

THE GREAT NORTH AIR AMBULANCE SERVICE

England & Wales · Charity number 1092204

Details

Status	Registered
Legal form	Charitable company
Company number	04436859
Registered	2002-05-24
Register	View on the Charity Commission register

Contact

Address	Progress House Urlay Nook Road Eaglescliffe Stockton-On-Tees Cleveland TS16 0QB
Phone	01325487263
Email	info@greatnorthairambulance.co.uk
Website	www.greatnorthairambulance.co.uk

Activities

Objects: The objects of the Charity (Objects) are:3.1 to promote the relief of sickness within the United Kingdom and the Isle of Man and in particular within the counties of Cumbria, Northumberland and Durham and surrounding areas by the provision of an air ambulance service;3.2 to provide and maintain or assist with the provision and maintenance of aircraft and other ancillary and associated equipment;3.3 the advancement of education and training of medical professionals and health care personnel in medical disciplines with particular reference to emergency and pre-hospital care of patients.

Activities: TO PROMOTE THE RELIEF OF SICKNESS WITHIN THE COUNTIES OF NORTHUMBERLAND, CUMBRIA, DURHAM AND SURROUNDING AREAS BY THE PROVISION OF AN AIR AMBULANCE SERVICE. THE ADVANCEMENT OF EDUCATION AND TRAINING OF MEDICAL PROFESSIONALS AND HEALTH CARE PERSONNEL IN MEDICAL DISCIPLINES WITH PARTICULAR REFERENCE TO PRE-HOSPITAL CARE.

Classification

- **How:** Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** THE COUNTIES OF CUMBRIA NORTHUMBERLAND AND DURHAM AND SURROUNDING AREAS
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£10,998,131	£10,027,107	£17,914,027	107
2024-03-31	£9,804,491	£9,808,738	£16,935,486	110
2023-03-31	£10,849,751	£9,193,935	£16,952,093	105
2022-03-31	£8,412,510	£8,393,750	£15,295,955	101
2021-03-31	£8,517,729	£7,429,630	£15,275,909	90

Trustees

Name	Role	Appointed
Anthony Chi Wing Hui		2021-04-30
Claire Marcia Vaughan		2021-01-29
Dr Jason Easby		2026-02-20
Giles Henry Sharp		2023-07-21
Helen Mary Ray		2025-08-20
Jonathan David Jowett		2022-05-27
Lauren Martine Huntington		2023-07-21
Lisa Charles-Jones		2026-02-20
Stephen Groves		2016-11-25

THE GREAT NORTH AIR AMBULANCE SERVICE

England & Wales - Charity number 1092204

Accounts

Registered number: 04436859
Charity number: 1092204

The Great North Air Ambulance Service

(A company limited by guarantee)

Annual Report

Year ended 31 March 2025

The Great North Air Ambulance Service

(A company limited by guarantee)

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The Great North Air Ambulance Service

(A company limited by guarantee)

Reference and administrative details Year ended 31 March 2025

Trustees	Mr J Jowett, Chair Dr K Han Mr S Groves OBE Mr P Neal Prof M Defeyter OBE Mrs C Vaughan Mr A Hui Mr G Sharp Mrs L Huntington
Company registered number	04436859
Charity registered number	1092204
Registered office	Progress House Urlay Nook Road Eaglescliffe Stockton-on-Tees TS16 0QB
Company secretary	Muckle Secretary Limited
Chief executive officer	Mr J Garcia MBE
Independent auditor	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Royal Bank of Scotland Drummond House 1 Redheughs Avenue Edinburgh EH12 9JN

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report

Year ended 31 March 2025

The trustees (who are also directors of the charity for the purposes of the Companies Act) present this annual report together with the audited financial statements of The Great North Air Ambulance Service (the company and the group) for the year ended 31 March 2025. This report includes the directors' report as required by company law.

The trustees confirm that the annual report and financial statements of the company and the group comply with the Charities Act 2011, the Companies Act 2006, the requirements of the company and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Welcome

The Great North Air Ambulance Service (GNAAS) is a charitably funded air ambulance service which provides life-saving care to the most ill and injured people in the North East, North Yorkshire, Cumbria, and the Isle of Man. We operate two helicopters 365 days a year, and operate a night-time service in the North East and Cumbria in rapid response vehicles.

The aircraft covers an area of over 8,000 square miles, and on board are specialist doctors and paramedics who effectively bring the hospital to the patient.

We are a progressive organisation which has pioneered pre-hospital care in the region and beyond.

The latest techniques, equipment and drugs are constantly being evaluated to ensure we can provide the best care possible for our patients.

Since the charity began in 2002, we have responded more than 30,000 times across the region. This year, medical cardiac arrests were the most frequent type of incident responded to by the team, closely followed by road traffic collisions.

Other incidents we have attended include medical incidents, falls, assaults such as stabbings, leisure activities gone wrong, especially in rural areas, and self-harm.

Since 2023, GNAAS has been responding to incidents 24 hours a day, 7 days a week, operating the helicopter in daylight hours and via rapid response vehicles throughout the night in the North East. Following the success of the additional cover, the same service was later provided in Cumbria.

Every call-out we receive represents someone experiencing what is likely to be the worst day of their life. Our level 8 critical care team are the most highly skilled and experienced clinicians in the region whose interventions often make the difference between life and death. From April 2024 to March 2025 we responded to 2,003 incidents, with 2,038 deployments.

We receive a very limited amount of government funding (via the NHS), at approximately 3% of our total revenues, and must therefore raise between £9 million and £10 million annually through public funding to remain operational.

Our work is only possible with the dedication of our supporters, and for that, we are eternally grateful.

The Great North Air Ambulance Service

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Trustees' report (continued) Year ended 31 March 2025

Our aims and objectives

What we do - We deliver advanced, life-saving treatment to the people of our region at the critical moments that matter.

Why we do it - To keep families and communities together by saving lives.

How we do it -
We are committed.
We are courageous.
We are caring.

We are one team, saving lives.

The principal objectives of the charity remain unchanged:

- To promote the relief of sickness within the United Kingdom and the Isle of Man and in particular the counties of Cumbria, Northumberland, Teesside and Durham and the surrounding areas by provision of an air ambulance service.
- To provide and maintain or assist with the provision and maintenance of aircraft and other ancillary and associated equipment.
- The advancement of education and training of medical professionals and health care personnel in medical disciplines with particular reference to emergency and pre-hospital care.

Our team is committed to providing the best possible outcome for our patients, but the impact of what we do is felt far beyond this group of people. Our impact extends to their families, their friends and colleagues, those we train, our healthcare partners and the communities involved in fundraising activity.

Strategic report

Operations department

Achievements and performance

2024/25 has been a challenging year, but our commitment to providing rapid, life-saving response to our community remains unwavering. We are proud to deliver our service across the North East, North Yorkshire, Cumbria, and the Isle of Man and this report highlights key operational developments and achievements of the past year.

Responding to those in need

Anyone, anytime, anywhere was this year's campaign which highlights exactly what we stand for. We aim to respond to those in dire need, any time of the day or night, wherever the incident or accident occurs. Our team delivers interventions that increase chances of survival, decrease hospital stays, and ultimately keep families and communities together.

During the year 2024/25, the region's three NHS ambulance services called us out 2,003 times (2023/24 2,148 call-outs). The average cost per request for assistance, based on total expenditure for the charity, is £4,732, up from £4,281 in the previous year (this is across both helicopter and car response). The cost per day for our teams to be ready to respond is £25,969.

The Great North Air Ambulance Service

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Trustees' report (continued) Year ended 31 March 2025

Transformation

Against a relatively challenging economic backdrop, as with all organisations, we have experienced pressure on operating costs which have continued to increase. We are striving to deliver improvements to our operating efficiency whilst still providing effective front-line critical care.

Under the direction of our Interim Chief Executive Officer who was appointed in January 2025, our core areas of focus have been:

- Enhancing clinical governance
- Improving workforce engagement
- Proactive engagement with external stakeholders

As we conclude this financial year, GNAAS is in a strong position to continue to deliver its world-class life-saving services.

24/7 Coverage

The region we cover is vast with varying needs, from mountains and remote locations to city centres and major roads. We continue to strive for providing operational cover around the clock across our region but have to approach this in different ways to best serve the people of these different communities. We currently respond 24/7 in the North East and Cumbria, and every day in the Isle of Man and North Yorkshire.

Night-time response has the same expert team on board with specialist equipment; however they travel to scene by critical care car. Night-time response in Cumbria differs slightly as it involves patient transfers from local hospitals to major trauma centres, as well as providing normal HEMS (Helicopter Emergency Medical Service) response by rapid response car.

Innovations

We continue to explore the possibilities of technology and medical advancements to further improve patient response and outcomes. We have been involved in a trial to understand the benefits of administering whole blood to patients versus component blood. The outcomes are yet to be published.

Future developments

Looking forward, we are committed to further enhancing our service delivery and expanding our operational capabilities. Key areas of focus include:

- Technological innovations - Investing in advanced medical and aviation technologies to improve response times and the quality of care provided.
- Fleet resilience - Replace the third aircraft which was no longer fit for purpose.
- Coverage expansion - Working towards achieving full 24/7 coverage across our entire service region, including the Isle of Man.
- Collaboration - Working closely with our partners including North East Ambulance Service (NEAS), North West Ambulance Service (NWAS), the Northern Trauma Network, to further enhance our responses and provide mutual support.
- Sustainability initiatives - Exploring sustainable practices to mitigate rising operational costs, such as investing in more fuel- and finance-efficient aircraft with reduced operating costs.
- Staff support and development - Continuing to support our medical team through professional development and ensuring they have the resources needed to manage their roles effectively.
- Team expansion - Investing in additional team members to provide resilience and leadership growth.
- Develop a new strategic plan.

The Great North Air Ambulance Service

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Trustees' report (continued) Year ended 31 March 2025

Operational training

Achievements and performance

Training is a hugely important component of what we do. This year our external training offering was limited. However, we continued to deliver specialist pre-hospital training for military medics. We are confident that with a new training lead in place we will see an increase to our external training capability.

Internal training

Although external training was limited throughout 2024/25, internal training continued with mentorship and support to trainee staff, some team members had the opportunity to complete a HEMS qualification, and the Pre-Hospital Emergency Medicine Crew Course (PHEMCC) went ahead for internal team members yet to complete it. The PHEMCC is an immersive training experience that brings the reality of HEMS response to life, allowing clinicians to grow their skills and knowledge in an intense, controlled environment.

Over the past year, we have conducted numerous training days for our clinicians covering a wide range of topics to uphold their proficiency, competence and confidence in their respective roles. Our Operational and Clinical Audit Days (OCAD) have been structured to ensure that our teams maintain the necessary competencies for their demanding roles. We actively engage subject matter experts from diverse backgrounds to deliver the highest quality training based on their firsthand experiences.

These sessions allow our team to share learning, listen, review standard operating procedures, and simulate scenarios related to each topic. These days are excellent for building team relationships and learning from each other's experiences.

The team also share learnings through debrief and discussion meetings where a number of call-outs are reviewed. This is run by a HEMS paramedic and a consultant doctor.

Simulations remain a key focus for the team, ensuring familiarity with our standard operating procedures and maintaining critical thinking and decision-making processes in complex and infrequent incidents.

The team also delivers basic life-support training to the wider charity as well as access to other training to understand the complexities of what is delivered at the scene.

Future activity

Moving forward into 2025/26 improving our external training offer is high on the agenda, reviewing what and how we do it, whilst also being commercially viable.

Internal training remains a priority and with new leadership posts being introduced we look forward to new ideas to ensure our team remain at the forefront of HEMS response.

The Great North Air Ambulance Service

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Trustees' report (continued) Year ended 31 March 2025

Income generation

Achievements and performance

We are only able to provide our critical care service to the people of the North and beyond because of the kind and generous donations of those that believe in our cause. The dedication and efforts of patients and their families, local businesses, groups, and individuals raising funds for our charity is outstanding, and we are so thankful. Whilst within this document we share the numbers that ultimately fund the service, we understand the true meaning behind them and the lengths our amazing supporters go to in order to make what we do possible.

2024/25 has been a relatively successful year for fundraising activities with increases across various income streams. Overall income generation activities raised £9.5 million (2023/24: £8.3 million).

The largest contributor, as is usual for the charity, was income received from legacies which saw a 6.5% increase year on year. There were 223 kind supporters who included our charity in their wills resulting in £3.82 million of income for the year (2023/24: £3.14 million).

Investment in the Grants and Trusts team has resulted in sizeable growth in this area. The most notable contribution, thanks to the Mark Benevolent Fund, enabled us to purchase a new, improved rapid response vehicle for the Langwathby base.

The corporate partner programme continued to strengthen, recognising businesses that contributed from £5,000 to over £100,000. This is a key area of focus for the charity moving forward as we aim to align with more companies who share our values and purpose to aid us in reaching our future goals.

Income from the Isle of Man more than doubled compared to the previous year. We continued to raise awareness among residents and visitors about the difference our service makes, however we need to enhance our fundraising to create a sustainable service for the Isle of Man. To enable this, we are investing in a fundraising team member based on the Isle.

Our external canvassing company, Tower Lotteries, continues to recruit and manage our second lottery, the 'GNAAS 24/7 lottery'. This has seen expected growth throughout the year, and over time will be a large, sustainable contributor to overall income.

The subsidiary trading companies, whose activities raise funds solely for our charity, generated turnover of £500,361 (2023/24 £650,457).

For every £1 spent by the charity raising funds, £3.96 (2023/24: £4.18) was generated in donations, legacies, grants and lottery and fundraising income.

Volunteers

This year, 108 volunteers generously supported our cause. This ranged from office duties, attending cheque presentations and collection box servicing, to delivering community talks, managing bucket collections and supporting our events. No task is too big or small for this wonderful group of people and for that we are eternally grateful. Their commitment is what makes our life-saving work possible.

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Trustees' report (continued) Year ended 31 March 2025

Fundraising

The charity is registered with the Fundraising Regulator and fundraising activities undertaken by the charity are carried out with reference to the Code of Fundraising Practice. All complaints received by the charity are recorded and investigated in line with the charity's complaints and appreciations procedures.

During the year we received 9 complaints (2023/24: 19). All complaints were handled in line with the charity's published complaints procedures and resolved at Stage 1 of the process. No complaints were received via the Fundraising Regulator.

As a charity we do use one external sales canvassing company, Tower Lotteries, to support our 24/7 lottery activity. Where a business supporter seeks to promote our charity alongside the sale of their own product or service, we require them to sign a GNAAS commercial participator agreement, containing the appropriate legal agreements recognising their responsibilities.

The charity provides guidance and training to employees and volunteers on dealing with people in vulnerable circumstances.

Future activity

The organisation is investing in a volunteer coordinator to grow the number of volunteers we have and to provide them with dedicated support to reflect how valued their contributions are. Investing in this role will enhance our visibility within communities and ultimately increase fundraising efforts.

Certain areas within the charity's HQ have been repurposed and a café, open to the public, will be introduced next year. This initiative aims to attract more visitors, thereby spreading awareness and ultimately raising funds.

All members of the team responsible for our corporate partnerships are undergoing training to support further growth in this area. We aim to increase the number of partnerships as well as the value they bring in terms of financial support, gifts-in-kind, and shared expertise.

The organisation will continue to nurture supporters by providing a positive giving experience to encourage ongoing support. Focus for the coming year will be on fundraising strategies related to community fundraising and major gifts.

Financial review

The consolidated accounts set out the combined results for the Great North Air Ambulance Service charity, and for the charity's wholly-owned trading subsidiaries (the Great North Air Ambulance Trading Company and ARC Medtech Limited) for the year ended 31 March 2025. Income for the year totalled £10,998,131 (2023/24: £9,804,491).

Legacies remained a significant source of income but are, by their nature, unpredictable. The amount received from legacies increased by £675,043 compared to 2023/24. Income from donations, grants, lottery and fundraising increased by £562,688 compared to 2023/24.

Resources expended in the year totalled £10,027,107 (2023/24: £9,808,738), an increase of £218,369.

The consolidated accounts include income of £498,293 (2023/24: £650,457) earned by the subsidiary companies and associated resources expended of £422,261 (2023/24: £538,719).

The capital fund differentiates the capital costs of the charity from the revenue expenditure required to fund the charity's running costs. The costs of depreciating the assets over their useful lives, and the finance costs relating to borrowing to fund the aircraft are reflected in the capital fund. The capital fund remains unrestricted.

The Great North Air Ambulance Service

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Trustees' report (continued) Year ended 31 March 2025

Results for the charity

Income for the year totalled £10,562,615 (2023/24: £9,245,272). Our sources of income include:

- Donations from individuals, corporate supporters and from the charity's own trading company £2,798,319 – 27% (2023/24: £2,388,226 – 23%)
- Legacies £3,822,302 – 37% (2023/24: £3,147,259 – 31%)
- Charitable activities (chargeable pre-hospital care services and training) £814,177 – 8% (2022/23: £801,050 – 8%)
- Lottery and raffle income £1,020,055 – 10% (2023/24: £1,093,308 – 11%)
- Fundraising activities including events £1,639,733 – 16% (2023/24: £1,506,468 – 15%)
- Grants and other income £227,299 – 2% (2023/24: £158,109 – 1.5%)

Resources expended in the year totalled £9,604,846 (2023/24: £9,270,019). Resources expended include:

- Costs of delivering our charitable activities – these costs cover the clinical, operational, training, compliance and essential support costs of delivering our services. Total costs of delivery for the year were £7,203,634 – 75% (2023/24: £7,274,460 – 78%).
- The costs of delivering fundraising activities – these are the costs, including staff and non-staff costs, relating to events, managing fundraising activities, promotion activities to generate public support, and the costs of running the lottery. Without these activities, the charity could not generate the financial support needed to allow us to deliver our services. £2,400,981 – 25% (2023/24: £1,984,737 – 22%) of our costs, are attributable to this area of our work.

