the YAA corporate family. They are one of the leading temperature-controlled food distribution businesses in the UK. Reed Boardall have committed to a sponsorship package with us which sees their logo on our helicopters and they will also be carrying YAA branding on some of their fleet, helping to promote our Charity.

Shepley Spring: this Huddersfield based family business has been supporting the YAA for a number of years now. They support the Charity with donations of bottles of their Ice Valley water for the many events we support each year and will be supporting us in other ways, such as carrying our logo and a large image of our helicopters on the back of some of their large HGV's.

Koris365 (formally SICL): our IT and systems provider, Koris365 are another of our long-standing corporate supporters and came on board after seeing first hand our work at our old airbase over 15 years ago. Since then, they have provided our IT and network systems under sponsorship, saving the Charity hundreds of thousands of pounds over the years.

Skopes: We have been working with the Leeds based tailors for five years as part of a sponsorship agreement and they also supply our Fundraising and Senior Management Team with smart suits and formal uniform to wear when out in Yorkshire representing the Charity. We are delighted to have Skopes continued support.

Sovereign Healthcare: Bradford based Sovereign Health Care has supported the YAA for many years now. The not-for-profit company regularly make generous donations to us.

We are also very grateful to **The Liz and Terry Bramall Foundation** for their generous support of the YAA, plus other benefactors who wish to remain anonymous. You know who you are, and to you we send our most sincere thanks also.

In addition, we would like to thank **Lions International, Rotary International, and Yorkshire Freemasons** for their ongoing support. The Yorkshire Freemasons are to be thanked this year particularly as they have sponsored our second Promotional and Educational Vehicle, so huge thanks to them.

Although 2020's Yorkshire Charity Clay Days event at Duncombe Park was cancelled due to Covid, we thank the event organisers for their support of our charity by giving us the opportunity to attend the event and rolling it forward to the following year. Our relationship with the organisers has led to additional networking and fundraising events for which the charity is extremely grateful.

Strategic Report and Trustees' Report for the Year Ending 31 March 2021 (continued)

Plans for Future Periods – Fundraising

The effects of the pandemic have continued to hit our community fundraising hard, and events are still being cancelled, postponed, or delayed due to many reasons, but all with the pandemic as the root cause. We have developed offerings of digital fundraising, hybrid, and online events to mitigate this loss of our community income as well as keeping our supporters engaged, and have remained positive, promoting a pro-active approach to wellbeing, donor and volunteer stewardship during this time. We have looked to our local communities, offered help in practical terms where needed, delivering groceries and prescriptions, and volunteering at vaccination centres. This has led to unexpected donations to the charity and a lot of gratitude from our supporters. Non-community fundraising, including online giving has performed with strength during this year, plugging some of the gap and ensuring that we have ridden out the storm in good shape.

We still do not know what the future holds for fundraising, but we do know that fundraising practises and activities are likely to change, we are prepared for that and will adapt. We will continue to react accordingly, and in line with Government guidelines and advice. We must ensure the safety of our staff, volunteers, and our communities, whilst getting back out there in the communities to fundraise for our vital service.

We do know however that we have loyal supporters and are proud of and thankful for everyone who chooses to support the YAA. We know that when things fully return to a 'new normal' the YAA fundraising team will be ready and raring to go.

OPERATIONS

Air Operations – Steve Waudby, Director of Aviation

Following on from last year's report which touched on the impact of COVID-19 on the Charity, it will be no surprise that COVID-19 has continued to influence our operations and that it has affected all of us in one way or another.

The Charity has been guided throughout the pandemic by NHS England and the Yorkshire Ambulance Service NHS Trust (YAS), who have supported the Charity in writing and updating our risk assessments. This has enabled us to continue providing a much-needed pre-hospital critical care service to the people of Yorkshire and the surrounding areas, whilst ensuring that our Pilots, Paramedics and Doctors were properly protected against the virus. Long before the vaccination programme began, we took the precaution of fitting COVID-19 barriers to our helicopters, to reduce the risk of cross-contamination within the aircraft. This was in the form of a plastic screen which separated the cockpit from the main fuselage of the aircraft where our medical personal sit and treat their patients. Level 3 PPE was issued to all crew members and we introduced strict levels of PPE when in contact with a patient. We also regularly use a fogging machine to decontaminate each helicopter and to reduce the spread of the virus by contact, and our crews were some of the first personnel to use the Lateral Flow testing kits prior to reporting for work.

During the Winter months we temporarily reduced our shift timings to provide additional resilience, and of course, as front-line care workers our crews were the first to receive both doses of the vaccine in the new year. These control measures have enabled the Charity to mitigate the associated risks and have enabled us to keep flying throughout the year. As with most operators, we have on occasions, had a couple of staff members self-isolating, but we have been fortunate that this has not impacted on the Charity as a whole. Even though the country is seeing a lifting of the lockdown restrictions we are still proceeding with caution, as this virus will be with us for some time to come.

In the latter part of 2020, the Charity started looking at replacement helicopters for the future. Our two current helicopters, G-YAAC and G-YOAA have served us well since 2016 and will continue to do so for another few years yet. However, the typical lifespan of an air ambulance helicopter is somewhere between 7 to 10 years, so we have placed a timely order now for delivery in 2023 whilst taking advantage of early Airbus production line slots,

Strategic Report and Trustees' Report for the Year Ending 31 March 2021 (continued)

as this helicopter has become very popular within the air ambulance community and manufacturing lead times have increased considerably. Advancements to the new model include a 5-bladed rotor head which will provide a smoother flight for the flight crew and patients, on board Wi-Fi to allow patient records to be updated inflight, and a cutting-edge secure communications system which will allow the crew to send patient data ahead to the destination hospital, allowing Doctors and Nurses to start evaluating and assessing the patient before they arrive. There will also be an improved medical fit alongside some of the most advanced and innovative equipment for treating patients at scene and in-flight. The first of the two new helicopters is expected to arrive in Yorkshire in Spring 2023, with the second following shortly after in Summer 2023.

Throughout the pandemic and especially since Brexit, we have noticed an increase in the time it takes to get spares and other aircraft related items delivered to our bases. Lockdown restrictions, a shortage of delivery drivers and customs delays at our borders have all led to difficulties in getting spare parts delivered on time. This has been reflected in our annual operational availability which took a dip to just below 90% for the first time in many years. Whilst this is frustrating, we have no control or influence unfortunately.

Brexit has also seen a significant change to the rules and regulations that govern HEMS operators like ourselves. Now that we have left the European Union, the UK CAA has taken on the role of the governing authority. This has led to a great deal of work behind the scenes to ensure that YAA is still compliant with the changes to the regulations; not least of which was the introduction of our new Safety Management Manual and submission of our Part CAMO application (Continuing Airworthiness Maintenance Organisation).

During the Winter period discussions were held with Gama Aviation to secure the lease of a stand-in helicopter whilst our own aircraft were away on their annual maintenance. The first lease period was successfully completed in March 2021 which enabled the Charity to maintain full cover whilst G-YAAC was away.