Any surplus generated is held for future investment and to support the reserves policy laid down by the charity's trustees.

As set out above, the capital fund differentiates the capital costs of the charity from the revenue expenditure required to fund the charity's running costs.

Investment policy and performance

As per the memorandum and articles of association, the charity has the power to acquire assets, to borrow money and to invest surplus funds in any way that the trustees wish.

There were no investments and no investment income during the year other than small amounts of interest received from interest-bearing current accounts, and a small number of shares received through legacies.

The trustees reviewed their approach to investment during the year and concluded to continue to maintain cash balances in the light of future capital commitments and plans. The trustees keep the cash position and broader investment strategy and policies of the charity under review.

Reserves policy

In line with Charity Commission guidelines, the trustees monitor the level of reserves held to ensure they are being used to help to achieve the objectives of the charity.

The charity aims to keep free reserves at levels to provide for six months' operating costs which the trustees consider prudent. Based on 2025/26 budgeted costs the operating costs of the charity excluding depreciation are forecast at £8.5 million, this equates to an estimated £4.25 million for six months.

As at 31 March 2025, the charity holds total reserves of £17.7 million, of which £8 million is tied up in fixed assets. The charity's free reserves stand at £9.6 million, which is higher than the charity aims to hold. However, this is expected to reduce during 2025/26 with the charity's reserves being utilised to replace charity fixed assets, with the priority being the purchase of a third aircraft, replacing G-NHAC, which was sold in the year. This will bring the free reserves closer to the target of 6 months' expenditure.

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Trustees' report (continued) Year ended 31 March 2025

Principal risks and uncertainties

As part of their responsibilities, the trustees ensure that the major risks to which the charity is exposed are reviewed and systems established to mitigate those risks. The trustees have appointed the Chief Executive Officer (CEO) and the executive team to review major risks and make recommendations to the trustees as to how to manage them. The finance, audit, remuneration and risk committee are responsible for the review and monitoring of the effectiveness of policies and processes for assessing and managing risk.

The principal risk categories are strategic governance, clinical, service delivery (clinical), service delivery (other), financial risk, income generation risk, reputational risk, information governance/data protection, and human resources.

Foremost for consideration are clinical and operational risks involving patient treatment and care, which is regulated by the Care Quality Commission (CQC). In 2022 GNAAS were rated as Outstanding; and factors involved with the flying environment which is highly regulated by the Civil Aviation Authority (CAA).

In addition to the major risk groups, the charity has developed a business continuity plan to ensure that the charity is prepared to deal with service outages caused by factors beyond its control that could seriously impair the charity's ability to continue normal operations. COVID-19 has meant that our business continuity plan has been put to the test in recent years. This has demonstrated that these plans work, with our frontline services continuing to operate with the necessary adaptations, and our non-frontline services mobilised to work from remote locations.

As part of their responsibilities, the trustees ensure that major risks to which the charity may be exposed are reviewed annually. At each meeting of the board, any new risks or changes to existing risks identified from the papers or discussions around agenda items are noted and the risk register updated accordingly.

Complaints received are reviewed by the relevant sub-committee on a regular basis. The committees review the number and general nature of complaints received; any trends in complaints; and any areas of risk that need to be addressed.

Going concern

The directors have evaluated the potential income and expenditure forecasts including the opportunities and risks that could occur during 2025/26.

Having considered the financial forecasts the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Public benefit

All our charitable activities are undertaken to further our charitable purposes for the public benefit. Over the last 22 years, this charity has changed the way many seriously ill or injured patients are treated and cared for.

This advance in pre-hospital emergency medical care (limited only by resource) has noticeably impacted on vulnerable patients with many more surviving than would otherwise have done so previously, delivering proven public benefit.

In accordance with s17 of the Charities Act 2011, the trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the charity and when planning the future activities. The trustees assess how new activities planned will contribute to the overall aims and objectives they have set and periodically review existing activities to ensure ongoing public benefit.

The Great North Air Ambulance Service

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Trustees' report (continued) Year ended 31 March 2025

Structure, governance and management

The charity is a company limited by guarantee, incorporated in the United Kingdom on 13 May 2002 and registered in England and Wales. It is also a registered charity (charity number 1092204).

Organisational structure

The controlling entity of the charity is the Board of Trustees. The board meets a minimum of four times per year. Between Board meetings committees of the board, the Finance, Audit, Remuneration and Risk committee (FARR), the Nominations committee and the Operations and Clinical committee, are called upon to maintain a continuous governance overview.

The charity is sub-divided into Medical/Operational, Income and Engagement, Finance and Facilities, IT and Projects (inc Compliance and Assurance), and HR, each headed up by a member of the strategic leadership team (SLT).

Members of the SLT are responsible for leading their respective service area, and collectively along with the CEO are responsible and accountable for delivering a safe and efficient service. The charity owns two non-charitable commercial subsidiary companies known as the Great North Air Ambulance Service Trading Company and ARC Medtech.

The Great North Air Ambulance Trading Company operates independently of the charity with its own structure, management and employees. This recycling and international export business trades in mobile phones, inkjet cartridges, unwanted clothing and other disposable goods. The trading company donates the distributable profits derived from its trading activities to the charity which, over the years, has amounted to over £4 million, making it the charity's largest single commercial donor.

ARC Medtech was established in 2019 to allow the charity to exploit the intellectual property vested in its operational ICT system. ARC Medtech does not employ any staff. As with the trading company, any distributable profits derived from ARC Medtech's trading are donated to the charity.

Governance

The trustees, who are also directors of the charitable company, are bound by the charity's Memorandum and Articles of Association.

The trustees collectively are responsible for directing the affairs of the charity ensuring that it is solvent, well run, delivering the charitable outcomes for which it was set up, and ensuring compliance with charity law and all other applicable legislation and regulation. The trustees also determine the strategy and key objectives and vote on major policy decisions affecting the charity. Trustees monitor the performance of the charity at meetings of the board and its committees. Committees meet a minimum of three times per year.

The Operations and Clinical committee has delegated responsibility for overseeing all operational and clinical aspects of the charity and reporting back to the board accordingly.

The Finance, Audit, Remuneration and Risk committee has delegated responsibility for overseeing all financial aspects of the charity, including audit and remuneration, to ensure short and long-term viability and to report back to the board accordingly. The committee, when required, will determine and make recommendations regarding the remuneration of employees. The remuneration packages of senior executives and employees are established with reference to market rates for similar roles and are designed to attract and retain employees while remaining affordable to the charity.

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Trustees' report (continued) Year ended 31 March 2025

The Nominations committee has the delegated responsibility to review the structure, size and composition of the board, taking into account the trustees' skills, knowledge and diversity. It makes recommendations to the board with regard to recruitment of new trustees, either due to the retirement of existing trustees or in order to fill identified skills gaps. The Nominations Committee is also responsible for the trustee induction plan, board evaluation and effectiveness processes and succession planning.

Two of the trustees are also directors of the trading company, and two of the trustees are also directors of ARC Medtech. The directors of each of the trading subsidiaries report on the company's activities and performance and communicate those matters to the charity board.

Regulatory compliance and overall performance standards are monitored and assessed with quality and key performance indicators by the board throughout the year. This helps to ensure the charity is well-governed, safe and legislatively compliant in all aspects of its duties and operations.

Policies adopted for the induction and training of trustees

Trustees are identified by a process of targeted recruitment aimed at ensuring the skills of the board remain both relevant and balanced. New trustees are interviewed and appointed by presiding trustees who aim to achieve a good mix of professional skills that will benefit the charity.

Each new trustee undergoes a brief induction programme that includes the charity's vision and objects, role and responsibilities and financial standing. The charity facilitates attendance at appropriate external training events where there is an identified need.

In addition to the constitution, trustees are bound by the charity's Code of Governance and Code of Conduct.

Management

Although ultimate responsibility for the management of the charity lies with the trustees, they do have the power to delegate and do so to enable the charity to function on a daily basis.

The trustees are responsible for appointing a CEO. The CEO is responsible for staff leadership, management, and administration as well as the clinical and operational aspects of the charity and is the link between the board of trustees and the staff. Senior managers are appointed to assist the CEO in these duties and this structure ensures the charity is effective, well-governed and legislatively compliant in all aspects of its operations.

Senior managers are responsible and accountable to the CEO for their designated area of operation, ensuring that services are delivered in pursuance of the charity's agreed strategies and objectives; that relevant regulatory compliance is maintained; and that performance is in line with agreed standards.

Regular departmental and staff meetings are held to ensure the charity progresses and maintains its aims and objectives thereby delivering on its public benefit requirement.

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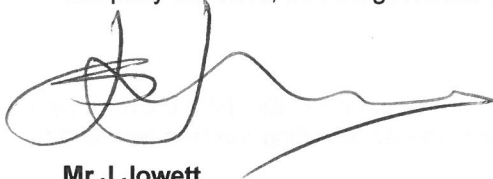
Trustees' report (continued) Year ended 31 March 2025

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the group strategic report, was approved by the trustees, in their capacity as company directors, on 7 August 2025 and signed on their behalf by:



Mr J Jowett
Chair

The Great North Air Ambulance Service

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Trustees' responsibilities statement Year ended 31 March 2025

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charity 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 Group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Independent auditor's report to the members of The Great North Air Ambulance Service

Opinion

We have audited the financial statements of The Great North Air Ambulance Service ('the parent charitable company') and its subsidiaries ('the group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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



Independent auditor's report to the members of The Great North Air Ambulance Service (continued)

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 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

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



Independent auditor's report to the members of The Great North Air Ambulance Service (continued)

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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. However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

We obtain and update our understanding of the company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the company is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation and UK tax legislation. In addition, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We considered the extent to which non-compliance with laws and regulations might have a material effect on the financial statements and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.



Independent auditor's report to the members of The Great North Air Ambulance Service (continued)

We also evaluated managements' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to manipulate financial results, management bias in accounting estimates, as well as improper revenue recognition which includes fraudulent posting of journal entries to revenue.

Audit procedures performed by the engagement team included:

- Inquiry of management and those charged with governance regarding actual and potential litigation or claims as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing meeting minutes to identify reported frauds and any potential non-compliance with laws and regulations;
- Identifying journal entries based on risk criteria and testing the identified entries to supporting documentation, in particular journal entries with unusual account combinations; and
- Challenging assumptions and judgments made by management in their significant accounting estimates and evaluating whether there was any evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Use of our report

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

Anne Hallowell

**Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor**
Chartered Accountants
Newcastle upon Tyne

07 August 2025

The Great North Air Ambulance Service

(A company limited by guarantee)

Consolidated statement of financial activities (incorporating income and expenditure account)

Year ended 31 March 2025

	Note	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:				
Donations and legacies	3	6,783,075	6,783,075	5,602,356
Charitable activities	4	814,177	814,177	801,050
Other trading activities	5	3,177,787	3,177,787	3,270,022
Investments	6	195,277	195,277	130,113
Other income	7	27,815	27,815	950
Total income		10,998,131	10,998,131	9,804,491
Expenditure on:				
Raising funds	8	2,823,242	2,823,242	2,523,456
Charitable activities	9	7,203,865	7,203,865	7,285,282
Total expenditure		10,027,107	10,027,107	9,808,738
Net income/(expenditure) before net gains on investments		971,024	971,024	(4,247)
Net gains on investments	15	24	24	417
Net income/(expenditure) before taxation		971,048	971,048	(3,830)
Taxation		7,493	7,493	(12,777)
Net movement in funds		978,541	978,541	(16,607)
Reconciliation of funds:				
Total funds brought forward		16,935,486	16,935,486	16,952,093
Net movement in funds		978,541	978,541	(16,607)
Total funds carried forward		17,914,027	17,914,027	16,935,486

The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 22 to 45 form part of these financial statements.

The Great North Air Ambulance Service

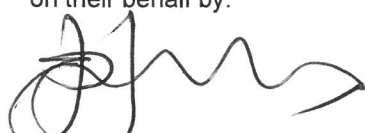
(A company limited by guarantee)

Consolidated balance sheet At 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Intangible assets	13	-	320,472
Tangible assets	14	7,823,186	9,137,841
Investments	15	-	5,826
		<u>7,823,186</u>	<u>9,464,139</u>
Current assets			
Stocks	16	52,438	59,585
Debtors	17	1,017,452	698,709
Fixed assets held for sale		100,000	-
Cash at bank and in hand		9,958,134	7,443,547
		<u>11,128,024</u>	<u>8,201,841</u>
Creditors: amounts falling due within one year	18	(1,014,212)	(688,907)
Net current assets		<u>10,113,812</u>	<u>7,512,934</u>
Total assets less current liabilities		<u>17,936,998</u>	<u>16,977,073</u>
Creditors: amounts falling due after more than one year	19	(10,480)	(21,603)
Provisions for liabilities			
Deferred tax	20	(12,491)	(19,984)
Total net assets		<u>17,914,027</u>	<u>16,935,486</u>
Charity funds			
Unrestricted funds	21	17,914,027	16,935,486
Total funds		<u>17,914,027</u>	<u>16,935,486</u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 07 August 2025 and signed on their behalf by:



Mr J Jowett
Chair

The notes on pages 22 to 45 form part of these financial statements.

The Great North Air Ambulance Service

(A company limited by guarantee)

Charity balance sheet At 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Intangible assets	13	-	320,472
Tangible assets	14	7,771,175	9,055,414
Investments	15	2	5,828
		<u>7,771,177</u>	<u>9,381,714</u>
Current assets			
Stocks	16	30,769	33,071
Debtors	17	1,354,888	788,940
Fixed assets held for sale		100,000	-
Cash at bank and in hand		9,240,085	6,942,027
		<u>10,725,742</u>	<u>7,764,038</u>
Creditors: amounts falling due within one year	18	(934,348)	(540,976)
		<u>9,791,394</u>	<u>7,223,062</u>
Total assets less current liabilities		<u>17,562,571</u>	<u>16,604,776</u>
Total net assets		<u>17,562,571</u>	<u>16,604,776</u>
Charity funds			
Unrestricted funds		<u>17,562,571</u>	<u>16,604,776</u>
Total funds		<u>17,562,571</u>	<u>16,604,776</u>

The charity's net movement in funds for the year was £957,795 (2024: £(24,330)).

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 07 August 2025 and signed on their behalf by:



Mr J Jowett
Chair

Company registered number: 04436859

The notes on pages 22 to 45 form part of these financial statements.

The Great North Air Ambulance Service

(A company limited by guarantee)

Consolidated statement of cash flows Year ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash generated from operating activities	22	2,357,393	1,535,735
Cash flows from investing activities			
Dividends, interests and rents from investments		195,277	130,113
Proceeds from the sale of tangible fixed assets		215,277	3,658
Purchase of intangible assets		(122,860)	(162,085)
Purchase of tangible fixed assets		(124,814)	(164,518)
Proceeds from sale of investments		5,850	-
Net cash provided by/(used in) investing activities		168,730	(192,832)
Cash flows from financing activities			
Repayments of borrowing		(10,870)	(3,741,602)
Interest paid		(666)	(71,529)
Net cash used in financing activities		(11,536)	(3,813,131)
Change in cash and cash equivalents in the year		2,514,587	(2,470,228)
Cash and cash equivalents at the beginning of the year		7,443,547	9,913,775
Cash and cash equivalents at the end of the year	23	9,958,134	7,443,547

The notes on pages 22 to 45 form part of these financial statements

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Great North Air Ambulance Service meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.2 Going concern

The trustees have evaluated the potential income and expenditure forecasts including the opportunities and risks that could occur during 2025/26.

Having considered the financial forecasts the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

1. Accounting policies (continued)

1.3 Income

All income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Legacy income is recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the group, can be reliably measured.

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts donated for resale are included as income at an estimate of the expected fair value on receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

1. Accounting policies (continued)

1.5 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the consolidated statement of financial activities.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Intangible assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Software development	- no amortisation until the software is transferred into use
Software	- 25% straight-line

1.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 (£25,000 for assets relating to the aircrafts) or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

1. Accounting policies (continued)

1.9 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Land and buildings	- 2% straight-line for Urray Nook site 2% straight-line for Langwathby Hangar 10% straight-line for Langwathby base
Aircraft spare parts	- no depreciation until the parts are transferred into use
Office equipment	- 25% straight-line
Motor vehicles	- 25% straight-line
Other fixtures and equipment	- 10-25% straight-line
Medical equipment	- 20% straight-line
Service aircraft	- 10% straight-line

1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Stocks

Merchandise stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Donated stocks are included at fair value, based upon estimated selling price per tonne.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at bank and in hand

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

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

1. Accounting policies (continued)

1.14 Liabilities

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

1.15 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.16 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.17 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

1. Accounting policies (continued)

1.18 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the group and which have not been designated for other purposes.