In summary – yet another very busy year! The crews have battled through this pandemic with remarkable stoicism; their skill, professionalism and determination to get the job done has shone through during this unprecedented year and sets a shining example to us all, and that makes me incredibly proud.

Once again I would like to thank the Board of Trustees, our Senior Management Team, the fundraising team, Charity support staff, our colleagues at YAS and all our supporters and contributors for your continued support.

Ground Operations – Neale Jacobs, Director of Operations

In this report last year, we commented that a new visitor reception area at our Nostell Airbase, which would provide us with the space we need to welcome people to the base and view the facility as well as being able to provide much needed extra meeting & learning space for our teams was in progress, this has been completed in Summer 2020. The space has proved invaluable during the pandemic as although for a large period of time, we have not been able to welcome visitors to the base, it has enabled the operational teams to ensure they were able to “socially distance” when not responding to calls where they were having to wear their full PPE. However, I am delighted to say that as we return to the new “normal” we have been able to host fundraising visits and external agencies in line with our risk assessments. We are also upgrading our video conferencing facilities at Nostell to ensure we have flexible options to utilise going forward.

We also applied for planning permission to build a double garage at the Nostell Airbase to safely store the Promotional Vehicles in when they are not in use. This permission was granted in June 2021 and works should be completed by October 2021.

Throughout the pandemic, the charity has regularly been reassessing its risk assessments to take account of any changes announced by the UK Government and NHS England, and we have engaged with all stakeholders as required. As a result of this we have invested in air purification technology across our three sites to try and protect our staff and visitors as much as possible. In addition, all staff have been undertaking regular lateral flow tests and visitors have been asked to complete these before attending meetings.

Strategic Report and Trustees' Report for the Year Ending 31 March 2021 (continued)

The two new rapid response vehicles (RRV's) came into service in January 2021 and have proved a valuable addition to our operational fleet. They ensure that the paramedics and doctors are able to continue to respond to incidents as required, should either aircraft be offline for any reason. In addition, the branding on the RRV's ensures we continue to maintain a high profile across the region. We are grateful for the support from a number of generous organisations who jointly funded the purchase of these two vehicles.

As expected, we, like most organisations, have experienced some supply chain issues due to the pandemic. There has been delays experienced in getting hold of new or replacement IT equipment that was required and items required as part of the servicing of some operational equipment including aircrew helmets, as well as building materials for the new garage. However we are pleased to advise that this has not resulted in staff not being able to carry out their duties and business has continued as normal. In addition we took the decision to replace/upgrade the flight suits for both pilots and medical crew which again has proved a challenge due to supply chain issues, but does prove that despite such obstacles we have not sat still, but continued to ensure we provide the best kit available for the teams.

Unfortunately, and sadly the company who supplied and maintained our Heli lifts (the equipment we use for moving the helicopters in and out of the hangars) when into liquidation. Such equipment needs regular servicing and is without doubt key to our daily operations, despite some worrying times, we managed to ensure that provision is in place to continue to service these as required. We have also purchased additional backup equipment should it be required.

RAF Topcliffe continues to serve us well as our Northern Airbase, however as the lease is due for renewal we are looking at our options to futureproof the operation and hope to be able to report on this in due course.

The Head Office in Elland (Cayley House) continues to serve the Charity well. This is where the administration, finance, HR and marketing functions operate from on a daily basis. Unfortunately due to COVID-19, and in line with the national government advised lockdown, we had to close Cayley House to the staff from March 2020, with them continuing their roles from home. Such upheaval does prove a challenge for these teams, but the staff have shown great flexibility and patience during this period and we pass on our thanks to them for this. It is pleasing however, to report that more staff are returning to the office in line with the risk assessments and we expect to have all office based staff back at Cayley House by Autumn 2021.

We also continue to meet monthly with the Yorkshire Ambulance Service NHS Trust (YAS) at our Safety Action Group meetings and Operational Board meetings – during the pandemic these have been maintained via Zoom. The primary focus of the meetings is safety, patient care and future enhancements to the service we operate, and provide great value to both the Charity and YAS.

Financial Review

Income for the year to 31 March 2021 totalled £10,008,054 (2020 - £8,305,879). The principal sources of funding of the Charity are donations from the general public, legacies, grants received, becoming the Charity of the Year for companies, groups and Mayors, the Yorkshire Air Ambulance weekly lottery, and corporate donations and support in kind.

After fundraising and publicity costs, the net funds raised for charitable expenditure for the year to 31 March 2021 totalled £8,491,316 (2020 - £6,542,154). Charitable expenditure for the year totalled £3,678,448 (2020 - £3,284,484). This expenditure allowed the YAA helicopter service to be available 365 days of the year apart from maintenance requirements, and during April 2020 when the Paramedics were redeployed back to frontline duties for a short three-week period to bolster COVID-19 resources in the NHS and YAS operations.

The net consolidated assets of the YAA Charity have increased by 26.7% and now stand at £39.6M. With prudent management and close budgetary control, we have managed to control our administration and fundraising expenditure at 15% of income - leaving 85p in every £1 donated to be used for charitable activities or building reserves.

Strategic Report and Trustees' Report for the Year Ending 31 March 2021 (continued)

Copies of our Audited accounts and our AGM report are available from our HQ at Cayley House, Elland [01422 237900] – they are available both electronically and in hard copy formats [www.yaa.org.uk].

Going concern

Despite the impact of Covid-19 causing a material reduction in the Charity's income from donations in the year ending 31 March 2021, income from Legacies, Grants and Non-Charitable Trading all increased. The increase in Legacy income more than offset the reduction in donations. Together with a disciplined management of costs, this strong income performance has enabled the Charity to increase its net assets substantially. As a result, the Charity has sufficient liquidity in the form of both cash resources and realisable investments to maintain operations for the foreseeable future. The Charity has reported cash inflows over a number of years and these have been used to fund the replacement of the helicopters. The Trustees continue to plan for the future and are prudently setting aside funds both to acquire new helicopters and to develop the airbases to ensure that the most efficient and effective service possible is provided to the people of Yorkshire, whilst maintaining reserves for the ongoing operations and planning for the next generation of helicopters. The strength of the Charity's balance sheet including its liquid resources enable the Board to continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Reserves Policy

The Trustees aspire to maintain a free cash balance which would be sufficient to sustain operations without any further funding for a period of 24 months. The free cash balance is the bank and investments balance net of restricted funds and the designated helicopter replacement and property development funds and net of current creditors/current debtors. At 31 March 2021, the free cash balance amounted to £6,848,404 (2020 – £7,145,875). This represents just under 19 months operating costs at the approximate running cost of £12,000 per day. The Trustees continue to plan for the future and are prudently setting aside designated funds to further develop the airbases to ensure that the most efficient and effective service possible is provided to the people of Yorkshire. A proportion of the free cash balance is invested in a portfolio of investments managed by Brewin Dolphin and Redmayne Bentley. As at 31 March 2021, the value of investments stood at £18,610,937 (2020 - £14,805,986).

The Trustees are planning to replace the helicopters in approximately two years time, funds for this purpose are held within the Helicopter Replacement Reserve and have been increased to £15,000,000.

Investment Powers and Policy

The Trustees look to maintain an appropriate level of liquidity in cash balances for the operating requirements of the Charity. These balances are held within interest bearing accounts.

Funds in excess of those required for the Charity's short-term operating requirements are invested between longer term fixed interest bonds and a portfolio of investments managed, on our behalf, by Brewin Dolphin. The funds managed by Brewin Dolphin are held in two separate portfolios with different investment criteria. Both portfolios are regarded as cautious with one having a longer time horizon of up to ten years and the other up to only three years. In addition, Redmayne Bentley manages a share gift scheme on behalf of the charity and manages the portfolio of investment arising from these donations.

Risk Review

Following the annual review of risks and uncertainties, the principal risks that the Charity and its subsidiaries face are:

Aircraft on Ground (AOG) – we constantly evaluate the risk of our helicopters being grounded due to incidents occurring with the aircraft type or where maintenance is required on our own aircraft. In addition, during the year we have continued to operate a Service by the Hour (SBH) contract for the maintenance of the aircraft

Strategic Report and Trustees' Report for the Year Ending 31 March 2021 (continued)

Risk Review (continued)

engines. This contract enables us to have quick access to spare engines and parts ensuring that the helicopters are back up and running, flying life-saving missions, in the quickest time possible following either scheduled or unscheduled maintenance.

Airbase not Operational – should one of our airbases not be operational, both of our helicopters could still be dispatched using the other air desk facility (i.e. we have an air desk at both bases) and in the short term we would temporarily operate both aircraft from the other base. Should the airbase not be operational in the longer term, we would look to operate one aircraft from another airbase in the region.

Damaged Reputation – YAA relies solely on the generosity of the people in Yorkshire to fund our operation and therefore how they perceive our service is critical to our continued success. Our fundraising strategy is to educate people about our Charity and how money would be spent. We do not cold call, mail shot, door knock, chug or exchange donor details. In addition, with the backdrop of social media which can provide information in seconds across the region, we have a PR and Social Media Policy and key staff members are media trained. We have an Emergency Response Plan which is regularly tested to ensure that an incident of any nature is dealt with in the most appropriate way.

Significant expenditure in foreign currencies – this risk, which relates to certain costs related to the helicopters, is regularly monitored and managed by entering into forward exchange contracts.

Staff remuneration

The Trustees have formed a remuneration sub-committee which considers the appropriateness of the levels of remuneration of all of the charity's employees including the Senior Management Team. This sub-committee takes into account the competitiveness of the entire remuneration package, including bonus arrangements and compares them to industry and specialist benchmarks to ensure that the charity is able to retain and attract a suitably skilled team to deliver the charity's objectives.

Volunteers

In accordance with the Charities SORP (FRS102), the exemption has been taken not to recognise the value of donated assets or volunteer time as it is impractical to value.

Volunteers perform a variety of functions including acting as ambassadors for the charity, attending fundraising events, making presentations and assisting with administrative tasks.

Structure, Governance and Management

Reference and administrative details

Reference and administrative information set out on page 3 forms part of this report.

Charity number: 1084305

Company number: 4053524

Directors

The Directors who served the company during the year and since the year end were as follows: -

Peter Sunderland MBE, DL
Brian Chapman
James Eastwood
Mike Harrop
Kevin Hynes
Mark Jones (appointed 29 June 2021)
Vivian Lewis (resigned 30 April 2021)
Richard Marsh
Sarah Moore (resigned 30 June 2020)
Dr Judith Parker
John Samuel
Amarjit Singh

The directors guarantee to contribute an amount not exceeding £10 each to the assets of the charitable company in the event of winding up.

Governing Document

The Charity is a charitable company limited by guarantee and was incorporated on 16 August 2000 in England. It is governed by a Memorandum and Articles of Association which were last amended and ratified by the Trustees on 26 November 2013.

Organisational Structure

The company's day to day activities are the responsibility of its Board of Directors which meets regularly throughout the year. A Senior Management Team (SMT) is appointed by the Directors to manage the day to day operations of the Charity. The Senior Management Team comprises: -

Neale Jacobs – Director of Operations
Steve Waudby – Director of Aviation
Heather Goodwill – Director of Finance
Abby Barmby – Director of Marketing and Communications
Helen Callear – Director of Fundraising North and East
Kerry Dwyer – Director of Fundraising West and South

To facilitate effective operations, the SMT has authority, within terms of delegation approved by the Trustees, for operational matters including fundraising, operations, finance and employment. Strategic decisions are recommended by the SMT for final approval by the Board. As a result, the Board of Trustees is the key management personnel of the Charity.

Structure, Governance and Management *(continued)*

Related parties

The company has two wholly owned subsidiaries, Yorkshire Air Ambulance (Trading) Limited and Yorkshire Air Ambulance Services Limited. Yorkshire Air Ambulance (Trading) Limited undertakes non-charitable trading activities in order to raise funds for the Charity by operating our lottery. Yorkshire Air Ambulance Services Limited was dormant during the year.

Details of related party transactions are disclosed in Note 10.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities. The objects and principal activities of the Charity are the relief of sickness and injury and the protection of human life by the support or provision of an air ambulance service in the former administrative county of Yorkshire and surrounding areas.

A description of the achievements and performance of the Charity during the year is shown in the Strategic Report.

Appointment of Directors

Additional Directors may be appointed by the Board at any time, but such appointments are subject to ratification by the members in a general meeting. The membership of the company consists of the subscribers to its Memorandum and Articles of Association and other individuals or organisations admitted to membership at the discretion of the Board.

Trustees are recruited either by recommendation or by advertising in the appropriate press or journals to maintain a balance of skills and experience for the governance and strategic development of the Charity.

After a prospective Trustee has attended a number of Trustee meetings a resolution to appoint them as a Trustee will be proposed.

Director Induction and Training

New Trustees undergo an induction programme which includes: -

- An orientation day where they meet with key members of staff and Trustees.
- Reference to Charity Commission and Company Law guidance on their legal obligations and public benefit.
- An information pack containing Memorandum and Articles of Association, Board minutes, strategic plans, budgets and risk register.

Risk Management

The Trustees have a risk management strategy which comprises:

- An annual review of the principal risks and uncertainties that the Charity and its subsidiaries face.
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review.
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

The key risks and uncertainties are detailed in the Strategic Report.

Structure, Governance and Management *(continued)*

Disclosure of Information to Auditor

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report: -

- 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.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the Auditor will be deemed to be reappointed and BHP LLP will therefore continue in office.

Signed on behalf of the Trustees by: -



Peter Sunderland MBE, DL
Chairman

Date: 28th September 2021

Statement of responsibilities of the Trustees of Yorkshire Air Ambulance Limited in respect of the Trustees' annual report and the financial statements

The trustees (who are also directors of Yorkshire Air Ambulance Limited for the purposes of company law) are responsible for preparing the Trustees' Annual 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP 2019 (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.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditor's report to the members and trustees of Yorkshire Air Ambulance Limited

Opinion

We have audited the financial statements of Yorkshire Air Ambulance Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cashflow Statement and related 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 31 March 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 and the Charities Act 2011

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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material

Independent auditor's report to the members and trustees of Yorkshire Air Ambulance Limited *(continued)*

Other information *(continued)*

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19 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 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

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.