Designated funds have been allocated from the group's free reserves to support capital costs associated with maintaining the aircraft, and the expected costs of developing the new base and medical centre of excellence as well as costs relating to any other future investment.

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

Investment income, gains and losses are allocated to the appropriate fund.

A capital fund was created to isolate the capital costs of the group from the revenue expenditure required to fund the group's running costs. The cost of depreciating the assets over their useful lives, and the finance costs relating to borrowings to fund the aircraft are channelled through this fund. The fund remains unrestricted.

2. Critical accounting estimates and areas of judgment

Critical accounting estimates and assumptions:

The preparation of financial statements requires management to make judgments, assumptions and estimates that affect the application of accounting policies and amounts reported in the statement of financial activities and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from the initial estimates and are reflected in the financial statements as soon as changes become apparent.

Significant judgments in applying accounting policies:

In preparing these financial statements, no significant judgments were required in the process of applying the group's accounting policies.

Key sources of estimation uncertainty:

Estimates included within these financial statements include depreciation and asset impairments, in relation to the residual value of aircraft and expected realisable value of software developed in house. See notes 13 and 14. Some of these estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, and may bear some risk of causing a material adjustment to the carrying amounts of assets and liabilities in the future. However, this risk is mitigated by periodic external valuation of the aircraft, with the Board keeping the expected residual value under review.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

3. Income from donations and legacies

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	2,733,474	2,733,474	2,296,988
Legacies	3,822,302	3,822,302	3,147,259
Grants	227,299	227,299	158,109
	<u>6,783,075</u>	<u>6,783,075</u>	<u>5,602,356</u>

4. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Air Ambulance Services	814,177	814,177	801,050

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Lottery and raffle	1,020,055	1,020,055	1,093,308
Fundraising activities	1,639,733	1,639,733	1,509,468
Room hire and catering	19,706	19,706	16,789
	<u>2,679,494</u>	<u>2,679,494</u>	<u>2,619,565</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

5. Income from other trading activities (continued)

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Subsidiary trading income	498,293	498,293	650,457

6. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Interest income	193,209	193,209	130,113
Subsidiary interest income	2,068	2,068	-
	<u>195,277</u>	<u>195,277</u>	<u>130,113</u>

7. Other incoming resources

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Profit on sale of tangible fixed assets	27,815	27,815	950

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Fundraising	934,355	934,355	680,883
Other direct costs	28,050	28,050	16,855
Support administration and office costs	186,490	186,490	162,424
Auditors' remuneration	5,555	5,555	4,521
Wages and salaries	1,072,914	1,072,914	953,906
National insurance	93,117	93,117	89,744
Pension costs	37,963	37,963	32,076
Depreciation	42,537	42,537	44,328
	<u>2,400,981</u>	<u>2,400,981</u>	<u>1,984,737</u>

Other trading expenses

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Subsidiary trading costs	205,289	205,289	273,219
Staff costs	216,972	216,972	265,500
	<u>422,261</u>	<u>422,261</u>	<u>538,719</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

9. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Air Ambulance Services	5,565,921	1,637,944	7,203,865

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Air Ambulance Services	5,912,888	1,372,394	7,285,282

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2025 £	Total funds 2024 £
Staff costs	1,615,067	1,577,584
Depreciation	1,194,317	1,248,917
Pilot and medical costs	769,497	735,989
Aircraft expenses	1,427,468	1,562,842
Administration and office costs	258,070	369,249
Other costs	102,844	84,072
Impairment of fixed assets	198,658	334,235
	5,565,921	5,912,888

Analysis of support costs

	Total funds 2025 £	Total funds 2024 £
Staff costs	926,109	689,060
Depreciation	127,612	132,983
Administration and office costs	505,151	487,272
Other costs	45,501	30,544
Governance costs	33,571	32,535
	1,637,944	1,372,394

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

10. Auditor's remuneration

	2025 £	2024 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	20,550	15,950
Fees payable to the charity's auditor in respect of: The auditing of accounts of associates of the charity	7,450	6,050
	<u>27,999</u>	<u>22,000</u>

11. Staff costs

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Wages and salaries	3,510,113	3,207,456	3,313,822	2,960,130
Social security costs	347,348	301,744	330,099	288,137
Contribution to defined contribution pension schemes	119,772	98,670	116,340	94,103
	<u>3,977,233</u>	<u>3,607,870</u>	<u>3,760,261</u>	<u>3,342,370</u>

Termination payments totalling £83,993 (2024: £9,500) were paid to 2 employees (2024:1) during the year in compensation for loss of office and payment in lieu of notice.

The average number of persons employed by the charity during the year was as follows:

	Group 2025 No.	Group 2024 No.
Management	1	1
Administration	34	32
Charitable operations	48	50
Fundraising and lottery - charity	16	15
Fundraising and lottery - trading company	8	12
	<u>107</u>	<u>110</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	Group 2024 No.
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	3	-
In the band £120,001 - £130,000	-	1
In the band £250,001 - £260,000	1	-

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the group.

During 2024/25 they were:

A Burtenshaw
A Chapman
A Dunn
C James
C Smith
D Bramley
D Stockton
G Ingram
J Garcia
L Salmon
M Davison

The total employee benefits of the key management personnel of the group were £802,953 (2024: £637,588).

12. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2024: £nil)

During the year ended 31 March 2025, no expenses were reimbursed or paid directly to trustees (2024: £nil) in respect of travel expenses.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

13. Intangible assets

Group and charity

	Software development £	Software £	Total £
Cost			
At 1 April 2024	391,353	566,139	957,492
Additions	122,860	-	122,860
Disposals	-	(566,139)	(566,139)
Transfer to fixed assets held for sale	(514,213)	-	(514,213)
At 31 March 2025	-	-	-
Amortisation			
At 1 April 2024	100,517	536,503	637,020
Charge for the year	115,038	21,170	136,208
On disposal	-	(557,673)	(557,673)
Impairments	198,658	-	198,658
Transfer to fixed assets held for sale	(414,213)	-	(414,213)
At 31 March 2025	-	-	-
Net book value			
At 31 March 2025	-	-	-
At 31 March 2024	290,836	29,636	320,472

**Notes to the financial statements
Year ended 31 March 2025**

14. Tangible fixed assets										
Group		Land and buildings	Service aircraft	Aircraft spare parts	Medical equipment	Office equipment	Motor vehicles and fittings	Fixtures and fittings	Other fixtures and equipment	Total
		£	£	£	£	£	£	£	£	£
Cost										
At 1 April 2024		4,289,977	13,671,008	554,555	354,779	228,422	580,349	-	795,471	20,474,561
Additions		-	-	-	25,002	44,236	2,831	-	52,745	124,814
Disposals		-	(2,850,179)	-	(131,216)	(190,411)	(18,028)	(4,171)	(4,742)	(3,198,747)
At 31 March 2025		4,289,977	10,820,829	554,555	248,565	82,247	565,152	(4,171)	843,474	17,400,628
Depreciation										
At 1 April 2024		556,234	9,055,206	502,635	294,391	216,916	348,205	-	363,133	11,336,720
Charge for the year		106,194	940,192	-	31,022	13,874	86,025	2,444	80,722	1,260,473
On disposals		-	(2,671,326)	-	(131,216)	(190,268)	(18,028)	(4,171)	(4,742)	(3,019,751)
At 31 March 2025		662,428	7,324,072	502,635	194,197	40,522	416,202	(1,727)	439,113	9,577,442
Net book value										
At 31 March 2025		3,627,549	3,496,757	51,920	54,368	41,725	148,950	(2,444)	404,361	7,823,186
At 31 March 2024		3,733,743	4,615,802	51,920	60,388	11,506	232,144	-	432,338	9,137,841

Notes to the financial statements
Year ended 31 March 2025

14. Tangible fixed assets (continued)

Charity

	Land and buildings £	Service aircraft £	Aircraft spare parts £	Medical equipment £	Office equipment £	Motor vehicles £	Other fixtures and equipment £	Total £
Cost								
At 1 April 2024	4,289,977	13,671,008	554,555	354,779	226,170	412,856	751,030	20,260,375
Additions	-	-	-	25,002	44,236	1,031	52,745	123,014
Disposals	-	(2,850,179)	-	(131,216)	(177,771)	(18,028)	(2,490)	(3,179,684)
At 31 March 2025	4,289,977	10,820,829	554,555	248,565	92,635	395,859	801,285	17,203,705
Depreciation								
At 1 April 2024	556,234	9,055,206	502,635	294,391	214,797	247,114	334,584	11,204,961
Charge for the year	106,194	940,192	-	31,022	11,625	58,635	80,589	1,228,257
On disposals	-	(2,671,326)	-	(131,216)	(177,628)	(18,028)	(2,490)	(3,000,688)
At 31 March 2025	662,428	7,324,072	502,635	194,197	48,794	287,721	412,683	9,432,530
Net book value								
At 31 March 2025	3,627,549	3,496,757	51,920	54,368	43,841	108,138	388,602	7,771,175
At 31 March 2024	3,733,743	4,615,802	51,920	60,388	11,373	165,742	416,446	9,055,414

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

15. Fixed asset investments

	Listed investments £
At 1 April 2024	5,826
Disposals	(5,826)
	<hr/>
At 31 March 2025	-
	<hr/> <hr/>
Net book value	
At 31 March 2025	-
	<hr/>
At 31 March 2024	5,826
	<hr/> <hr/>

	Investments in subsidiary companies £	Listed investments £	Total £
Charity			
Cost or valuation			
At 1 April 2024	2	5,826	5,828
Disposals	-	(5,826)	(5,826)
	<hr/>	<hr/>	<hr/>
At 31 March 2025	2	-	2
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value			
At 31 March 2025	2	-	2
	<hr/>	<hr/>	<hr/>
At 31 March 2024	2	5,826	5,828
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Great North Air Ambulance Service

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Notes to the financial statements Year ended 31 March 2025

16. Stocks

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Donation bags	-	8,001	-	-
Items for resale	52,438	51,584	30,769	33,071
	52,438	59,585	30,769	33,071

17. Debtors

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade debtors	284,903	127,920	275,903	75,573
Amounts owed by group undertakings	-	-	357,809	146,887
Other debtors	69,783	93,381	61,656	93,091
Prepayments and accrued income	662,766	477,408	659,520	473,389
	1,017,452	698,709	1,354,888	788,940

18. Creditors: amounts falling due within one year

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Bank loans (note 19)	10,247	9,994	-	-
Trade creditors	332,463	244,527	328,803	207,797
Other taxation and social security	114,531	165,233	89,579	85,591
Other creditors	40,569	1,365	13,478	1,325
Accruals and deferred income	516,402	267,788	502,488	246,263
	1,014,212	688,907	934,348	540,976

The Great North Air Ambulance Service

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Notes to the financial statements Year ended 31 March 2025

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Deferred income at 1 April 2024	215,269	291,289	215,269	291,289
Resources deferred during the year	212,441	215,269	212,441	215,269
Amounts released from previous periods	(215,269)	(291,289)	(215,269)	(291,289)
	212,441	215,269	212,441	215,269

19. Creditors: amounts falling due after more than one year

	Group 2025 £	Group 2024 £	Charity 2024 £
Bank loans	10,480	21,603	-

Bank loans

This lending facility is supported by the Bounce Back Loan Scheme (BBLs), managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy.

Under the terms of the loan, the BBLs guarantee is provided to the bank and not to the customer. The company therefore remains responsible for repaying the whole of the loan at all times.

The loan is an unsecured loan and is repayable over 59 monthly payments, with the final repayment date being 72 months after the loan was drawn.

The amount repayable by installments which falls due after five years is £nil (2024: £nil).

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

20. Deferred taxation

Group and charity

	2025 £
At the beginning of the year	(19,984)
Credit for the year	7,493
	<u>(12,491)</u>

The deferred tax liability is made up as follows:

	Group 2025 £	Group 2024 £
Fixed asset timing differences	(12,491)	(19,984)
	<u>(12,491)</u>	<u>(19,984)</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted funds						
General funds	7,146,463	10,497,770	(8,009,507)	4,633	24	9,639,383
Capital funds	9,458,313	-	(1,595,339)	60,212	-	7,923,186
Subsidiary reserves	330,710	500,361	(414,768)	(64,845)	-	351,458
	<u>16,935,486</u>	<u>10,998,131</u>	<u>(10,019,614)</u>	<u>-</u>	<u>24</u>	<u>17,914,027</u>

Transfers between funds represent the repayment of loans taken out to purchase fixed assets during the year, and the distributions from trading subsidiaries made.

Statement of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
General funds	9,195,855	9,154,034	(7,490,511)	(3,713,332)	417	7,146,463
Capital funds	7,173,655	-	(1,779,508)	4,064,166	-	9,458,313
Subsidiary reserves	582,583	650,457	(551,496)	(350,834)	-	330,710
	<u>16,952,093</u>	<u>9,804,491</u>	<u>(9,821,515)</u>	<u>-</u>	<u>417</u>	<u>16,935,486</u>

The Great North Air Ambulance Service

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Notes to the financial statements Year ended 31 March 2025

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

	Group 2025 £	Group 2024 £
Net income/expenditure for the year (as per Statement of Financial Activities)	978,541	(16,607)
Adjustments for:		
Depreciation charges	1,260,473	1,315,258
Amortisation charges	136,208	130,015
Gains on investments	(24)	(417)
Dividends, interests and rents from investments	(195,277)	(130,113)
(Profit)/loss on the sale of fixed assets	(27,815)	26,361
(Increase)/decrease in stocks	7,147	17,022
Increase in debtors	(318,743)	(92,437)
Increase/(decrease) in creditors	325,052	(131,888)
Interest paid	666	71,529
Fixed asset impairment	198,658	334,235
Movement in deferred tax	(7,493)	12,777
Net cash provided by operating activities	2,357,393	1,535,735

23. Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £
Cash in hand	9,958,134	7,443,547
Total cash and cash equivalents	9,958,134	7,443,547

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

24. Analysis of changes in net debt

	At 1 April 2023	Cash flows	Other non- cash changes	At 31 March 2024
	£	£	£	£
Cash at bank and in hand	7,443,547	2,514,587	-	9,958,134
Debt due within 1 year	(9,994)	10,870	(11,123)	(10,247)
Debt due after 1 year	(21,603)	-	11,123	(10,480)
	<u>7,411,950</u>	<u>2,525,457</u>	<u>-</u>	<u>9,937,407</u>

25. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £119,772 (2024: £98,670). Contributions totalling £14,231 (2024: £nil) were payable to the fund at the balance sheet date and are included in creditors.

26. Operating lease commitments

The group and the charity had no commitments under non-cancellable operating leases at 31 March 2025.

27. Related party transactions

Dr K Han is a trustee and is a Honorary Medical Director with NEAS. During the year, income from NEAS from a contract to provide MERIT services amounted to £332,365 (2024: £330,383) in respect of the charity.

Mr P Neal is a trustee and is a director of The Experience Bank. During the year, costs charged by The Experience Bank amounted to £nil (2024: £3,600) in respect of the charity and £nil (2024: £nil) in respect of the subsidiary companies.

During the year, the charity received a gift aid donation of £64,845 (2024: £83,879) from Great North Air Ambulance Trading Company Limited. At the year end, the charity was owed £221,733 (2024: £76,432) from Great North Air Ambulance Trading Company Limited. At the year end, the charity owed £nil (2024: £nil) to Great North Air Ambulance Trading Company Limited.

During the year, the charity received a gift aid donation of £nil (2024: £7,359) from Arc Medtech Limited. At the year end, the charity was owed £136,076 (2024: £70,455) from Arc Medtech Limited. At the year end, the charity owed £nil (2024: £nil) to Arc Medtech Limited.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2025

28. Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Principal activity	Class of shares	Holding
Great North Air Ambulance Service Trading Company Limited	3662874	Trading subsidiary for recycling collections	Ordinary	100%
Arc Medtech Limited	12189819	Trading subsidiary for royalties of software	Ordinary	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(loss) for the year £	Net assets/ (liabilities) £
Great North Air Ambulance Service Trading Company Limited	470,361	346,249	131,605	379,062
Arc Medtech Limited	30,000	76,012	(46,012)	(27,604)

THE GREAT NORTH AIR AMBULANCE SERVICE

England & Wales - Charity number 1092204

Accounts

Registered number: 04436859

Charity number: 1092204

The Great North Air Ambulance Service

(A company limited by guarantee)

Annual report

Year ended 31 March 2024

The Great North Air Ambulance Service

(A company limited by guarantee)

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The Great North Air Ambulance Service

(A company limited by guarantee)

Reference and administrative details

Year ended 31 March 2024

Trustees

Mr J Jowett, Chair
Dr K Han
Mr S Groves OBE
Ms D Dunn (resigned 21 July 2023)
Mr P Neal
Prof M Defeyter
Mrs C Vaughan
Mr A Hui
Mr G Sharp
Mrs L Huntington (appointed 21 July 2023)

Company registered number

04436859

Charity registered number

1092204

Registered office

Progress House
Urley Nook Road
Eaglescliffe
Stockton-on-Tees
TS16 0QB

Company secretary

Muckle Secretary Limited

Chief executive officer

Mr D Stockton

Independent auditor

UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers

Royal Bank of Scotland
Drummond House
1 Redheughs Avenue
Edinburgh
EH12 9JN

Solicitors

Muckle LLP
32 Gallowgate
Newcastle upon Tyne
Tyne and Wear
NE1 4BF

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report

Year ended 31 March 2024

The trustees (who are also directors of the charity for the purposes of the Companies Act) present this their annual report together with the audited financial statements of The Great North Air Ambulance Service (the company and the group) for the year ended 31 March 2024. This report includes the directors' report as required by company law.