Independent auditor's report to the members and trustees of Yorkshire Air Ambulance Limited *(continued)*

Auditor's responsibilities for the audit of the financial statements *(continued)*

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

We gained an understanding of the legal and regulatory framework applicable to the group and the sector in which it operates and considered the risk of acts by the group that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations, relevant to the group, which could give rise to a material misstatement in the financial statements. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management, review of minutes and review of legal expenses. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.

Use of our report

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act, and to the group and parent charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 group and parent charitable company and the group and parent charitable company's members as a body and the group and parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



*Lesley Kendrew (Senior Statutory Auditor)
For and on behalf of BHP LLP, Statutory Auditor*

11 October 2021

New Chartford House
Centurion Way
Cleckheaton
Bradford
West Yorkshire
BD19 3QB

Consolidated Statement of Financial Activities (including Consolidated Income and Expenditure Account)

For the year ended 31 March 2021

	<i>Note</i>	<i>Restricted Funds £</i>	<i>Unrestricted and Designated Funds £</i>	<i>2021 £</i>	<i>2020 £</i>
Income From:					
Donations	2	-	2,102,177	2,102,177	4,191,063
Legacies		-	6,867,394	6,867,394	3,189,481
Grants	3	72,220	320,652	392,872	346,908
Non-Charitable Trading	4	-	314,029	314,029	297,211
Investment Income		-	331,582	331,582	281,216
Total Income		72,220	9,935,834	10,008,054	8,305,879
Expenditure on:					
Raising Funds	5	-	(1,516,738)	(1,516,738)	(1,763,725)
Charitable Activities	5	-	(3,678,448)	(3,678,448)	(3,284,484)
Total Expenditure		-	(5,195,186)	(5,195,186)	(5,048,209)
Net Gains/(Losses) on Investments	12	-	3,545,321	3,545,321	(1,210,308)
Other (Losses)/ Gains	8	-	(10,014)	(10,014)	5,740
Net Income		72,220	8,275,955	8,348,175	2,053,102
Taxation	9	-	5,888	5,888	-
Transfers between Funds		(96,042)	96,042	-	-
Net Movement in Funds		(23,822)	8,377,885	8,354,063	2,053,102
Reconciliation of Funds:					
Total Funds b/f at 1 April		106,695	31,169,282	31,275,977	29,222,875
Total Funds c/f at 31 March	17	82,873	39,547,167	39,630,040	31,275,977

The group has no recognised gains or losses other than the results for the year as set out above.
All the activities of the Charity are classed as continuing.
The notes on pages 27- 44 form an integral part of the financial statements.

Consolidated Balance Sheet

At 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible Assets	11	11,638,579	12,530,854
Investments	12	18,610,937	14,805,986
		<hr/>	<hr/>
		30,249,516	27,336,840
Current assets			
Stocks	13	15,173	18,533
Debtors	14	4,071,678	1,226,282
Cash at bank and In Hand		5,873,285	3,234,617
		<hr/>	<hr/>
		9,960,136	4,479,432
Creditors:			
Amounts Falling due within One Year	15	(579,612)	(540,295)
		<hr/>	<hr/>
Net Current Assets		9,380,524	3,939,137
		<hr/>	<hr/>
Net Assets		39,630,040	31,275,977
		<hr/>	<hr/>
Funds			
Unrestricted Funds	17	20,054,614	19,676,729
Designated Funds	17	19,492,553	11,492,553
Restricted Funds	17	82,873	106,695
		<hr/>	<hr/>
		39,630,040	31,275,977
		<hr/>	<hr/>

The Financial Statements were approved by the Trustees, authorised for issue and are signed on their behalf by:



Peter Sunderland MBE, DL
Chairman

Date: 28 SEPTEMBER 2021

Company No: 4053524

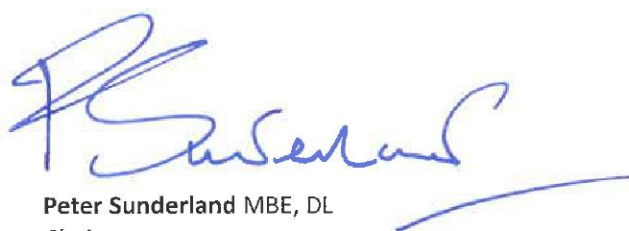
The notes on pages 27 to 44 form an integral part of these financial statements

Company Balance Sheet

At 31 March 2021

	Note	2021 £	2020 £
Fixed Assets			
Tangible Assets	11	11,638,579	12,530,854
Investments	12	18,635,940	14,830,989
		<u>30,274,519</u>	<u>27,361,843</u>
Current assets			
Stocks	13	15,173	18,533
Debtors	14	4,176,833	1,226,975
Cash at Bank and In Hand		5,754,394	3,115,071
		<u>9,946,400</u>	<u>4,360,579</u>
Creditors:			
Amounts Falling Due within One Year	15	(565,876)	(520,769)
		<u>9,380,524</u>	<u>3,839,810</u>
Net Current Assets			
		<u>39,655,043</u>	<u>31,201,653</u>
Net Assets			
		<u>39,655,043</u>	<u>31,201,653</u>
Funds			
Unrestricted Funds	17	20,079,617	19,602,405
Designated Funds	17	19,492,553	11,492,553
Restricted Funds	17	82,873	106,695
		<u>39,655,043</u>	<u>31,201,653</u>

The financial statements were approved by the Trustees, authorised for issue and are signed on their behalf by:



Peter Sunderland MBE, DL
Chairman

DATE: 28 SEPTEMBER 2021

Company No: 4053524

The notes on pages 27 to 44 form an integral part of these financial statements

Consolidated Cashflow Statement

For the year ended 31 March 2021

	<i>Note</i>	2021 £	2020 £
Cash Flows from Operating Activities:			
Net Cash provided by Operating Activities	22	2,869,513	4,007,038
Cash Flows from Investing Activities:			
Dividends and Interest from Investments		404	6,742
Purchase of Investments		(388,537)	(218,640)
Disposal of Property, Plant and Equipment		85,741	6,070
Sale/(purchase) of Investments		71,547	(7,698,955)
Net Cash used in Investing Activities		(230,845)	(7,904,783)
Change in Cash and Cash Equivalents in the Reporting Period		2,638,668	(3,897,745)
Cash and Cash Equivalents at 1 April		3,234,617	7,132,362
Cash and Cash Equivalents at 31 March		5,873,285	3,234,617

The notes on pages 27 to 44 form an integral part of these financial statements

Notes

(Forming part of the Financial Statements)

1. Accounting Policies

Going Concern -

Despite the impact of Covid-19 causing a material reduction in the Charity's income from donations in the year ending 31 March 2021, income from Legacies, Grants and Non-Charitable Trading all increased. The increase in Legacy income more than offset the reduction in donations. Together with a disciplined management of costs, this strong income performance has enabled the Charity to increase its net assets substantially. As a result, the Charity has sufficient liquidity in the form of both cash resources and realisable investments to maintain operations for the foreseeable future. The Charity has reported cash inflows over a number of years and these have been used to fund the replacement of the helicopters. The Trustees continue to plan for the future and are prudently setting aside funds both to acquire new helicopters and to develop the airbases to ensure that the most efficient and effective service possible is provided to the people of Yorkshire, whilst maintaining reserves for the ongoing operations and planning for the next generation of helicopters. The strength of the Charity's balance sheet including its liquid resources enable the Board to continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Accounting Convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Companies Act 2006.

The financial statements are reported in pounds sterling which is the functional currency of the charity.

Assets and liabilities are recognised under the historical cost convention, with the exception of investments which are stated at market value, derivative financial instruments which are measured at fair value and assets held for resale which are measured at fair value less costs to sell.

Accounting Estimates involving Judgements and Future Possible Events

The preparation of financial statements requires the Trustees to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Trustees consider that the only key area requiring the use of estimates and judgements which may materially affect the financial statements is the carrying value and the rate of depreciation applied to the charity's helicopters and engines as disclosed in Note 11. The Trustees have mitigated this risk by entering into fixed cost maintenance and renewal arrangements which cover most of the material parts of the helicopters, including their engines, and as such substantially reduce the possibility of a material reduction in value of these key assets.

Regarding the possibility of material impact on the charity's assets of future events, the Trustees have invested substantial assets with independent fund managers as disclosed in Note 12. These investments include equities and other traded securities. A material reduction in the value of those investments due to reductions in market valuations could cause a reduction in the value of the charity's assets. The Trustees have taken steps to monitor closely the performance of the investment portfolio against specific benchmarks and have decided, after taking independent professional advice, to limit the level of risk undertaken by the portfolio.

Notes (continued)

1. Accounting Policies (continued)

Group Financial Statements

These financial statements consolidate the results of the company and its wholly owned subsidiaries, Yorkshire Air Ambulance (Trading) Limited and Yorkshire Air Ambulance Services Limited. A separate Statement of Financial Activities ("SOFA") (incorporating an income and expenditure account) for the company itself is not presented because the company has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006 and paragraph 397 of SORP (FRS102). The surplus of the parent company for the year was £8,258,685 (2020 - £1,953,812).

Company Status

The charity is a company limited by guarantee and constitutes a public benefit entity as defined by FRS102. The members of the company, who are also the Directors and Trustees, have each guaranteed to contribute no more than £10 in the event of the company being wound up.

Income

All income is included in the SOFA when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income from donations and grants is recognised when receivable. Donations are stated net of associated fundraising costs where events are operated on the charity's behalf and the charity does not control the related expenditure.

Valuation of donations in kind is done at the charity's best estimate of the amount it would have to pay on the open market for equivalent goods or services.

For legacies, entitlement is regarded as the earlier of the charity being notified of an impending distribution or the legacy being received. Impending distributions are recognised in the Statement of Financial Activities when the following conditions are met:

- i) probate had been granted at the balance sheet date; and
- ii) the legacy value can be measured reliably.

Lottery ticket sales are recognised in line with the National Lottery draws carried out each Saturday. Sponsorship income is recognised in line with the relevant sponsorship agreements.

Income from donated goods is recognised at fair value upon receipt. For items where it is considered impractical to fair value on receipt (for example clothing), the donation income is recognised when sold.

Donations in Kind

Donations in kind are recognised as follows: -

- a) Assets given for distribution by the charity are included in the SOFA only when distributed.
- b) Assets and services given for use by the charity are included in the SOFA as income when receivable; and
- c) Donations in kind for subsequent conversion into cash by the charity are included in the accounting period in which the gift is sold.

In accordance with the Charities SORP (FRS102), the exemption has been taken not to recognise the value of donated assets or volunteer time as it is impractical to value.

Notes (continued)

1. Accounting Policies (continued)

Volunteers perform a variety of functions including acting as ambassadors for the charity, attending fundraising events, making presentations and assisting with administrative tasks

Expenditure

Expenditure is included in the SOFA on the accruals basis, inclusive of any irrecoverable value added tax. Liabilities are recognised when there is a legal or constructive obligation committing the company to the expenditure.

The majority of expenditure is directly attributable to one of the cost headings of expenditure on raising funds or expenditure on charitable activities. Any expenditure which is not directly attributable to a cost centre is apportioned between charitable activities and raising funds based on a suitable basis such as time spent by staff upon each function.

Expenditure on raising funds

Expenditure on raising funds relates to the raising of voluntary donations as well as the operation of the society lottery by the Charity's trading subsidiary Yorkshire Air Ambulance (Trading) Limited.

Charitable expenditure

Charitable expenditure relates to costs involved in the operation, maintenance and servicing of the Charity's two air ambulance helicopters. It also includes the costs incurred by the charity in meeting its statutory obligations.

Taxation

The charitable company is exempt from corporation tax on its charitable activities.

Tax on the profit or loss for the year within the subsidiaries comprises current and deferred tax. Tax is recognised in the consolidated income and expenditure account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

1. Accounting Policies (continued)

Restricted funds

Restricted funds are subjected to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds

Designated funds comprise funds which have been set aside at the discretion of Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Unrestricted Funds

General funds are unrestricted funds which 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.

Fixed Assets and Depreciation

Fixed Assets are initially recorded at cost. Assets with a cost below £250 are not capitalised. 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: -

Freehold buildings	Written off over 10 to 50 years on a straight-line basis
Freehold land	Nil depreciation
Leasehold property improvements	Written off over 10 to 30 years on a straight-line basis
Helicopters (excluding engines)	Written off over 10 years to an estimated residual value on a straight line basis
Engines	No depreciation charged as a Service by the Hour cost which covers maintenance, overhaul and replacement of engines is expensed on a monthly basis. This cost replaces an engine depreciation charge.
Computer equipment	Written off over 3 to 10 years on a straight-line basis
Fixtures and fittings	Written off over 3 to 10 years on a straight-line basis

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the SOFA within depreciation.

Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight-line basis over the period of the lease.

Stocks

Stocks are valued at the lower of cost and net realisable value on a first in first out basis.

Assets held for resale

Assets are transferred from fixed assets into assets held for resale when a decision has been taken that they will be marketed for sale and a sale is highly probable. They are measured at fair value less costs to sell with any change in carrying value being recognised as depreciation within fixed assets prior to the transfer to assets held for resale.

Notes (continued)

1. Accounting Policies (continued)

Pension Costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the SOFA.

Foreign Currencies

The financial statements are presented in pound sterling, which is also the functional currency of the Group and the Company.

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Non-monetary assets denominated in foreign currencies are translated into sterling at the exchange rates ruling at the date of the transaction.

Interest Receivable

Interest receivable is accounted for on the accruals basis.