The trustees confirm that the annual report and financial statements of the company and the group comply with the Charities Act 2011, the Companies Act 2006, the requirements of the company and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Welcome

The Great North Air Ambulance Service (GNAAS) is a charitably funded air ambulance service which provides life-saving care to the most ill and injured people in the North East, North Yorkshire, Cumbria, and the Isle of Man. We operate two helicopters 365 days a year and also operate a night-time service in the North East and Cumbria on rapid response vehicles.

The aircraft cover an area of over 8,000 square miles and on board are specialist doctors and paramedics who effectively bring the hospital to the patient.

We are a progressive organisation which has pioneered pre-hospital care in the region.

The latest techniques, equipment and drugs are constantly being evaluated to ensure we can provide the best care possible for our patients.

Since the charity began in 2002, we have responded more than 29,000 times across the region, with road traffic collisions being the most frequent type of incident responded to by the team.

Other incidents we have attended include medical incidents such as stroke and cardiac issues, assaults such as stabbings, leisure activities gone wrong, especially in rural areas, and self-harm.

In January 2023 we began responding to incidents in the North East 24 hours a day, 7 days a week, operating the helicopter in daylight hours, and via a rapid response car throughout the night. With this increase in service to this area of our region we experienced our busiest year on record, responding to 2,148 incidents, with 2,237 deployments. We were able to reach more patients than ever before who were in desperate need of our care.

We do not receive Government funding and must therefore raise close to £9m a year through public donations to remain operational.

Our work is only possible with the dedication of our supporters and for that we are eternally grateful.

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2024

Our aims and objectives

In May 2023 the charity launched its new vision, mission, and values. The exercise to refresh these involved team members from across the charity to ensure they reflect the organisation as it is today. As part of this we reframed vision, mission, and values to our what, why and how.

What we do - We deliver advanced, life-saving treatment to the people of our region at the critical moments that matter.

Why we do it - To keep families and communities together by saving lives.

How we do it -

We are committed.

We are courageous.

We are caring.

We are one team, saving lives.

The principal objectives of the charity remain unchanged:

- To promote the relief of sickness within the United Kingdom and the Isle of Man and in particular the counties of Cumbria, Northumberland and Durham and the surrounding areas by provision of an air ambulance service.
- To provide and maintain or assist with the provision and maintenance of aircraft and other ancillary and associated equipment.
- The advancement of education and training of medical professionals and health care personnel in medical disciplines with particular reference to emergency and pre hospital care.

Our team are committed to providing the best possible outcome for our patients, but the impact of what we do is felt far beyond this group of people. Our impact extends to their families, their friends and colleagues, those we train, our healthcare partners and the communities involved in fundraising activity.

Strategic report

Operations department

Achievements and performance

The past year has been a transformative period for the service. Despite numerous significant challenges, including global economic pressures and ongoing disruptions within the healthcare sector, we have made significant strides in enhancing our operational capabilities. Our commitment to providing rapid, life-saving services to our community remains unwavering, and we are proud to report on the key operational developments and achievements of the past year.

Expansion to 24/7 coverage

A significant milestone achieved this year is the expansion of our service to 24/7 coverage across more of our operational region. This enhancement ensures we are available to respond to more emergencies at any time day or night, significantly increasing our ability to save lives and provide critical care when it is needed most.

At the start of 2023, we successfully expanded our nighttime response capability built on the foundations of the comprehensive recruitment and training effort that began back in 2021. This strategic initiative enabled us to provide 24/7 service in the North East from January 2023 and resulted in the service having its busiest year ever.

We are proud to report that in January 2024, we expanded our nighttime response in Cumbria by providing a

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2024

"Hot Retrieval Service" to much of the area, with the anticipation to go fully 24/7 in this region in the near future. This service transfers critical patients from hospitals within Cumbria to the closest major trauma centre, usually the Royal Victoria Infirmary, in Newcastle. These patients require advanced treatment and monitoring on route. Unlike the North East, Cumbria lacks any major trauma centres (MTC) and with ambulance transit times to the MTCs averaging 120 minutes or more, our teams developed this specialised pathway. This service has been pivotal in providing the advanced care required for high-acuity, low-occurrence patients. We have collaborated closely with North Cumbria Integrated Care (West Cumberland Hospital and Cumberland Infirmary), the North West Ambulance Service, the Royal Victoria Infirmary, and the Royal Preston Hospital to deliver world-class care from these rural areas during nighttime hours. Our nighttime response in Cumbria has treated/transferred 65 of the most severely injured or sick patients, giving these patients the best chance of survival and appropriate onward care.

Although the requirement for nighttime response is different in the North East compared to the North West, our desire to be there for any patient at any time means we have adapted our models to suit the regional needs. This was accomplished through a review of our operational model in late 2023 and by introducing a new team structure to fully maximise our overnight coverage at both bases.

The expansion of our nighttime response in Cumbria means we are closer to achieving our strategic aim of providing critical care service around the clock across the entire region we serve. This progress is testament to the unwavering commitment of our team and the charity's commitment to the community it serves.

Innovations

We continue to explore the possibilities of technology to further improve patient response. The jet suit paramedic trial gave us great insight into the possibilities and although it isn't the answer we're looking for right now, the learnings have been invaluable.

Responding to those in need

We remain steadfast in our commitment to providing exceptional care and being there whenever the public we serve need us.

During the year 2023/24, the region's three NHS ambulance services called us out 2,148 times, up from 1,983 in 2022/23. The average cost per request for assistance, based on total expenditure for the charity, is £4,281, down from £4,286 in the previous year (this is across both helicopter and car response). The cost per day for our teams to be ready to respond is £25,217. We are dedicated to improving efficiencies to ensure we convert generous public donations into effective front-line critical care, maintaining our highest standards despite cultural and societal challenges.

Future developments

The economic situation, pressures in the health system, and growing demand for our services require us to find ways to do more with less. However, the dedication of our colleagues, volunteers, and supporters gives us a fighting chance to continue our service and achieve seemingly impossible milestones.

Looking forward, we are committed to further enhancing our service delivery and expanding our operational capabilities. Key areas of focus include:

- Technological innovations: Investing in advanced medical and aviation technologies to improve response times and the quality of care provided.
- Coverage expansion: Working towards achieving full 24/7 coverage across our entire service region, including the Isle of Man.
- Collaborative expansion: Working closely with the North East Ambulance Service (NEAS) to help establish 24-hour operational support and critical incident hub, to further enhance our specificity and assure each partner's accountability.
- Sustainability initiatives: Exploring sustainable practices to mitigate rising operational costs, such as

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Trustees' report (continued) Year ended 31 March 2024

- investing in more fuel-efficient aircraft and alternative energy sources.
- Staff support and development: Continuing to support our medical team through professional development and ensuring they have the resources needed to manage their dual roles effectively.

We know with confidence that our service will continue to have a direct impact on the lives of many people, with our interventions keeping more families together. It will not be easy, but the North of England and the Isle of Man are incredible places, full of amazing communities. Together, we can rise to the challenge.

Operational training Achievements and performance

Training has remained a key focus of the charity to ensure our teams are at the forefront of helicopter emergency medical service (HEMS) provision. Internal and external courses have been delivered, meaning our impact is felt further than the patients we directly care for. These courses include learning various skills and theory required to perform the role as a HEMS clinician, and to enhance other practitioners in the pre-hospital care environment.

External training courses feedback

- "Really high-quality teaching and experienced faculty. A privilege to learn from all of them."
- "Simulations on the second afternoon were particularly enjoyable. Great overall leadership, direction, and structure to the course."
- "Great immersion with the helicopter sim."
- "Thanks so much for the last couple of weeks. An epic course. Such a good experience. Appreciate all the hard work you put into the course."
- "Organisation was excellent. Faculty supportive and approachable. Content professional and focused. Outside scenarios practical."

Internal training

Over the past year, we have conducted numerous training days for our clinicians covering a wide range of topics to uphold their proficiency, competence and confidence in their respective roles. Our Operational Crew Audit Days (OCAD) have been structured to ensure that our teams maintain the necessary competencies for their demanding roles. We actively engage subject matter experts from diverse backgrounds to deliver the highest quality training based on their firsthand experiences.

Training Days are conducted every other month by different doctors and paramedics on many common topics. This year's topics included:

- Paediatrics
- Obstetrics
- Enhanced cardiac arrest management
- Major incident management
- Surgical procedures and simulation
- Mountain rescue
- Hot retrieval
- Paramedic response

These sessions, attended on average by 20 clinicians, allow our team to share learning, listen, review standard SME's operating procedures, and simulate scenarios related to each topic. These days are excellent for building team relationships and learning from each other's experiences.

To maintain our crew's operational readiness, we have integrated simulation practice into our daily routine while on shift. Across both bases, we conducted 830 simulations, ensuring familiarity with our standard operating procedures and maintaining critical thinking and decision-making processes in complex and infrequent incidents.

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Trustees' report (continued)

Year ended 31 March 2024

Our IT department have developed numerous systems to help our teams assure governance and support them to be the best they can be.

Future activity External training

Moving forward into 2024/2025 we will be delivering our external course syllabus and continuing to support internal training. We will review all courses to ensure all content is up-to-date, evidence based, and engaging for all candidates, whilst also being commercially viable.

Regarding internal training we will continue to conduct training days every other month so the team can come together and develop to maintain currency and competence in the clinical care. We will also ensure team debrief sessions to discuss pertinent cases to share learning experiences, this will be monthly and run by one of the Paramedics. We will continue to support the wider charity by delivering basic life support training and awareness of our critical care team capabilities to enable wider sharing with the public to increase income and awareness.

We will look to continue to develop our team through the Diploma in Immediate Medical Care along with other study days.

Income Generation Achievements and performance

2023/24 has been a more stable year in comparison to the period immediately post-COVID. However it was not without its challenges. The full impact of the cost-of-living crisis has been felt this year; we find more wonderful supporters are donating, but with smaller amounts, which is reflective of the current economic circumstance. 2022/23 vs 2023/24 our average donation amount has reduced by 7% (not including legacies, lottery, regular giving, grants or Gift Aid). Despite this, our value of donations has increased overall by 7% and is testament to the hard work of the income and engagement team and the dedication of our supporters.

Overall income generation activities raised £9m (£10m 2022/23).

The largest contributor to this, as is usual for the charity, was income received from gifts in Wills. 164 kind supporters included our charity in their Wills resulting in £3.14m of income in the year(2022/23 £4.66m).

Income raised via the events team activities saw remarkable growth of 40% versus the previous year. We had our largest ever Great North Run team with 301 charity place runners and 90 ballot runners, who together raised over £170,000.

The corporate and community teams continue to engage with supporters throughout the region by spreading awareness and supporting and encouraging fundraising efforts. This year we recognised the efforts of one supporter, who in this period alone raised over £100,000 for the charity, by awarding him ambassador status. A new corporate partner programme was launched that recognised businesses who donated £5,000 or more. 24 companies were made partners, and this is a key fundraising initiative moving forward.

During the year we invested in a team member based on the Isle of Man to help increase awareness and income from residents and visitors. This has been a positive step forward, although the initiative is in its early stages.

The subsidiary trading companies, whose activity raises funds solely for our charity, generated turnover of £650,457 (2022/23 £779,031). The clothing recycling company function was moved from Newton Aycliffe to the charity headquarters in January 2023. This move, along with changes to introduce operational efficiencies have helped the company maximise its potential in a changing marketplace. Clothing collections are now mainly arranged via an online booking form or phone calls which has resulted in a large reduction in unwanted plastic waste and cost. Our eBay store and other online selling sites have been utilised where appropriate to increase sales value of items. Whilst the market has continued to be unstable, the changes to our model have provided resilience.

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Trustees' report (continued)

Year ended 31 March 2024

The charity invested heavily in the SAAS platform ARC-EMS. ARC-EMS supports the tasking of the operational team and recording its data. The investment will allow the system to be fully paperless, with offline capability, and have all patient data in one place. The new version is due to go live in Summer 2024, and will be commercially available via our subsidiary company ARC Medtech Limited.

External canvassing company, Tower Lotteries, continue to recruit and manage our second lottery, the 'GNAAS 24/7 lottery'. This has seen expected growth throughout the year, and over time will be a large, sustainable contributor to overall income.

Patients and their families continue to astound with their fundraising efforts in recognition of the service we provided, and we continue to be supported by generous individuals and businesses who understand the difference we make. Every donation made to our charity is gratefully received, no matter how big or small, and ultimately funds the critical care team responding to incidents throughout the region.

For every £1 spent by the charity raising funds, £4.18 (2022/23: £6.82) was generated in donations, legacies, grants and lottery and fundraising income.

Volunteers

This year 140 volunteers generously supported our cause. This ranged from office duties, attending cheque presentations and collection box servicing, to delivering community talks, managing bucket collections and supporting our events. No task is too big or small for this wonderful collection of people and for that we are eternally grateful. Their commitment is what makes our life-saving work possible.

Future activity

Agility is a key component of our income and engagement team as they continually review and assess activity to ensure we maximise opportunities and are aware of any challenges.

Corporate and major gifts continue to be a major focus of the team, engaging and building relationships throughout the region to help increase and sustain income in this area. Financial support, gifts-in-kind and shared knowledge are paramount in supporting the charity.

Whilst it has been tough to gain traction in the Isle of Man, we are committed to ensuring the service can continue responding in the future. We are considering what further investment this may need and how we can increase understanding and knowledge on the island to support fundraising.

We aim to launch the updated version of ARC-EMS as a high priority as we expect the product to appeal to wide range of new customers.

We will continue to nurture supporters by providing a great giving experience to encourage future support and continue to encourage supporters to remember us in their Wills.

We have recently invested in a data insight project which will be key in helping us to understand our supporters in more detail, and help to shape future income generation campaigns.

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Trustees' report (continued)

Year ended 31 March 2024

Financial review

The consolidated accounts set out the combined results for the Great North Air Ambulance Service charity, and for the charity's wholly-owned trading subsidiaries (the Great North Air Ambulance Trading Company and ARC Medtech Limited) for the year ended 31 March 2024. Income for the year totalled £9,804,491 (2022/23: £10,849,751).

Gifts in Wills remained a significant source of income but are by their nature unpredictable. The amount received due to Gifts in Wills, referred to as legacies, decreased by £1.5m compared to 2022/23. Income from donations, grants, lottery and fundraising increased by £398k compared to 2022/23.

Resources expended in the year totalled £9,808,738 (2022/23: £9,193,935), an increase of £603,981.

The consolidated accounts include income of £650,457 (2022/23: £779,031) earned by the subsidiary companies and associated resources expended of £538,719 (2022/23: £696,923).

The capital fund differentiates the capital costs of the charity from the revenue expenditure required to fund the charity's running costs. The costs of depreciating the assets over their useful lives, and the finance costs relating to borrowing to fund the aircraft are reflected in the capital fund. The capital fund remains unrestricted.

Results for the charity

Income for the year totalled £9,245,272 (2022/23: £10,264,976). Our sources of income include:

- Donations from individuals, corporate supporters and from the charity's own trading company £2,388,226 – 23% (2022/23: £2,225,632 – 22%)
- Legacies £3,147,259 – 31% (2022/23: 4,665,306 – 45%)
- Charitable activities (chargeable pre-hospital care services and training) £801,050 – 8% (2022/23: £818,844 – 8%)
- Lottery and raffle income £1,093,308 – 11% (2022/23: £1,115,601 – 11%)
- Fundraising activities including events £1,506,468 – 15% (2022/23: £1,209,990 – 12%)
- Grants and other income £158,109 – 1.5% (2022/23: £229,603 – 2%)

Resources expended in the year totalled £9,270,019 (2022/23: £8,497,012). Resources expended include:

- Costs of delivering our charitable activities – these costs cover the clinical, operational, training, compliance and essential support costs of delivering our services. Total costs of delivery for the year were £7,274,460 – 78% (2022/23: £7,116,161 – 84%).
- The costs of delivering fundraising activities – these are the costs, including staff and non-staff costs, relating to events, managing fundraising activities, promotion activities to generate public support, and the costs of running the lottery. Without these activities, the charity could not generate the financial support needed to allow us to deliver our services. £1,984,737 – 22% (2022/23: £1,380,851 – 16%) of our costs, are attributable to this area of our work.

Any surplus generated is held for future investment and to support the reserves policy laid down by the charity's trustees.

As set out above, the capital fund differentiates the capital costs of the charity from the revenue expenditure required to fund the charity's running costs.

Investment policy and performance

As per the memorandum and articles of association the charity has the power to acquire assets to borrow money and to invest surplus funds in any way that the trustees wish.

There were no investments and no investment income during the year other than small amounts of interest

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Trustees' report (continued)

Year ended 31 March 2024

received from interest-bearing current accounts, and a small number of shares received through gifts in Wills.

The trustees reviewed their approach to investment during the year and concluded to continue to maintain cash balances in the light of future capital commitments and plans. The trustees keep the cash position and broader investment strategy and policies of the charity under review.

Reserves policy

In line with Charity Commission guidelines, the trustees monitor the level of reserves held to ensure they are being used to help to achieve the objectives of the charity.

The charity aims to keep free reserves at levels to provide for six months operating costs which the trustees consider prudent. Based on 2024/25 budgeted costs the operating costs of the charity excluding depreciation are forecast at £8mil, this equates to an estimated £4mil for six months.

As at 31 March 2024, the charity holds total reserves of £16.6 million, of which £9.4 million is tied up in fixed assets. The charity's free reserves stand at £7.2 million, which is higher than the charity aims to hold. However, this is expected to reduce during 2024/25 with the charity's reserves being utilised to replace charity fixed assets in 2024/25. This will bring the free reserves closer to the target of 6 months expenditure.

Principal risks and uncertainties

As part of their responsibilities, the trustees ensure that the major risks to which the charity is exposed are reviewed and systems established to mitigate those risks. The trustees have appointed the chief executive and the executive team to review major risks and make recommendations to the trustees as to how to manage them. The finance, audit, remuneration and risk committee are responsible for the review and monitoring of the effectiveness of policies and processes for assessing and managing risk.

The principal risk categories are strategic governance, clinical, service delivery (clinical), service delivery (other), financial risk, income generation risk, reputational risk, information governance/data protection, and human resources.

Foremost for consideration are clinical and operational risks involving patient treatment and care. This aspect is regulated by the Care Quality Commission (CQC), by which we were rated as outstanding in 2022; and factors involved with the flying environment, this is highly regulated by the Civil Aviation Authority (CAA).

In addition to the major risk groups, the charity has developed a business continuity plan to ensure that the charity is prepared to deal with service outages caused by factors beyond its control that could seriously impair the charity's ability to continue normal operations. COVID-19 has meant that our business continuity plan has been put to the test in recent years. This has demonstrated that these plans work with our frontline services continuing to operate with the necessary adaptations, and our non-frontline services mobilised to work from remote locations.

As part of their responsibilities, the trustees ensure that major risks to which the charity may be exposed are reviewed annually. At each meeting of the board, any new risks or changes to existing risks identified from the papers or discussions around agenda items are noted and the risk register updated accordingly.

Complaints received are reviewed by the relevant sub-committee on a regular basis. The committees review the number and general nature of complaints received; any trends in complaints; and any areas of risk that need to be addressed.

Going concern

The charity saw increased income from donations, grants, lottery and fundraising across 2023/24 with an additional £398k year on year.

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Trustees' report (continued)

Year ended 31 March 2024

Gifts in Wills remained a significant source of income but are by their nature unpredictable. The amount received in 2023/24 decreased by £1.5m compared to 2022/23, however this total amount received allowed the charity to end the year in a surplus position.

Income continues to be impacted into 2024/25 as the cost-of-living crisis has reduced the charity's ability to generate funds due to many supporters having reduced disposable income. The charity's trading company has also been impacted by market demand as well as the increased use of platforms such as Vinted and eBay, reducing the amount that can be gifted to the charity.

The charity has prepared budget forecasts for the period to 31 March 2025. These forecasts show an expected surplus of £163k for the year 2024/25. The forecast surplus is expected as the income and engagement activities have increased following continued investment in the income and engagement team with focus on increased fundraising activities.

Increased costs for 2024/25 are attributable to increased operating costs of moving toward 24/7 service delivery across both North East and Cumbria, increased costs in fundraising activities, increased energy and utility costs as well as increased salary costs as a result of the significant increase to national living wage for the second year running.

The charity is still forecast to have in excess of £7.8m cash in March 2025, an increase of £900k from March 2024. This forecast increase in cash held is a result of building up a contingency of funds for asset replacement during the year.

Having considered the financial forecasts the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Public benefit

All our charitable activities are undertaken to further our charitable purposes for the public benefit. Over the last twenty on years, this charity has changed the way many seriously ill or injured patients are treated and cared for. This advance in pre-hospital emergency medical care (limited only by resource) has noticeably impacted on vulnerable patients with many more surviving than would otherwise have done so previously, delivering proven public benefit.

In accordance with S17 of the Charities Act 2011, the trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the charity and when planning the future activities. The trustees assess how new activities planned will contribute to the overall aims and objectives they have set and periodically review existing activities to ensure ongoing public benefit.

Structure, governance and management

The charity is a company limited by guarantee, incorporated in the United Kingdom on 13 May 2002 and registered in England and Wales. It is also a registered charity (charity number 1092204).

Organisational structure

The controlling entity of the charity is the Board of Trustees. The board meets a minimum of four times per year. Between general meetings subcommittees of the board, the Finance, Audit, Remuneration and Risk committee (FAR), the Nominations committee and the Operations and Clinical committee, are called upon to maintain a continuous governance overview.

The charity is sub-divided into Medical/Operational, Income & Engagement, Finance & Facilities, IT & Projects (inc Compliance & Assurance), and HR, each headed up by a member of the strategic development team (SDT).

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Trustees' report (continued)

Year ended 31 March 2024

The SDT are responsible for leading their service area, and collectively along with the Chief Executive are responsible and accountable for delivering a safe and efficient service. The charity owns two non-charitable commercial subsidiary companies known as the Great North Air Ambulance Service Trading Company and ARC Medtech.

The Great North Air Ambulance Trading Company operates independently of the charity with its own structure, management and employees. This recycling and international export business trades in mobile phones, inkjet cartridges, unwanted clothing and other disposable goods. The trading company donates the distributable profits derived from its trading activities to the charity that over the years has amounted to over £4m, making it the charity's largest single commercial donor.

ARC Medtech was established in 2019 to allow the charity to exploit the intellectual property vested in its operational ICT system. ARC Medtech does not employ any staff. As with the trading company, ARC Medtech's distributable profits derived from its trading are donated to the charity.

Governance

The trustees, who are also directors of the charitable company, are bound by the charity's Memorandum and Articles of Association.

The trustees collectively are responsible for directing the affairs of the charity ensuring that it is solvent, well run, delivering the charitable outcomes for which it was set up, and ensuring compliance with charity law and all other applicable legislation and regulation. The trustees also determine the strategy and key objectives and vote on major policy decisions affecting the charity. Trustees monitor the performance of the charity at meetings of the board and its sub-committees. Sub-committees meet a minimum of 3 times per year.

The Operations and Clinical committee has delegated responsibility for overseeing all operational and clinical aspects of the charity and reporting back to the board accordingly.

The Finance, Audit, Remuneration and Risk Committee has delegated responsibility for overseeing all financial aspects of the charity, including audit and remuneration, to ensure short and long-term viability and report back to the board accordingly. The committee, when required, will determine and make recommendations regarding the remuneration of employees. The remuneration packages of senior executives and employees are established with reference to market rates for similar roles and are designed to attract and retain employees while remaining affordable to the charity.

The Nominations Committee has the delegated responsibility to review the structure, size and composition of the Board, taking into account the Trustees' skills, knowledge and diversity. It makes recommendations to the Board with regard to recruitment of new Trustees, either due to the retirement of existing Trustees or in order to fill identified skills gaps. The Nominations Committee is also responsible for the Trustee induction plan, Board evaluation and effectiveness processes and succession planning

Two of the trustees are also directors of the trading company, and two of the trustees are also directors of ARC Medtech. The directors of each of the trading subsidiaries report on the company's activities and performance and communicate those matters to the charity board.

Regulatory compliance and overall performance standards are monitored and assessed with quality and key performance indicators by the board throughout the year. This helps to ensure the charity is well-governed, safe and legislatively compliant in all aspects of its duties and operations.

Policies adopted for the induction and training of trustees

Trustee are identified by a process of targeted recruitment aimed at ensuring the skills of the board remain both relevant and balanced. New trustees are interviewed and appointed by presiding trustees who aim to achieve a good mix of professional skills that will benefit the charity.

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Trustees' report (continued) Year ended 31 March 2024

Each new trustee undergoes a brief induction programme that includes the charity's vision and objects, role and responsibilities and financial standing. The charity facilitates attendance at appropriate external training events where there is an identified need.

In addition to the constitution, trustees are bound by the charity's Code of Governance and Code of Conduct.

Management

Although ultimate responsibility for the management of the charity lies with the trustees, they do have the power to delegate and do so to enable the charity to function on a daily basis.

The trustees are responsible for appointing a chief executive. The chief executive is responsible for staff leadership, management, and administration as well as the clinical and operational aspects of the charity and is the link between the board of trustees and the staff. Senior managers are appointed to assist the chief executive in these duties and this structure ensures the charity is effective, well-governed and legislatively compliant in all aspects of its operations.

Senior managers are responsible and accountable to the CEO for their designated area of operation, ensuring that services are delivered in pursuance of the charity's agreed strategies and objectives; that relevant regulatory compliance is maintained; and that performance is in line with agreed standards.

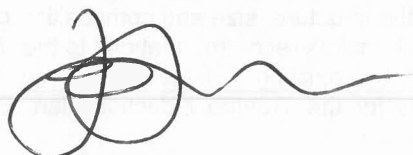
Regular departmental and staff meetings are held to ensure the charity progresses and maintain its aims and objectives thereby delivering on its public benefit requirement.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- That trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the group strategic report, was approved by the trustees, in their capacity as company directors, on 26 July 2024 and signed on their behalf by:



Mr J Jowett
Chair

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Trustees' responsibilities statement

Year ended 31 March 2024

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charity 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 Group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Independent auditor's report to the members of The Great North Air Ambulance Service

Opinion

We have audited the financial statements of The Great North Air Ambulance Service ('the parent charitable company') and its subsidiaries ('the group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 March 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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



Independent auditor's report to the members of The Great North Air Ambulance Service (continued)

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 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

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



Independent auditor's report to the members of The Great North Air Ambulance Service (continued)

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by Auditing Standards) and from inspection of the group's legal correspondence and we discussed with the trustees and other management the policies and procedures in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, civil aviation regulations, care quality legislation, employment law, data protection, environmental law and certain aspects of company legislation, recognising the nature of the group's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.



Independent auditor's report to the members of The Great North Air Ambulance Service (continued)

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

26 July 2024

The Great North Air Ambulance Service

(A company limited by guarantee)

Consolidated statement of financial activities (incorporating income and expenditure account)

Year ended 31 March 2024

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:				
Donations and legacies	3	5,602,356	5,602,356	6,896,511
Charitable activities	4	801,050	801,050	818,844
Other trading activities	5	3,270,022	3,270,022	3,107,138
Investments	6	130,113	130,113	27,258
Other income	7	950	950	-
Total income		9,804,491	9,804,491	10,849,751
Expenditure on:				
Raising funds	8	2,523,456	2,523,456	2,077,774
Charitable activities	9	7,285,282	7,285,282	7,116,161
Total expenditure		9,808,738	9,808,738	9,193,935
Net (expenditure)/income before net gains on investments		(4,247)	(4,247)	1,655,816
Net gains on investments	15	417	417	322
Net (expenditure)/income before taxation		(3,830)	(3,830)	1,656,138
Taxation		(12,777)	(12,777)	-
Net movement in funds		(16,607)	(16,607)	1,656,138
Reconciliation of funds:				
Total funds brought forward		16,952,093	16,952,093	15,295,955
Net movement in funds		(16,607)	(16,607)	1,656,138
Total funds carried forward		16,935,486	16,935,486	16,952,093

The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 22 to 45 form part of these financial statements.

The Great North Air Ambulance Service

(A company limited by guarantee)

Consolidated balance sheet At 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	13	320,472	288,402
Tangible assets	14	9,137,841	10,652,835
Investments	15	5,826	5,409
		<u>9,464,139</u>	<u>10,946,646</u>
Current assets			
Stocks	16	59,585	76,607
Debtors	17	698,709	606,272
Cash at bank and in hand		7,443,547	9,913,775
		<u>8,201,841</u>	<u>10,596,654</u>
Creditors: amounts falling due within one year	18	(688,907)	(1,137,174)
Net current assets		<u>7,512,934</u>	<u>9,459,480</u>
Total assets less current liabilities		<u>16,977,073</u>	<u>20,406,126</u>
Creditors: amounts falling due after more than one year	19	(21,603)	(3,446,826)
Provisions for liabilities			
Deferred tax	20	(19,984)	(7,207)
Total net assets		<u>16,935,486</u>	<u>16,952,093</u>
Charity funds			
Unrestricted funds	21	16,935,486	16,952,093
Total funds		<u>16,935,486</u>	<u>16,952,093</u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 26 July 2024 and signed on their behalf by:



Mr J Jowett
Chair

The notes on pages 22 to 45 form part of these financial statements.

The Great North Air Ambulance Service

(A company limited by guarantee)

Charity balance sheet

At 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	13	320,472	288,402
Tangible assets	14	9,055,414	10,618,262
Investments	15	5,828	5,411
		<u>9,381,714</u>	<u>10,912,075</u>
Current assets			
Stocks	16	33,071	39,845
Debtors	17	788,940	586,489
Cash at bank and in hand		6,942,027	9,511,292
		<u>7,764,038</u>	<u>10,137,626</u>
Creditors: amounts falling due within one year	18	(540,976)	(1,004,212)
Net current assets		<u>7,223,062</u>	<u>9,133,414</u>
Total assets less current liabilities		<u>16,604,776</u>	<u>20,045,489</u>
Creditors: amounts falling due after more than one year	19	-	(3,416,383)
Total net assets		<u>16,604,776</u>	<u>16,629,106</u>
Charity funds			
Unrestricted funds	21	<u>16,604,776</u>	<u>16,629,106</u>
Total funds		<u>16,604,776</u>	<u>16,629,106</u>

The charity's net movement in funds for the year was £(24,330) (2023 - £1,768,286).

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 26 July 2024 and signed on their behalf by:


Mr J Jowett
Chair

Company registered number: 04436859

The notes on pages 22 to 45 form part of these financial statements.

The Great North Air Ambulance Service

(A company limited by guarantee)

Consolidated statement of cash flows Year ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash generated from operating activities	22	1,535,735	3,923,856
Cash flows from investing activities			
Dividends, interests and rents from investments		130,113	27,258
Proceeds from the sale of tangible fixed assets		3,658	-
Purchase of intangible assets		(162,085)	(211,365)
Purchase of tangible fixed assets		(164,518)	(185,675)
Net cash used in investing activities		(192,832)	(369,782)
Cash flows from financing activities			
Repayments of borrowing		(3,741,602)	(326,437)
Interest paid		(71,529)	(194,836)
Net cash used in financing activities		(3,813,131)	(521,273)
Change in cash and cash equivalents in the year		(2,470,228)	3,032,801
Cash and cash equivalents at the beginning of the year		9,913,775	6,880,974
Cash and cash equivalents at the end of the year	23	7,443,547	9,913,775

The notes on pages 22 to 45 form part of these financial statements

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Great North Air Ambulance Service meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.2 Going concern

The charity saw increased income from donations, grants, lottery and fundraising across 2023/24 with an additional £398k year on year.

Gifts in wills remained a significant source of income but are by their nature unpredictable, the amount received in 2023/24 decreased by £1.5m compared to 2022/23, however this total amount received allowed the charity to end the year in a surplus position.

Income continues to be impacted into 2024/25 as the cost-of-living crisis has reduced the charity's ability to generate funds due to many supporters having reduced disposable income. The charity's trading company has also been impacted by market demand as well as the increased use of platforms such as Vinted and ebay, reducing the amount that can be gifted to the charity.

The charity has prepared budget forecasts for the period to 31 March 2025. These forecasts show an expected surplus of £163k for the year 2024/25. The forecast surplus is expected as the income and engagement activities have increased following continued investment in the income and engagement team with focus on increased fundraising activities.

Increased costs for 2024/25 are attributable to increased operating costs of moving toward 24/7 service delivery across both North East and Cumbria, increased costs in fundraising activities, increased energy and utility costs as well as increased salary costs as a result of the significant increase to national living wage for the second year running.

The charity is still forecast to have in excess of £7.8m cash in March 2025, an increase of £900k from March 2024. This forecast increase in cash held is a result of building up a contingency of funds for asset replacement during the year.

Having considered the financial forecasts the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

1. Accounting policies (continued)

1.3 Income

All income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Legacy income is recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the group, can be reliably measured.

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts donated for resale are included as income at an estimate of the expected fair value on receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

1. Accounting policies (continued)

1.5 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the consolidated statement of financial activities.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Intangible assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Software development	- no amortisation until the software is transferred into use
Software	- 25% straight-line

1.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 (£25,000 for assets relating to the aircrafts) or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

1. Accounting policies (continued)

1.9 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Land and buildings	-	2% straight-line for Urray Nook site 2% straight-line for Langwathby Hangar 10% straight-line for Langwathby base
Aircraft spare parts	-	no depreciation until the parts are transferred into use
Office equipment	-	25% straight-line
Motor vehicles	-	25% straight-line
Other fixtures and equipment	-	10-25% straight-line
Medical equipment	-	20% straight-line
Service aircraft	-	10% straight-line

1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.11 Stocks

Merchandise stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Donated stocks are included at fair value, based upon estimated selling price per tonne.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at bank and in hand

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

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

1. Accounting policies (continued)

1.14 Liabilities

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

1.15 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.16 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.17 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

1. Accounting policies (continued)

1.18 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds have been allocated from the group's free reserves to support capital costs associated with maintaining the aircraft, and the expected costs of developing the new base and medical centre of excellence as well as costs relating to any other future investment.