Basic Financial Instruments

Investments

Investments in subsidiary undertakings are included in the financial statements at cost. Listed investments are held for long term income producing purposes and are included at market value at the balance sheet date. The resulting unrealised surplus/deficit is included as a movement of funds in the SOFA.

Trade and other Debtors / Creditors

Trade and other debtors and creditors are recognised initially at transaction price plus or minus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits

Other Financial Instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Notes (continued)

2. Donations

	2021 £	2020 £
Donations	2,012,409	4,022,114
Donations in kind:		
Arco	10,000	10,000
B Braun Sheffield	50,000	50,000
DM Keith	7,260	2,505
Heavenly Group	0	15,000
Outdoor Ocean Media	0	70,000
Red Route (formerly CDP Design)	17,000	7,000
Skopes	0	5,000
Other	5,508	9,444
	<hr/>	<hr/>
Subtotal - Donations in Kind	89,768	168,949
	<hr/>	<hr/>
	2,102,177	4,191,063
	<hr/>	<hr/>

Total donations include £nil (2020 - £nil) in relation to restricted funds and £2,102,177 (2020 - £4,191,063) in relation to unrestricted and designated funds.

3. Grants Receivable

	2021 £	2020 £
Receipts from Grant Making Trusts	392,872	346,908
	<hr/>	<hr/>

Total amounts include £72,220 (2020 - £157,645) in relation to restricted funds and £320,652 (2020 - £189,263) in relation to unrestricted and designated funds.

4. Non-Charitable Trading

	2021 £	2020 £
Lottery Ticket Sales	132,548	140,056
Sales of Merchandise	75,830	24,229
Sponsorship and Income from Sale of Logos	105,651	132,926
	<hr/>	<hr/>
	314,029	297,211
	<hr/>	<hr/>

All non-charitable trading income relates to unrestricted funds in both 2021 and 2020.

Notes (continued)

5. Analysis of Expenditure

Fundraising activities

	2021 Staff Costs £	2021 Depreciation £	2021 Other Costs £	2021 Total £	2020 Total £
Staff Costs	721,291	-	-	721,291	678,909
Depreciation	-	6,113	-	6,113	-
Event Costs	-	-	4,903	4,903	72,814
Travel and Subsistence	-	-	69,372	69,372	103,409
Telephone	-	-	8,842	8,842	9,017
Merchandise	-	-	41,964	41,964	146,917
Printing, Postage and Stationery	-	-	9,758	9,758	5,895
Marketing and Advertising	-	-	165,815	165,815	267,148
Lottery Costs	-	-	30,027	30,027	28,048
Other Fundraising Costs	-	-	27,475	27,475	24,128
Allocated Support Costs (see note 6)	232,538	22,723	175,917	431,178	427,440
	<u>953,829</u>	<u>28,836</u>	<u>534,073</u>	<u>1,516,738</u>	<u>1,763,725</u>

All expenditure on raising funds relates wholly to unrestricted funds in both 2021 and 2020.

	2021 Staff Costs £	2021 Depreciation £	2021 Other Costs £	2021 Total £	2020 Total £
Charitable activities					
Air Support Unit Costs	-	-	209,961	209,961	185,667
Helicopter Running Costs	-	-	1,277,336	1,277,336	1,337,963
Depreciation	-	1,157,341	-	1,157,341	812,201
Staff Costs	796,743	-	-	796,743	735,884
Auditor's Remuneration	-	-	13,720	13,720	13,500
Legal and Professional	-	-	1,110	1,110	3,283
Travel and Subsistence	-	-	10,495	10,495	25,002
Other Charitable Expenditure	-	-	42,955	42,955	13,921
Allocated Support Costs (see note 6)	91,028	8,895	68,864	168,787	157,063
	<u>887,771</u>	<u>1,166,236</u>	<u>1,624,441</u>	<u>3,678,448</u>	<u>3,284,484</u>
Total Expenditure	<u>1,841,600</u>	<u>1,195,072</u>	<u>2,158,514</u>	<u>5,195,186</u>	<u>5,048,209</u>

Expenditure on charitable activities includes £96,042 (2020 - £104,293) in relation to restricted funds and £3,582,406 (2020 - £3,180,191) in relation to unrestricted and designated funds.

Notes (continued)

5. Analysis of Expenditure (continued)

	2021 £	2020 £
<i>The net income for the year is stated after charging:</i>		
Operating Lease Costs Land and Buildings	39,375	37,500
Other	44,327	43,897
Fees paid to Auditor – Audit fees	13,720	13,500
Fees paid to Auditor – Taxation	1,330	650
Loss on Disposal of Fixed Assets	-	6,252
	<hr/>	<hr/>

6. Support Costs

	2021 Staff Costs £	2021 Depreciation £	2021 Other Costs £	2021 Total £	2020 Total £
Support Staff Costs	323,566	-	-	323,566	298,083
Depreciation	-	31,618	-	31,618	35,145
Printing, Postage & Stationery	-	-	9,077	9,077	11,395
IT	-	-	102,373	102,373	96,678
Professional/Legal	-	-	70,601	70,601	59,725
Other Support Costs	-	-	62,730	62,730	83,477
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	323,566	31,618	244,781	599,965	584,503
Allocated as follows:					
Charitable Activities	91,028	8,895	68,864	168,787	157,063
Fundraising and Publicity	232,538	22,723	175,917	431,178	427,440
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Total governance costs in the year amounted to £22,101 (2020 - £22,134).

7. Staff Costs

	2021 £	2020 £
Wages and Salaries	1,459,207	1,412,803
Social Security Costs	155,347	138,407
Pension Costs	95,018	59,800
Other Staff Related Costs	132,028	101,866
	<hr/>	<hr/>
	1,841,600	1,712,876
	<hr/>	<hr/>

Notes (continued)

7. Staff Costs (continued)

Particulars of Employees

The average monthly number of staff employed by the group during the financial year amounted to:

	2021	2020
Fundraising	16	16
Operational	9	8
Administrative	13	14
	<hr/>	<hr/>
	38	38
	<hr/>	<hr/>

Contributions for all employees to defined contribution schemes which have all been recognised as an expense in the unrestricted section of the Statement of Financial Activities totalled £95,018 (2020 - £59,800). In addition, other staff related costs include £87,310 (2020- £60,362) of amounts paid into defined contribution schemes as a result of salary exchange arrangements.

0 employees (2020 – 2) received emoluments during the year in the band £60,001 to £70,000.

0 employees (2020 – 2) received emoluments during the year in the band £70,001 to £80,000.

5 employees (2020 – 0) received emoluments during the year in the band £80,001 to £90,000.

2 employees (2020 - 0) received emoluments during the year in the band of £90,001 to £100,000.

0 employees (2020 - 1) received emoluments during the year in the band of £110,001 to £120,000.

Contributions to defined contribution schemes which have all been recognised as an expense in the unrestricted fund of the Statement of Financial Activities totalled £43,669 (2020 - £1,885) for these employees. In addition, other staff related costs include £49,551 (2020 - £30,389) of amounts paid into defined contribution schemes as a result of salary exchange arrangements.