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

Investment income, gains and losses are allocated to the appropriate fund.

A capital fund was created to isolate the capital costs of the group from the revenue expenditure required to fund the group's running costs. The cost of depreciating the assets over their useful lives, and the finance costs relating to borrowings to fund the aircraft are channelled through this fund. The fund remains unrestricted.

2. Critical accounting estimates and areas of judgment

Critical accounting estimates and assumptions:

The preparation of financial statements requires management to make judgments, assumptions and estimates that affect the application of accounting policies and amounts reported in the statement of financial activities and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from the initial estimates and are reflected in the financial statements as soon as changes become apparent.

Significant judgments in applying accounting policies:

In preparing these financial statements, no significant judgments were required in the process of applying the company's accounting policies.

Key sources of estimation uncertainty:

Estimates included within these financial statements include depreciation and asset impairments, including in relation to the residual value of aircraft. See note 14 for the carrying value of fixed assets. Some of these estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, and may bear some risk of causing a material adjustment to the carrying amounts of assets and liabilities in the future. However, this risk is mitigated by periodic external valuation of the aircraft with the Board keeping the expected residual value under review.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

3. Income from donations and legacies

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	2,296,988	2,296,988	2,031,376
Legacies	3,147,259	3,147,259	4,665,306
Grants	158,109	158,109	199,829
	<u>5,602,356</u>	<u>5,602,356</u>	<u>6,896,511</u>

4. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Air Ambulance Services	801,050	801,050	818,844

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Lottery and raffle	1,093,308	1,093,308	1,115,601
Fundraising activities	1,509,468	1,509,468	1,209,990
Room hire and catering	16,789	16,789	2,516
	<u>2,619,565</u>	<u>2,619,565</u>	<u>2,328,107</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

5. Income from other trading activities (continued)

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Subsidiary trading income	650,457	650,457	779,031

6. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Interest income	130,113	130,113	27,258

7. Other incoming resources

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Profit on sale of tangible fixed assets	950	950	-

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Fundraising	680,883	680,883	338,196
Other direct costs	16,855	16,855	12,462
Support administration and office costs	162,424	162,424	144,832
Auditors' remuneration	4,521	4,521	3,631
Wages and salaries	953,906	953,906	739,918
National insurance	89,744	89,744	71,599
Pension costs	32,076	32,076	24,628
Depreciation	44,328	44,328	45,585
	<u>1,984,737</u>	<u>1,984,737</u>	<u>1,380,851</u>

Other trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Subsidiary trading costs	273,219	273,219	305,926
Staff costs	265,500	265,500	390,997
	<u>538,719</u>	<u>538,719</u>	<u>696,923</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

9. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Air Ambulance Services	5,912,888	1,372,394	7,285,282
	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Air Ambulance Services	5,649,189	1,466,972	7,116,161

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	1,577,584	1,367,857
Depreciation	1,248,917	1,241,434
Pilot and medical costs	735,989	621,079
Aircraft expenses	1,562,842	1,783,196
Administration and office costs	369,249	388,744
Other costs	84,072	246,879
Impairment of aircraft and parts	334,235	-
	<u>5,912,888</u>	<u>5,649,189</u>

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	689,060	864,678
Depreciation	132,983	136,751
Administration and office costs	487,272	407,636
Other costs	30,544	47,016
Governance costs	32,535	10,891
	<u>1,372,394</u>	<u>1,466,972</u>

The Great North Air Ambulance Service

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Notes to the financial statements

Year ended 31 March 2024

10. Auditor's remuneration

	2024 £	2023 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	15,950	14,900
Fees payable to the charity's auditor and its associates in respect of: The auditing of accounts of associates of the charity	6,050	5,700
	<u>22,000</u>	<u>20,600</u>

11. Staff costs

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Wages and salaries	3,207,456	3,069,948	2,960,130	2,710,890
Social security costs	301,744	307,197	288,137	280,486
Contribution to defined contribution pension schemes	98,670	82,532	94,103	77,304
	<u>3,607,870</u>	<u>3,459,677</u>	<u>3,342,370</u>	<u>3,068,680</u>

The average number of persons employed by the charity during the year was as follows:

	Group 2024 No.	Group 2023 No.
Management	1	1
Administration	32	35
Charitable operations	50	39
Fundraising and lottery - charity	15	11
Fundraising and lottery - trading company	12	19
	<u>110</u>	<u>105</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	Group 2023 No.
In the band £60,001 - £70,000	3	3
In the band £120,001 - £130,000	1	-
In the band £130,001 - £140,000	-	1

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the group.

During 2023/24 they were:

D Stockton
A Burtenshaw
A Chapman
A Dunn
A Mawson
M Davison
C James
C Smith
D Bramley
G Ingram
L Salmon

The total employee benefits of the key management personnel of the group were £637,588 (2023: £578,287).

12. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2023: £nil)

During the year ended 31 March 2024, no expenses were reimbursed or paid directly to trustees (2023:£nil) in respect of travel expenses.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

13. Intangible assets

Group and charity

	Software development £	Software £	Total £
Cost			
At 1 April 2023	229,268	566,139	795,407
Additions	162,085	-	162,085
At 31 March 2024	<u>391,353</u>	<u>566,139</u>	<u>957,492</u>
Amortisation			
At 1 April 2023	22,694	484,311	507,005
Charge for the year	77,823	52,192	130,015
At 31 March 2024	<u>100,517</u>	<u>536,503</u>	<u>637,020</u>
Net book value			
At 31 March 2024	<u>290,836</u>	<u>29,636</u>	<u>320,472</u>
At 31 March 2023	<u>206,574</u>	<u>81,828</u>	<u>288,402</u>

The Great North Air Ambulance Service
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Notes to the financial statements
Year ended 31 March 2024

14. Tangible fixed assets										
Group	Land and buildings £	Service aircraft £	Aircraft spare parts £	Medical equipment £	Office equipment £	Motor vehicles £	Fixtures and fittings £	Other fixtures and equipment £	Total £	
Cost										
At 1 April 2023	4,279,977	15,909,286	554,555	368,868	225,493	484,793	-	776,842	22,599,814	
Additions	10,000	-	-	10,787	11,819	122,172	9,740	-	164,518	
Disposals	-	(2,238,278)	-	(24,876)	-	(26,616)	-	-	(2,289,770)	
At 31 March 2024	4,289,977	13,671,008	554,555	354,779	237,312	580,349	9,740	776,842	20,474,562	
Depreciation										
At 1 April 2023	441,896	10,005,521	433,400	274,214	203,528	305,694	-	282,726	11,946,979	
Charge for the year	114,338	1,002,963	-	35,034	12,622	69,127	1,986	79,188	1,315,258	
On disposals	-	(2,218,278)	-	(14,857)	-	(26,616)	-	-	(2,259,751)	
Impairment charge	-	265,000	69,235	-	-	-	-	-	334,235	
At 31 March 2024	556,234	9,055,206	502,635	294,391	216,150	348,205	1,986	361,914	11,336,721	
Net book value										
At 31 March 2024	3,733,743	4,615,802	51,920	60,388	21,162	232,144	7,754	414,928	9,137,841	
At 31 March 2023	3,838,081	5,903,765	121,155	94,654	21,965	179,099	-	494,116	10,652,835	

Notes to the financial statements
Year ended 31 March 2024

14. Tangible fixed assets (continued)

Charity

Cost	Land and buildings £	Service aircraft £	Aircraft spare parts £	Medical equipment £	Office equipment £	Motor vehicles £	Other fixtures and equipment £	Total £
At 1 April 2023	4,279,977	15,909,286	554,555	368,868	223,241	350,150	751,030	22,437,107
Additions	10,000	-	-	10,787	2,929	73,072	-	96,788
Disposals	-	(2,238,278)	-	(24,876)	-	(10,366)	-	(2,273,520)
At 31 March 2024	4,289,977	13,671,008	554,555	354,779	226,170	412,856	751,030	20,260,375
Depreciation								
At 1 April 2023	441,896	10,005,521	433,400	274,214	202,927	205,113	255,774	11,818,845
Charge for the year	114,338	1,002,963	-	35,034	11,870	52,367	78,810	1,295,382
On disposals	-	(2,218,278)	-	(14,857)	-	(10,366)	-	(2,243,501)
Impairment charge	-	265,000	69,235	-	-	-	-	334,235
At 31 March 2024	556,234	9,055,206	502,635	294,391	214,797	247,114	334,584	11,204,961
Net book value								
At 31 March 2024	3,733,743	4,615,802	51,920	60,388	11,373	165,742	416,446	9,055,414
At 31 March 2023	3,838,081	5,903,765	121,155	94,654	20,314	145,037	495,256	10,618,262

The Great North Air Ambulance Service

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Notes to the financial statements Year ended 31 March 2024

15. Fixed asset investments

Group	Listed investments £		
Cost or valuation			
At 1 April 2023		5,409	
Revaluations		417	
At 31 March 2024		<u>5,826</u>	
Net book value			
At 31 March 2024		<u>5,826</u>	
At 31 March 2023		<u>5,409</u>	
	Investments in subsidiary companies £	Listed investments £	Total £
Charity			
Cost or valuation			
At 1 April 2023	2	5,409	5,411
Revaluations	-	417	417
At 31 March 2024	<u>2</u>	<u>5,826</u>	<u>5,828</u>
Net book value			
At 31 March 2024	<u>2</u>	<u>5,826</u>	<u>5,828</u>
At 31 March 2023	<u>2</u>	<u>5,409</u>	<u>5,411</u>

The Great North Air Ambulance Service

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Notes to the financial statements Year ended 31 March 2024

16. Stocks

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Donation bags	8,001	19,294	-	-
Items for resale	51,584	57,313	33,071	39,845
	<u>59,585</u>	<u>76,607</u>	<u>33,071</u>	<u>39,845</u>

17. Debtors

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade debtors	127,920	230,121	75,573	160,542
Amounts owed by group undertakings	-	-	146,887	64,298
Other debtors	93,381	52,984	93,091	43,520
Prepayments and accrued income	477,408	323,167	473,389	318,129
	<u>698,709</u>	<u>606,272</u>	<u>788,940</u>	<u>586,489</u>

18. Creditors: amounts falling due within one year

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Bank loans (note 19)	9,994	9,747	-	-
Other loans (note 19)	-	316,626	-	316,626
Trade creditors	244,527	333,338	207,797	287,044
Other taxation and social security	165,233	86,129	85,591	78,938
Other creditors	1,365	2,008	1,325	1,998
Accruals and deferred income	267,788	389,326	246,263	319,606
	<u>688,907</u>	<u>1,137,174</u>	<u>540,976</u>	<u>1,004,212</u>

The Great North Air Ambulance Service

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Notes to the financial statements Year ended 31 March 2024

19. Creditors: amounts falling due after more than one year

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Bank loans	21,603	30,443	-	-
Other loans	-	3,416,383	-	3,416,383
	<u>21,603</u>	<u>3,446,826</u>	<u>-</u>	<u>3,416,383</u>

Bank loans

This lending facility is supported by the Bounce Back Loan Scheme (BBLs), managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy.

Under the terms of the loan, the BBLs guarantee is provided to the bank and not to the customer. The company therefore remains responsible for repaying the whole of the loan at all times.

The loan is an unsecured loan and is repayable over 59 monthly payments, with the final repayment date being 72 months after the loan was drawn.

The amount repayable by installments which falls due after five years is £nil (2023: £nil).

Other loans

In April 2021, the existing loan was refinanced to fund the purchase of a new helicopter over a 10 year period.

The loan financing was in the form of a secured loan with a variable interest rate of 2.75% above LIBOR and there was a fixed charge secured against two of the aircraft, but the full amount of £3,713,440 was repaid early on 17th May 2023.

The Great North Air Ambulance Service

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Notes to the financial statements Year ended 31 March 2024

20. Deferred taxation

Group

	2024 £	2023 £
At the beginning of the year	(7,207)	(11,105)
Credit/(charge) for the year	(12,777)	3,898
	<u>(19,984)</u>	<u>(7,207)</u>

The deferred tax liability is made up as follows:

	Group 2024 £	Group 2023 £
Fixed asset timing differences	(19,984)	(7,207)
	<u>(19,984)</u>	<u>(7,207)</u>

The Great North Air Ambulance Service

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Notes to the financial statements Year ended 31 March 2024

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
General funds	9,195,855	9,154,034	(7,490,511)	(3,713,332)	417	7,146,463
Capital funds	7,173,655	-	(1,779,508)	4,064,166	-	9,458,313
Subsidiary reserves	582,583	650,457	(551,496)	(350,834)	-	330,710
	<u>16,952,093</u>	<u>9,804,491</u>	<u>(9,821,515)</u>	<u>-</u>	<u>417</u>	<u>16,935,486</u>

Transfers between funds represent the repayment of loans taken out to purchase fixed assets during the year, and the distributions from trading subsidiaries made.

Statement of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
General funds	6,911,711	10,070,720	(7,073,231)	(713,667)	322	9,195,855
Capital funds	7,883,760	-	(1,423,772)	713,667	-	7,173,655
Subsidiary reserves	500,484	779,031	(696,932)	-	-	582,583
	<u>15,295,955</u>	<u>10,849,751</u>	<u>(9,193,935)</u>	<u>-</u>	<u>322</u>	<u>16,952,093</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2024

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

	Group 2024 £	Group 2023 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(16,607)	1,656,138
Adjustments for:		
Depreciation charges	1,315,258	1,337,360
Amortisation charges	130,015	108,544
Losses on investments	(417)	(322)
Dividends, interests and rents from investments	(130,113)	(27,258)
Loss on the sale of fixed assets	26,361	-
Decrease in stocks	17,022	68
Decrease/(increase) in debtors	(92,437)	478,945
Increase/(decrease) in creditors	(131,888)	175,545
Interest paid	71,529	194,836
Aircraft and parts impairment	334,235	-
Movement in deferred tax	12,777	-
Net cash provided by operating activities	1,535,735	3,923,856

23. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	7,443,547	9,913,775
Total cash and cash equivalents	7,443,547	9,913,775

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2024

24. Analysis of changes in net debt

	At 1 April 2023	Cash flows	Other non- cash changes	At 31 March 2024
	£	£	£	£
Cash at bank and in hand	9,913,775	(2,470,228)	-	7,443,547
Debt due within 1 year	(326,373)	325,219	(8,840)	(9,994)
Debt due after 1 year	(3,446,826)	3,416,383	8,840	(21,603)
	<u>6,140,576</u>	<u>1,271,374</u>	<u>-</u>	<u>7,411,950</u>

25. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £98,670 (2023: £82,532). Contributions totalling £nil (2023: £nil) were payable to the fund at the balance sheet date and are included in creditors.

26. Operating lease commitments

The Group and the charity had no commitments under non-cancellable operating leases at 31 March 2024.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2024

27. Related party transactions

Dr K Han is a trustee and is a Honorary Medical Director with NEAS. During the year, income from NEAS from a contract to provide MERIT services amounted to £330,383 (2023: £314,650) in respect of the charity.

Mr. J. Devine was a trustee and a partner at Muckle LLP, solicitors, during the previous year. During 2023, legal fees charged by Muckle LLP amounted to £27,171 in respect of the charity and £3,890 in respect of the subsidiary companies. At the end of 2023, £3,890 was owed to Muckle LLP. However, as Mr. Devine resigned as a trustee prior to the start of the 2024 financial year, he is no longer a related party. Therefore, the 2024 transactions with Muckle LLP are not disclosed as related party transactions.

Mr P Neal is a trustee and is a director of The Experience Bank. During the year, costs charged by The Experience Bank amounted to £3,600 (2023: £9,000) in respect of the charity and £nil (2023: £nil) in respect of the subsidiary companies.

During the year, the charity received a gift aid donation of £83,879 (2023: £194,256) from Great North Air Ambulance Trading Company Limited. At the year end, the charity was owed £76,432 (2023: £26,755) from Great North Air Ambulance Trading Company Limited. At the year end, the charity owed £nil (2023: £nil) to Great North Air Ambulance Trading Company Limited.

During the year, the charity received a gift aid donation of £7,359 (2023: £nil) from Arc Medtech Limited. At the year end, the charity was owed £70,455 (2023: £37,543) from Arc Medtech Limited. At the year end, the charity owed £nil (2023: £nil) to Arc Medtech Limited.

28. Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Principal activity	Class of shares	Holding
Great North Air Ambulance Service Trading Company Limited	3662874	Trading subsidiary for recycling collections	Ordinary	100%
Arc Medtech Limited	12189819	Trading subsidiary for royalties of software	Ordinary	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(loss) for the year £	Net assets £
Great North Air Ambulance Service Trading Company Limited	610,457	506,703	103,754	312,302
Arc Medtech Limited	40,000	40,725	(725)	18,408

THE GREAT NORTH AIR AMBULANCE SERVICE

England & Wales - Charity number 1092204

Accounts

Registered number: 04436859
Charity number: 1092204

The Great North Air Ambulance Service
(A company limited by guarantee)

Trustees' report and financial statements

Year ended 31 March 2023

The Great North Air Ambulance Service

(A company limited by guarantee)

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The Great North Air Ambulance Service

(A company limited by guarantee)

Reference and administrative details

Year ended 31 March 2023

Trustees	Mr B Jobling, Chair (resigned 19 July 2022) Mr J Devine (resigned 19 July 2022) Dr K Han Mrs J Trench (resigned 19 July 2022) Mr S Groves OBE Ms D Dunn Mr P Neal Prof M Defeyter Mrs C Vaughan Mr A Hui Mr J Jowett (appointed 27 May 2022) Mr G Sharp (appointed 11 November 2022)
Company registered number	04436859
Charity registered number	1092204
Registered office	Progress House Urlay Nook Road Eaglescliffe Stockton-on-Tees TS16 0QB
Company secretary	Muckle Secretary Limited
Chief executive officer	Mr D Stockton
Independent auditor	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Royal Bank of Scotland Drummond House 1 Redheughs Avenue Edinburgh EH12 9JN
Solicitors	Muckle LLP 32 Gallowgate Newcastle upon Tyne Tyne and Wear NE1 4BF

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report Year ended 31 March 2023

The trustees (who are also directors of the charity for the purposes of the Companies Act) present this their annual report together with the audited financial statements of The Great North Air Ambulance Service (the company and the group) for the year ended 31 March 2023. This report includes the directors' report as required by company law.

The trustees confirm that the annual report and financial statements of the company and the group comply with the Charities Act 2011, the Companies Act 2006, the requirements of the company and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Welcome

The Great North Air Ambulance Service (GNAAS) is a charitably funded air ambulance service which provides life-saving care to the most ill and injured people in the North East, North Yorkshire, Cumbria, and the Isle of Man. We operate two helicopters 365 days a year and also operate a night-time service in the North East and Cumbria on rapid response vehicles.

The aircraft cover an area of over 8,000 square miles and on board are specialist doctors and paramedics who effectively bring the hospital to the patient.

GNAAS is a progressive organisation which has pioneered pre-hospital care in the region.

The latest techniques, equipment and drugs are constantly being evaluated to ensure the charity can provide the best care possible for their patients.

In the last 20 years we have responded more than 23,500 times across the region, with road traffic collisions being the most frequent type of incident responded to by the team.

Other incidents they have attended include medical incidents such as stroke and cardiac issues, assaults, such as stabbings, leisure activities gone wrong, especially in rural areas, and self-harm.

We do not receive Government funding and must therefore raise £8.5m a year through public donations to remain operational.

In April 2022 the charity began responding to incidents on the Isle of Man following recommendations made by Sir Jonathan Michael in his 2019 independent review into the future provision of health and social care on the Island. The introduction of a HEMS service helps to create an 'enhanced emergency air bridge', meaning patients will receive treatment at the scene including advanced interventions and be transferred off-island to a major trauma centre. The charity responded to 20 incidents from April 2022 – March 2023. It is an honour to be able to deliver the service to more people, whilst still responding across the North of England, meaning more people have a better chance of survival.

This year the charity was inspected for the first time by the Care Quality Commission and was awarded 'outstanding'. This is the highest rating possible and an achievement the whole charity is incredibly proud of.

Our work is only possible with the dedication of our supporters and for that we are eternally grateful.

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2023

Our aims and objectives

Our vision is to provide a world-class pre-hospital care service for the people of the region.

The principal objects of the charity are:

- To promote the relief of sickness within the United Kingdom and the Isle of Man and in particular the counties of Cumbria, Northumberland and Durham and the surrounding areas by provision of an air ambulance service.
- To provide and maintain or assist with the provision and maintenance of aircraft and other ancillary and associated equipment.
- The advancement of education and training of medical professionals and health care personnel in medical disciplines with particular reference to emergency and pre hospital care.

Our mission is to extend and constantly seek to improve emergency pre-hospital and inter-hospital critical care across our region.

Everything we do is focused around the delivery of world-class care for our patients, but the impact is felt far beyond this group of people. Our impact extends to their families, their friends and colleagues, those we train, our healthcare partners and the communities involved in fundraising activity.

Strategic report

Income generation

Achievements and performance

2022/23 proved to be another challenging year with external factors once again impacting fundraising activity. The effects of covid were no longer a major concern however the war in Ukraine and the cost-of-living crisis had a significant impact on the success of individual giving, with appeals and campaigns experiencing approximately 30% decrease in income. Despite these obstacles, overall income generation activities raised £10m (£7.52m 2021/22).

The largest contributor to this was income received from legacies. 185 kind supporters included our charity in their Wills resulting in income of £4.66m in the year to March 2023 (2021/22 £3.06m). This is a phenomenal amount and is unprecedented. It is testament to the hard work the income and engagement team do in the local community.

The events team introduced several new in-person events to boost this income stream. These included an additional ball and golf day, a fair at the charity's HQ and guided walks. The Great North Run continues to be a substantial income generator, raising over £100,000.

The corporate and community team continue to engage with supporters throughout the region by spreading awareness and supporting and encouraging fundraising efforts. Notably, a new supporter came on board with the charity who has a significant online following. His activity alone has raised over £130,000. Patients and their families continue to astound with their fundraising efforts in recognition of the service we provided, and individuals and businesses in general who understand the difference we make.

The GNAAS Trading Company, whose activity raises funds solely for our charity, generated turnover of £742,531. This is despite their activity being heavily impacted by the war in Ukraine. In response to the changing markets the team adapted and adjusted, and the decision was made to move their base from Newton Aycliffe to the charity's HQ in Eaglescliffe. This enabled greater efficiencies with the added benefit of having all charity functions located at the same premises.

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2023

In June 2022, the GNAAS lottery was increased from 50p to £1 per play. This was the first increase since the lottery began over 20 years ago and was introduced to ensure the sustainability of the lottery. The charity also enlisted the help of external canvassing company, Tower, to enhance lottery fundraising further by introducing a second lottery known as GNAAS 24/7 lottery. The first draw took place in January and membership has had a promising start.

Every donation made to our charity is gratefully received no matter how big or small and ultimately funds the critical care team responding to incidents throughout the region.

For every £1 spent by the charity raising funds, £6.82 (2021/22: £6.25) was generated in donations, legacies, grants and lottery and fundraising income.

In January 2023 the fundraising and marketing, communications and events teams were combined to make one larger team, known as the Income and Engagement team. This change will drive greater cohesion across our team, and aid more effective fundraising in the future.

Fundraising

The charity is registered with the Fundraising Regulator and fundraising activities undertaken by the charity are carried out with reference to the Code of Fundraising Practice. All requests received by the charity are recorded and investigated in line with the charity's complaints and appreciations procedure. During the year we received 2 (2021/22: 0) requests. All requests were handled in line with the charity's published complaints and appreciations procedure and resolved at stage 1 of the process. No requests were received directly via the Fundraising Regulator.

As a charity, we do not use the services of professional fundraisers, external call centres or external sales canvassing companies to support our fundraising activities. Where a business supporter seeks to promote our charity alongside the sale of their own product or service, we require them to put in place the appropriate legal agreement recognising their responsibilities.

The charity provides guidance and training to employees and volunteers on dealing with people in vulnerable circumstances.

Volunteers

We rely on the commitment and generosity of over 76 volunteers. After covid restrictions they are now back out supporting our fundraising efforts, from attending bucket collections and events to servicing our collection boxes in their area or providing admin support at HQ. Their commitment to our cause is invaluable.

Future activity

As the fundraising landscape continues to be challenging, we are adapting our income generation activities and approach to support and ensure financial sustainability.

Whilst grassroots fundraising remains an important part of our strategy, we recognise that we must invest in growing support in the corporate community and through major gifts. This includes recruiting additional team members to ensure we are engaging and building relationships with businesses and major donors throughout the region to help increase and sustain income. Financial support, gifts-in-kind and shared knowledge are paramount in supporting the charity through the economic uncertainty.

Call-outs to the Isle of Man are funded by Manx Care until April 2024. To ensure we can continue to respond to incidents we must begin to raise substantial funds through residents, visitors, and businesses. We are currently considering how this will be approached given the geographical obstacles to ensure we maximise the opportunity.

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2023

We will continue to nurture supporters by providing a great giving experience to encourage future support and continue to encourage supporters to remember us in their wills.

2023/24 plans are exciting and ambitious however we will adapt where necessary to ensure we continue to raise vital funds effectively.

To support these plans and the charity overall we recognise the important of investing in our people and culture and are working with consultants to help develop our strategy. As part of this we are re-evaluating our vision, mission and values to ensure they align with the progressive, modern, charity we are today.

Operations

Achievements and performance

The post covid world and the war in Ukraine made the delivery of our service even more expensive, and even more complex. Almost everything became harder to come by and exponentially more expensive. Aviation fuel alone trebled in price during this period.

The ongoing challenges within the NHS and the industrial action caused difficulty for our team of doctors, as they continue to work in the NHS. Our doctors had no recovery time at all from the intensity of the pandemic, and all work on the frontline under intense pressure.

During the year the regions three NHS ambulance services called us out 1,983 times (2021/22: 1,732).

The average cost per request for assistance, based on total expenditure for the charity, is £4,286 (2021/22: £4,478). The charity has an ongoing commitment to improving efficiencies to ensure we are as effective as possible at converting donations to front line care, whilst not compromising on the level of care provided.

It's a truly amazing achievement that the charity has made fantastic progress, in spite of these challenges. We launched our service to the Isle of Man in April and within the first 12 months have responded to 20 incidents. The service came as a result of an independent review and a recommendation to improve access to specialist care in England.

We also expanded our nighttime response at the start of 2023, a culmination of a long period of recruitment and training that began in 2021. In January 2023 we increased service delivery to 24 hours a day, 7 days a week in the North East. In February we were able to increase our nighttime response in Cumbria from 2 nights to 4 and we hope to deliver our critical care service 24/7 across the full region by early 2024. To have done this is testimony to the unwavering commitment of the Great North Air Ambulance and shows the dedication of every single member of the team.

Within the expansion in Cumbria we've also developed new techniques and procedures to enable time critical transfers from Carlisle and Whitehaven hospitals. The geography in Cumbria and some of the distances involved may mean that patients are quickly moved into one of these hospitals if they are close by the ambulance service, where they will get critical care in the Emergency Department. Once this level of care has been initiated our team have to maintain, so we have invested in intra-arterial blood pressure monitoring equipment and expanded our range of drugs and infusions to ensure these movements are done safely. These techniques can also be used for longer journeys to hospital and from the Isle of Man.

One of the most significant projects during 2022 was the development of our specialist team of Operations Officers. Their key role is operating the airdesk - one of if not the most challenging jobs within the charity. The introduction of these dedicated roles has already improved the consistency and accuracy of our dispatch model and become a vital part of the team. The airdesk operator has to analyse and record vast quantities of data and identify those critical incidents from often vague or lacking information. They coordinate our response both internally but also alongside the ambulance services, police, fire, coastguard and provide a key link between our clinical teams and the hospitals within our region.

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2023

They also work within the support team alongside our Operations Support Officer and Operations Coordinator to ensure the team are ready to respond. We are forever grateful to this team for their hard work and dedication behind the scenes, and the vital role they play in saving lives.

The region we serve creates unique challenges for the operational crew, particularly responding to people in need in the mountains of Cumbria, and finding a solution to this has remained a priority. We will always deploy our team to cases where life and limb are at threat but there are so many incidents in the Lakes where the severity of injury doesn't require our critical care team but would benefit from early medical intervention.

We developed groundbreaking research with Ørsted and Gravity Industries to analyse the potential for using the Gravity Jet Suit as a cost-effective way to get medics to the side of a patient, either before the helicopter arrives or as a way of assessing and treating those patients that didn't require our full team.

We celebrated a huge milestone in the project when one of our paramedics undertook an ascent of one of the hills in Cumbria alongside the Gravity Chief Pilot Richard Browning.

We have shown the world that this was not just a possibility but could actually be achieved and we look forward to inspiring our communities with the next chapter of this story.

Finally, our hard work and dedication paid off in July 2022 when we were inspected by the national healthcare regulator the Care Quality Commission. The CQC are an independent organisation that rigorously inspects healthcare providers to ensure services are safe, effective, responsive, caring and well led. This inspection was followed up by an extensive submission of evidence and supporting information. We were notified in September we'd been rated as Outstanding – the highest rating possible and a huge accolade and recognition of the quality of our service that we are hugely proud of.

GNAAS does not receive any grant funding, human resource or equipment support from the government to fund the service provided. The impact of the charity's activities continues to improve patient care and survivability, adding value to the regions' health economy, having to generate all funds needed to provide the service from charitable income.

We remain absolutely committed to our service, and making sure we are there to help should you ever need our care. We hope you will stay with us on our journey, as any help or time you can give truly does save lives.

Future activity

2023 to 2024 isn't going to get any easier. The economic situation, the pressures in the health system and the growing demand for our service mean we have to find ways to do more with less. The dedication of every one of our colleagues and volunteers, and the support of every one of you means we have a fighting chance of continuing our service, and if the past few years are anything to go by, still achieving seemingly impossible milestones.

In the next annual report I hope we can deliver the news that we are 24/7 at both of our bases, that our income has been sustained and we have been able to recover slightly. What I know we'll be able to say is that we'll have saved the lives of over a thousand people and kept families and friends together. It's not going to be easy but the North of England is an amazing place, full of incredible people and if anyone we can do it, we can.

The Great North Air Ambulance Service

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Trustees' report (continued)

Year ended 31 March 2023

Operational training

Achievements and performance

In April 2022 we started to deliver our courses again post COVID. In 2022 and the beginning of 2023 we have delivered multiple courses expanding our external training significantly to clinicians practicing all over the world. In several cases our training courses have helped these clinicians achieve positions in similar HEMS units and prehospital critical care roles saving lives not just across our region but around the world.

External training

Over the last year we have delivered various external courses, some are staples within our training calendar with a number of new courses introduced. A summary of these is listed below.

PHEMCC - This is a two-week course that delivers all the theory and practical skills required to carry out the role of a HEMS clinician.

PHEA - This is two-day course giving clinicians the knowledge and practical skills needed to provide an anaesthetic in the prehospital environment. This course was provided 3 times in this period.

Enhanced Prehospital Resuscitation Course (EPHR) - This is a one-day course and is delivered by our clinicians, with the support of Zoll (defibrillator company) to give clinicians the skills and knowledge to deliver enhanced care to patients who have suffered a cardiac arrest.

Obstetric Emergencies Course (OEC) - This is a one-day course and is delivered to Paramedics, Doctors and Nurses using our team and subject matter experts regarding maternal emergencies. It is a mix of theory and practical simulations with high fidelity mannequins and actors.

Military Medics Course – This is a one-week course that we have been asked to deliver for military medics, it combines elements of the PHEA & PHEMCC to provide a course bespoke to their requirements as a military medic. This was the first one to be delivered but we will look to deliver this twice per year moving forward.

Student Paramedic Training Day - This is a one-day course for the second year Paramedic students based with the North East Ambulance Service. This course raises awareness of when GNAAS are required.

Over the last 12-month period we have delivered external courses to 126 people.

External course feedback

This is just some of the excellent feedback from all of the courses we have delivered over the last year.

“Really high-quality teaching and experienced faculty. A privilege to learn from all of them.”

“Simulations on the 2nd day afternoon. Particularly enjoyed a longer sim. Great overall leadership, direction, and structure to the course”

“Great emersion with the helicopter sim.”

“Thanks so much for the last couple of weeks. An epic course. Such a good experience. Appreciate all the hard work you put into the course.”

“Lots of simulation and good immersive experience.”

“Organisation was excellent Faculty supportive and approachable Content professional and focused Outside scenarios practical.”

The Great North Air Ambulance Service

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Trustees' report (continued)

Year ended 31 March 2023

Internal training

In the last 12-month period we have provided our clinicians the opportunity to complete multiple training days on various different topics to help maintain currency, competency and confidence in all aspects of their role. We have also had a significant training burden through recruitment to fulfil 24/7 capability on the east and 24 hours over 4 days in Cumbria. This has meant a number of new doctors and paramedics joining the service. We have also provided 2 days of clinical awareness for our new dispatchers to aide in their ability to task us effectively. We have also provided an awareness day and BLS training for the charity team and will look to make this regular event moving forward.

Clinical team training

Clinical Training Days are run by different doctors and paramedics every other month on various topics. The topics covered this year were:

- Paediatrics
- Obstetrics
- Enhanced cardiac arrest management
- Major incident management
- Surgical procedures and simulation
- Mountain rescue
- Hot retrieval course
- Paramedic response training day

All of these days were well attending with on average 20 of our clinicians each time. This gives the team a chance to get together and share learning, listen to subject matter experts, review our standard operating procedures and kit and simulate various scenarios relating to each topic. These days are excellent for building our team relationships and learning from each other's experience.