Key management personnel comprise the Trustees and Senior Management Team of the charity. The eleven Trustees who served during the year received no remuneration during the year (2020 - £nil). 1 Trustee (2020 – 3) received reimbursement for travel and subsistence of £28 (2020 - £3,422). The seven members of the Senior Management Team who served during the year received a total remuneration of £413,357 (2020 - £416,776). They also received a total reimbursement for travel and subsistence of £2,567 (2020 - £10,263).

8. Other gains and losses

	2021 £	2020 £
Foreign currency (loss) /gain made on forward contracts	(10,014)	5,740
	<hr/>	<hr/>

9. Taxation

Taxation includes an adjustment for overprovision in prior years of £5,888.

The charitable company is exempt from corporation tax on its charitable activities.

Notes (continued)

10. Related Party Transactions

B Braun Limited is a related party as Brian Chapman (a director of Yorkshire Air Ambulance Limited) has an interest in this Company. During the year Yorkshire Air Ambulance Limited received sponsorship income of £39,889 (2020 - £23,680) from B Braun Limited and donations in kind totalling £50,000 (2020 - £50,000). £nil (2020 - £nil) was outstanding at the year end.

Walton Lewis HR Solutions is a related party as Vivian Lewis (a director of Yorkshire Air Ambulance Limited) is the husband of Lynn Walton who provides HR Services through Walton Lewis HR Solutions. During the year ended 31 March 2021 the charitable company paid for consultancy services from Walton Lewis HR Solutions at a cost of £0 (2020 - £7,200). No amounts were outstanding at either the current or previous year end.

Yorkshire Air Ambulance (Trading) Limited is a wholly owned subsidiary of Yorkshire Air Ambulance Limited. During the year ended 31 March 2021 the charitable company recharged costs of £13,031 (2020 - £12,718) to Yorkshire Air Ambulance (Trading) Limited. The subsidiary owed £9,777 at 31 March 2021 (2020 £693).

A Deed of Covenant was put in place during the year to 31 March 2021 under which Yorkshire Air Ambulance (Trading) Limited is committed to distributing its annual profits to Yorkshire Air Ambulance Limited. The amount committed for distribution in respect of the year to 31 March 2021 is £95,378. Following the establishment of the Deed of Covenant, during the year £99,290 of profits generated in the year ended 31 March 2020 were distributed to Yorkshire Air Ambulance Limited.

11. Tangible Fixed Assets

Consolidated and Company

	Freehold Land and Buildings	Leasehold Property Improvements	Helicopters & Engines	Computer Equipment	Plant, Equipment Fixtures & Fittings & Vehicles	Total
	£	£	£	£	£	£
<i>Cost</i>						
At 1 April 2020	399,388	1,417,622	12,876,117	582,628	614,181	15,889,936
Additions	-	134,041	-	85,479	169,018	388,538
Disposals	-	-	(85,741)	-	-	(85,741)
At 31 March 2021	399,388	1,551,663	12,790,376	668,107	783,199	16,192,733
<i>Depreciation</i>						
At 1 April 2020	136,703	336,591	2,238,514	344,222	303,051	3,359,081
Charge for the Year	14,312	53,677	1,006,902	67,985	52,196	1,195,072
Eliminated on disposal	-	-	-	-	-	-
At 31 March 2021	151,015	390,268	3,245,416	412,207	355,247	4,554,153
<i>Net Book Value</i>						
At 31 March 2021	248,373	1,161,395	9,544,960	255,899	427,952	11,638,579
At 31 March 2020	262,685	1,081,031	10,637,603	238,405	311,130	12,530,854

Notes (continued)

12. Fixed asset investments

	Total 2021 £	Total 2020 £
Consolidated		
At 1 April	14,805,986	8,042,865
Additions at Cost	6,770,120	6,089,157
Disposals at Carrying Value	(3,150,857)	(1,135,701)
Income Received During the Year	331,178	274,474
Unrealised Gain/(Loss) on Investments	3,545,321	(1,210,308)
Change in Value of Cash Held in Portfolio	(3,690,811)	2,745,499
	<hr/>	<hr/>
At 31 March	18,610,937	14,805,986
	<hr/>	<hr/>

	Total 2021 £	Total 2020 £
Company		
At 1 April	14,830,989	8,067,868
Additions at Cost	6,770,120	6,089,157
Disposals at Carrying Value	(3,150,857)	(1,135,701)
Income Received During the Year	331,178	274,474
Unrealised (Loss)/Gain on Investments	3,545,321	(1,210,308)
Change in Value of Cash held in Portfolio	(3,690,811)	2,745,499
	<hr/>	<hr/>
At 31 March	18,635,940	14,830,989
	<hr/>	<hr/>

The analysis of investments held is:

	Total 2021 £	Total 2020 £
Analysis of Investments Measured at Fair Value – Consolidated		
UK Bonds	1,853,197	2,291,973
Overseas Bonds	1,637,844	89,198
UK Equities	3,869,512	3,048,290
Overseas Equities	7,997,718	4,437,258
Absolute Return	2,089,790	702,769
Property Funds	63,899	164,155
Other Investments	951,178	566,660
Cash	147,799	3,505,683
	<hr/>	<hr/>
Total	18,610,937	14,805,986
	<hr/>	<hr/>

Notes (continued)

12. Fixed Asset Investments (continued)

	Total 2021 £	Total 2020 £
Analysis of Investments Measured at Fair Value – Company		
UK Bonds	1,853,197	2,291,973
Overseas Bonds	1,637,844	89,198
UK Equities	3,869,512	3,048,290
Overseas Equities	7,997,718	4,437,258
Absolute Return	2,089,790	702,769
Property Funds	63,899	164,155
Other Investments	951,178	566,660
Cash	147,799	3,505,683
	<hr/>	<hr/>
Sub – Total Investments Measured at Fair Value	18,610,937	14,805,986
UK Subsidiaries Measured at Cost	25,003	25,003
	<hr/>	<hr/>
Total	18,635,940	14,830,989
	<hr/>	<hr/>

The investments noted above are managed on a portfolio basis by our appointed investment managers. The Trustees have agreed performance benchmarks with the investment managers and review the performance of the investment portfolios against those benchmarks on a quarterly basis. The benchmarks used are the MSCI WMA Balanced and the MSCI WMA Conservative measurements, but the Trustees also review performance against the FTSE 100 and FTSE All Share indices. The Trustees have not imposed any restrictions or guidelines in respect of social, ethical or environmental considerations on the investment managers. Income and capital gains/(losses) are therefore reviewed and attributed on a portfolio basis.

The details of the company's non-charitable trading subsidiary undertakings, both of which are registered in England and Wales are as follows: -

Subsidiary	Shares Held	Percentage Holding	Principal Activity
Yorkshire Air Ambulance (Trading) Limited (Co No 04053514)	2 Ordinary £1 Shares	100%	Promotion of a weekly lottery to generate funds
Yorkshire Air Ambulance Services Limited (Co No 05414029)	1 Ordinary £1 Share	100%	Dormant

Notes (continued)

12. Fixed Asset Investments (continued)

The registered address of both subsidiaries is Cayley House, 10 South Lane, Elland, Halifax, HX5 0HQ.
 A summary of the results and balance sheet of both subsidiaries is given below:

	Yorkshire Air Ambulance (Trading) Limited £	Yorkshire Air Ambulance Services Limited £	Total 2021 £	Total 2020 £
Turnover	132,548	-	132,548	140,056
Cost of Sales	(22,952)	-	(22,952)	(21,564)
Gross Profit	109,596	-	109,596	118,492
Administrative Expenses	(20,106)	-	(20,106)	(19,202)
Profit for the Financial Year	89,490	-	89,490	99,290
Tax credit	5,888	-	5,888	-
Profit for the Year	95,378	-	95,378	99,290
Assets	118,927	1	118,928	119,547
Liabilities	(118,891)	-	(118,891)	(20,220)
Shareholder's Funds	36	1	37	99,327

13. Stock (Consolidated and Company)

	Total 2021 £	Total 2020 £
Fuel	15,173	18,533
Total	15,173	18,533

Notes (continued)

14. Debtors

	Consolidated		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade Debtors	72,684	59,865	72,684	59,865
Amounts Owed by Group Undertakings	-	-	105,155	693
Other Debtors	13	-	13	-
Prepayments and Accrued Income	3,970,161	1,121,937	3,970,161	1,121,937
Taxation and Social Security	28,820	44,480	28,820	44,480
	<hr/>	<hr/>	<hr/>	<hr/>
	4,071,678	1,226,282	4,176,833	1,226,975
	<hr/>	<hr/>	<hr/>	<hr/>

15. Creditors: Amounts Falling Due Within One Year

	Consolidated		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade Creditors	81,907	135,004	81,907	135,004
Other Creditors	18,863	14,140	18,863	14,140
Taxation and Social Security Costs	41,019	49,751	41,019	49,751
Accruals and Deferred Income	437,823	341,400	424,087	321,874
	<hr/>	<hr/>	<hr/>	<hr/>
	579,612	540,295	565,876	520,769
	<hr/>	<hr/>	<hr/>	<hr/>

Included within accruals and deferred income above is deferred sponsorship and lottery income as follows:

	Group	Company
	£	£
At 1 April 2020	69,132	59,483
Released from Previous Years	(69,132)	(59,483)
Deferred in the Year	110,163	99,269
	<hr/>	<hr/>
At 31 March 2021	110,163	99,269
	<hr/>	<hr/>

Notes (continued)

16. Commitments under Operating Leases

At 31 March the group had commitments under non-cancellable operating leases as set out below:

	Land and Buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
Operating Leases Payments Due:				
Less than One Year	45,000	37,500	50,821	149,539
Within 2 to 5 Years	206,875	81,250	50,983	45,059
Greater than 5 years	74,375	-	-	-
	<u>326,250</u>	<u>118,750</u>	<u>101,804</u>	<u>194,598</u>

Notes (continued)

17. Movement in Funds

Consolidated

	<i>Balances at 1st April 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains and Losses on Investments/ Taxation</i>	<i>Transfers Between Funds</i>	<i>Balance at 31 March 2021</i>
	£	£	£	£	£	£
Unrestricted funds	19,676,729	9,935,834	(5,195,186)	3,541,195	(7,903,958)	20,054,614
<i>Designated funds:</i>						
Helicopter Replacement Reserve	7,000,000	-	-	-	8,000,000	15,000,000
Helicopter Maintenance Fund	547,560	-	-	-	-	547,560
Property Development Funds	3,944,993	-	-	-	-	3,944,993
Designated Funds	11,492,553	-	-	-	8,000,000	19,492,553
Restricted Funds	106,695	72,220	-	-	(96,042)	82,873
Total Funds	31,275,977	10,008,054	(5,195,186)	3,541,195	-	39,630,040

Company

	<i>Balances at 1st April 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains and Losses on Investments/ Taxation</i>	<i>Transfers Between Funds</i>	<i>Balance at 31 March 2021</i>
	£	£	£	£	£	£
Unrestricted Funds	19,602,405	10,068,382	(5,232,356)	3,545,144	(7,903,958)	20,079,617
Designated Funds	11,492,553	-	-	-	8,000,000	19,492,553
Restricted Funds	106,695	72,220	-	-	(96,042)	82,873
Total Funds	31,201,953	10,140,602	(5,232,356)	3,545,144	-	39,655,043

Notes (continued)

17. Movement in funds (continued)

The funds of the company include the following designated funds set aside by the Trustees:

Helicopter Replacement Reserve – during 2017 the Charity completed the purchase of two H145 helicopters which utilised the reserves which had been set aside for this purpose. To ensure that the Charity is able to continue to provide the best service possible to the people of Yorkshire, the Trustees have made the decision to again provide for future helicopter replacement and set aside a further £8.0m during the year.

Helicopter Maintenance Fund – the Charity's helicopters must be maintained to the highest level to ensure that they are available to respond rapidly and safely in providing our first-class response service. The Trustees set aside specific funds to ensure that this objective can be met.

Property Development Funds – funds set aside by the Trustees towards the continuous improvement and ongoing maintenance and repair costs of the Charity's headquarters and airbases.

Restricted funds have arisen because certain donors have requested that the income be spent for a particular purpose. These are separately maintained and transferred from restricted funds to unrestricted funds once the asset to which they relate has been purchased.

18. Analysis of consolidated net assets (between unrestricted funds, designated funds and restricted funds)

	Tangible Fixed Assets £	Investments £	Other Net Assets £	Total £
Unrestricted Funds	11,638,579	(334,056)	8,750,091	20,054,614
Designated Funds	-	18,944,993	547,560	19,492,553
Restricted Funds	-	-	82,873	82,873
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	11,638,579	18,610,937	9,380,524	39,630,040
	<hr/>	<hr/>	<hr/>	<hr/>

19. Capital Commitments

At the balance sheet date, the Charity had no capital commitments (2020 - £111,728).

20. Post Balance Sheet Event

The Charity has commenced negotiations for the purchase of 2 new helicopters valued at £15,300,000.

21. Financial Instruments

Investments

The fair value of investments classed as fair value through profit or loss is determined by reference to their market price at the balance sheet date.

Financial Assets at Fair Value Through Profit or Loss:

	Total 2021 £	Total 2020 £
Investments	18,610,937	14,805,986
Forward Foreign Currency Contracts	903,141	-
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Notes (continued)

22. Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2021 £	2020 £
Group		
Net Movement in Funds for the Reporting Period	8,354,063	2,053,102
Adjustments for:		
Depreciation	1,195,072	841,303
Dividends, Interest and Rents from Investments	(331,582)	(281,216)
(Gain) / Loss on Investments	(3,545,321)	1,210,308
Loss on disposal of fixed assets	-	6,252
Decrease / (Increase) in Stocks	3,360	(5,592)
(Increase)/Decrease in Debtors	(2,845,396)	187,372
Increase/(Decrease) in Creditors	39,317	(4,491)
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Net Cash Provided by Operating Activities	2,869,513	4,007,038
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