To maintain our crew's operational readiness it has been important to carry out training while on shift, this means simulation practice on base has become part of our daily routine. We carried out 830 simulations in our team across both bases. This helps to ensure familiarisation with our standard operating procedures and helps to maintain our critical thinking and decision-making processes in difficult and sometimes rarely attended types of incidents.

Operational training

Future activity

External training

Moving forward into 2023-2024 we will look to deliver the same courses other than the OEC course due to the inability to line up external faculty to help as well as the training commitments we have internally with new team members meaning internal training will need to be prioritised. We are looking to increase the size of the PHEMCC course and the PHEA course to again extend our reach and increase our reputation within our profession. We will be looking to deliver external training to around 120 people in the next period if not more.

Regarding internal training we will be again implementing training days every other month so the team can come together and develop to maintain the currency and competence in the clinical care. We will also be delivering teams debrief sessions to discuss pertinent cases to share learning experiences, this will be monthly and run by one of the Paramedics. We will be running the sessions for the charity staff and trading company in basic life support and awareness of what our critical care team do to ensure our team are all aware of what the services capability is clinically. We will look to continue to develop our team through the Dip IMC and other study days on base. The Hot Retrieval Course will be run again to ensure our competence with the kit and the delivery of this service moving forward.

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2023

Financial review

Consolidated accounts

The consolidated accounts set out the combined results for The Great North Air Ambulance Service charity, and for the charity's wholly-owned trading subsidiaries (The Great North Air Ambulance Trading Company and ARC Medtech Limited) for the year ended 31 March 2023. Income for the year totalled £10,849,751 (2021/22: £8,412,510), an increase year on year.

Gifts in wills remained a significant source of income but are by their nature unpredictable. The amount received due to Gifts in Wills increased by £1.60m compared to 2021/22. Income from donations, grants, lottery and fundraising increased by £536k compared to 2021/22.

Resources expended in the year totalled £9,193,935 (2021/22: £8,393,750), an increase of £800,185.

The consolidated accounts include income of £779,031 (2021/22: £876,721) earned by the subsidiary companies and associated resources expended of £696,923 (2021/22: £638,612).

The capital fund differentiates the capital costs of the charity from the revenue expenditure required to fund the charity's running costs. The costs of depreciating the assets over their useful lives, and the finance costs relating to borrowing to fund the aircraft are reflected in the capital fund. The capital fund remains unrestricted.

Results for the charity

Income for the year totalled £10,264,976 (2021/22: £7,723,039). Our sources of income include:

- Donations from individuals, corporate supporters and from the charity's own trading company £2,225,632 – 22% (2021/22: £2,102,945 – 27%)
- Legacies £4,665,306 – 45% (2021/22: £3,061,800 – 40%)
- Charitable activities (chargeable pre-hospital care services and training) £818,844 – 8% (2021/22: £442,644 – 6%)
- Lottery and raffle income £1,115,601 – 11% (2021/22: £979,132 – 13%)
- Fundraising activities including events £1,209,990 – 12% (2021/22: £926,042 – 12%)
- Grants and other income £229,603 – 2% (2021/22: £210,476 – 2%)

Resources expended in the year totalled £8,499,666 (2021/22: £7,755,138). Resources expended include:

- Costs of delivering our charitable activities – these costs cover the clinical, operational, training, compliance and essential support costs of delivering our services. Total costs of delivery for the year were £7,116,161 – 84% (2021/22: £6,591,128 – 85%).
- The costs of delivering fundraising activities – these are the costs, including staff and non-staff costs, relating to events, managing fundraising activities, promotion activities to generate public support, and the costs of running the lottery. Without these activities, the charity could not generate the financial support needed to allow us to deliver our services. £1,380,851 – 16% (2021/22: £1,164,010 – 15%) of our costs, are attributable to this area of our work.

Any surplus generated is held for future investment and to support the reserves policy laid down by the charity's trustees.

As set out above, the capital fund differentiates the capital costs of the charity from the revenue expenditure required to fund the charity's running costs.

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2023

Investment policy and performance

As per the memorandum and articles of association the charity has the power to acquire assets, to borrow money and to invest surplus funds in any way that the trustees wish.

There were no investments and no investment income during the year other than small amounts of interest received from interest-bearing current accounts, and a small number of shares received through gifts in wills.

The trustees reviewed their approach to investment during the year and concluded to continue to maintain cash balances in the light of future capital commitments and plans. The trustees keep the cash position and broader investment strategy and policies of the charity under review.

Reserves policy

In line with Charity Commission guidelines, the trustees monitor the level of reserves held to ensure they are being used to help to achieve the objectives of the charity.

The charity aims to keep free reserves at levels to provide for six months operating costs which the trustees consider prudent. Based on 2023/24 budgeted costs the operating costs of the charity excluding depreciation are forecast at £8.5m, this equates to an estimated £4.25m for six months.

As at 31 March 2023, the charity holds total reserves of £16.9 million, of which £10.9 million is tied up in fixed assets. The charity's free reserves stand at £6 million, which is higher than the charity aims to hold. However, this is expected to reduce during 2023/24 with the charity's reserves being utilised to ensure continuity of service whilst continuing to invest in fundraising activities. They will also be used to pay off the remaining loan amounts which funded the two helicopter purchases in 2020 and 2021, a sum of £3.72m. This will bring the free reserves closer to the target of 6 months expenditure.

Principal risks and uncertainties

As part of their responsibilities, the trustees ensure that the major risks to which the charity is exposed are reviewed and systems established to mitigate those risks. The trustees have appointed the chief executive and the executive team to review major risks and make recommendations to the trustees as to how to manage them. The finance, audit, remuneration and risk committee are responsible for the review and monitoring of the effectiveness of policies and processes for assessing and managing risk.

The principal risk categories are strategic governance, clinical, service delivery (clinical), service delivery (other), financial risk, income generation risk, reputational risk, information governance/data protection, and human resources.

Foremost for consideration are clinical and operational risks involving patient treatment and care, this aspect is regulated by the Care Quality Commission (CQC) where failure to comply with the regulations would severely inhibit the charity; and factors involved with the flying environment, this is highly regulated by the Civil Aviation Authority (CAA).

In addition to the major risk groups, the charity has developed a business continuity plan to ensure that the charity is prepared to deal with service outages caused by factors beyond its control that could seriously impair the charity's ability to continue normal operations. COVID-19 has meant that our business continuity plan has been put to the test and shown to work with our frontline services continuing to operate with the necessary adaptations, and our non-frontline services mobilised to work from remote locations.

As part of their responsibilities, the trustees ensure that major risks to which the charity may be exposed are reviewed annually. At each meeting of the board, any new risks or changes to existing risks identified from the papers or discussions around agenda items are noted and the risk register updated accordingly.

The Great North Air Ambulance Service

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Trustees' report (continued)

Year ended 31 March 2023

Complaints received are reviewed by the relevant sub-committee on a regular basis. The committees review the number and general nature of complaints received; any trends in complaints; and any areas of risk that need to be addressed.

Going concern

Income continues to be impacted into 2023/24 as the cost-of-living crisis has reduced the charity's ability to generate funds due to many supporters having reduced disposable income. The charity's trading company has also been impacted, reducing the amount that can be gifted to the charity.

The charity has prepared budget forecasts for the next three years. Having considered these financial forecasts the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Public benefit

All our charitable activities are undertaken to further our charitable purposes for the public benefit. Over the last twenty on years, this charity has changed the way many seriously ill or injured patients are treated and cared for. This advance in pre-hospital emergency medical care (limited only by resource) has noticeably impacted on vulnerable patients with many more surviving than would otherwise have done so previously, delivering proven public benefit.

In accordance with S17 of the Charities Act 2011, the trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the charity and when planning the future activities. The trustees assess how new activities planned will contribute to the overall aims and objectives they have set and periodically review existing activities to ensure ongoing public benefit.

Structure, governance and management

The charity is a company limited by guarantee, incorporated in the United Kingdom on 13 May 2002 and registered in England and Wales. It is also a registered charity (charity number 1092204).

Organisational structure

The controlling entity of the charity is the Board of Trustees. The board meets a minimum of four times per year. Between general meetings subcommittees of the board, the Finance, Audit, Remuneration and Risk committee; and the Operations and Clinical committee, are called upon to maintain a continuous governance overview.

The charity is sub-divided into Medical, Operational, Fundraising, Business Support, Compliance and Assurance, and HR, each headed up by a member of the executive team. The executive team are responsible for leading their service area, and collectively along with the Chief Executive are responsible and accountable for delivering a safe and efficient service. The charity employs its own paramedics and doctors. The clinical team are supported by a range of support functions, including fundraising; and by a team of active volunteers.

The charity owns two non-charitable commercial subsidiary companies known as the Great North Air Ambulance Service Trading Company and ARC Medtech.

The Great North Air Ambulance Trading Company operates independently of the charity with its own structure, management and employees. This recycling and international export business trades in mobile phones, inkjet cartridges, unwanted clothing and other disposable goods. The trading company donates the distributable profits derived from its trading activities to the charity that over the years has amounted to over £4m, making it the charity's largest single commercial donor.

The Great North Air Ambulance Service

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Trustees' report (continued)

Year ended 31 March 2023

ARC Medtech was established in 2019 to allow the charity to exploit the intellectual property vested in its operational ICT system. ARC Medtech does not employ any staff. As with the trading company, ARC Medtech's distributable profits derived from its trading are donated to the charity.

Governance

The trustees, who are also directors of the charitable company, are bound by the charity's Articles of Association and Memorandum.

The trustees collectively are responsible for directing the affairs of the charity ensuring that it is solvent, well run, delivering the charitable outcomes for which it was set up, and ensuring compliance with charity law and all other applicable legislation and regulation. The trustees also determine the strategy and key objectives and vote on major policy decisions affecting the charity. Trustees monitor the performance of the charity at meetings of the board and its sub-committees. Sub-committees meet a minimum of 3 times per year.

The Operations and Clinical committee has delegated responsibility for overseeing all operational and clinical aspects of the charity and reporting back to the board accordingly.

The Finance, Audit, Remuneration and Risk Committee has delegated responsibility for overseeing all financial aspects of the charity, including audit and remuneration, to ensure short and long-term viability and report back to the board accordingly. The committee, when required, will determine and make recommendations regarding the remuneration of the senior executive specifically and employees generally. The remuneration packages of senior executives and employees are established with reference to market rates for similar roles and are designed to attract and retain employees while remaining affordable to the charity.

The Nominations Committee has the delegated responsibility to review the structure, size and composition of the Board, taking into account the Trustees' skills, knowledge and diversity. It makes recommendations to the Board with regard to recruitment of new Trustees, either due to the retirement of existing Trustees or in order to fill identified skills gaps. The Nominations Committee is also responsible for the Trustee induction plan, Board evaluation and effectiveness processes and succession planning.

Two of the trustees are also directors of the trading company, and two of the trustees are also directors of ARC Medtech. The directors of each of the trading subsidiaries report on the company's activities and performance and communicate those matters to the charity board.

Regulatory compliance and overall performance standards are monitored and assessed with quality and key performance indicators by the board throughout the year. This helps to ensure the charity is well-governed, safe and legislatively compliant in all aspects of its duties and operations.

Policies adopted for the induction and training of trustees

Trustees are identified by a process of targeted recruitment aimed at ensuring the skills of the board remain both relevant and balanced. New trustees are interviewed and appointed by the presiding trustees who aim to achieve a good mix of professional skills that will benefit the charity.

Each new trustee undergoes a brief induction programme that includes the charity's vision and objects, role and responsibilities and financial standing. The charity facilitates attendance at appropriate external training events where there is an identified need.

In addition to the constitution, trustees are bound by the charity's Code of Governance and Code of Conduct.

The Great North Air Ambulance Service

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Trustees' report (continued)

Year ended 31 March 2023

Management

Although ultimate responsibility for the management of the charity lies with the trustees, they do have the power to delegate and do so to enable the charity to function on a daily basis.

The trustees are responsible for appointing a chief executive. The chief executive is responsible for staff leadership, management, and administration as well as the clinical and operational aspects of the charity and is the link between the board of trustees and the staff. Senior managers are appointed to assist the chief executive in these duties and this structure ensures the charity is effective, well-governed and legislatively compliant in all aspects of its operations.

Senior managers are responsible and accountable to the CEO for their designated area of operation, ensuring that services are delivered in pursuance of the charity's agreed strategies and objectives; that relevant regulatory compliance is maintained; and that performance is in line with agreed standards.

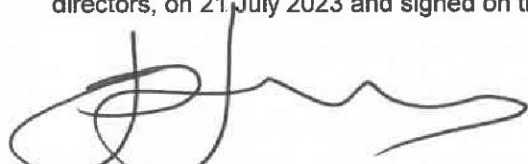
Regular departmental and staff meetings are held to ensure the charity progresses and maintain its aims and objectives thereby delivering on its public benefit requirement.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- That trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the group strategic report, was approved by the trustees, in their capacity as company directors, on 21 July 2023 and signed on their behalf by:



Mr J Jowett
Chair

The Great North Air Ambulance Service

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Trustees' responsibilities statement

Year ended 31 March 2023

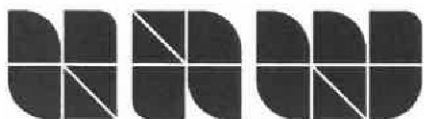
The trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the trustees' report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards ('United Kingdom Generally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

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charity 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 group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.





Independent auditor's report to the members of The Great North Air Ambulance Service

Opinion

We have audited the financial statements of The Great North Air Ambulance Service ('the parent charitable company') and its subsidiaries ('the group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

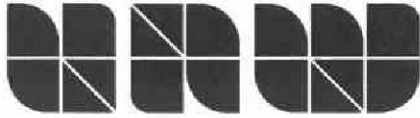
We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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



Independent auditor's report to the members of The Great North Air Ambulance Service (continued)

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 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.

Opinion on other matters prescribed by the Companies Act 2006

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

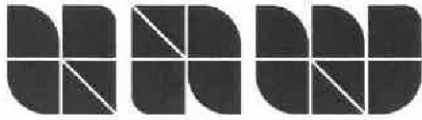
- the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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



Independent auditor's report to the members of The Great North Air Ambulance Service (continued)

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

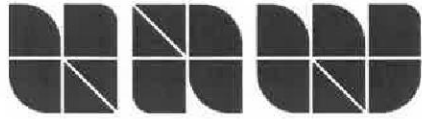
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by Auditing Standards) and from inspection of the group's legal correspondence and we discussed with the trustees and other management the policies and procedures in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, civil aviation regulations, care quality legislation, employment law, data protection, environmental law and certain aspects of company legislation, recognising the nature of the group's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.



Independent auditor's report to the members of The Great North Air Ambulance Service (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

21 July 2023

The Great North Air Ambulance Service

(A company limited by guarantee)

Consolidated statement of financial activities (incorporating income and expenditure account)

Year ended 31 March 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations and legacies	3	6,896,511	6,896,511	5,176,471
Charitable activities	4	818,844	818,844	442,670
Other trading activities	5	3,107,138	3,107,138	2,785,765
Investments	6	27,258	27,258	598
Other income	7	-	-	7,006
Total income		10,849,751	10,849,751	8,412,510
Expenditure on:				
Raising funds	8	2,077,774	2,077,774	1,802,622
Charitable activities	9	7,116,161	7,116,161	6,591,128
Total expenditure		9,193,935	9,193,935	8,393,750
Net income before net gains on investments		1,655,816	1,655,816	18,760
Net gains on investments	15	322	322	1,286
Net movement in funds		1,656,138	1,656,138	20,046
Reconciliation of funds:				
Total funds brought forward		15,295,955	15,295,955	15,275,909
Net movement in funds		1,656,138	1,656,138	20,046
Total funds carried forward	21	16,952,093	16,952,093	15,295,955

The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 24 to 49 form part of these financial statements.

The Great North Air Ambulance Service

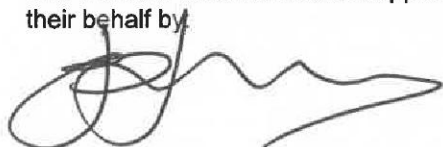
(A company limited by guarantee)

Consolidated balance sheet At 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	288,402	185,581
Tangible assets	14	10,652,835	11,804,520
Investments	15	5,409	5,087
		<u>10,946,646</u>	<u>11,995,188</u>
Current assets			
Stocks	16	76,607	76,675
Debtors	17	606,272	1,089,115
Cash at bank and in hand		9,913,775	6,880,974
		<u>10,596,654</u>	<u>8,046,764</u>
Creditors: amounts falling due within one year	18	(1,137,174)	(961,389)
Net current assets		<u>9,459,480</u>	<u>7,085,375</u>
Total assets less current liabilities		<u>20,406,126</u>	<u>19,080,563</u>
Creditors: amounts falling due after more than one year	19	(3,446,826)	(3,773,503)
Provisions for liabilities			
Deferred tax	20	(7,207)	(11,105)
Total net assets		<u>16,952,093</u>	<u>15,295,955</u>
Charity funds			
Unrestricted funds	21	16,952,093	15,295,955
Total funds		<u>16,952,093</u>	<u>15,295,955</u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 21 July 2023 and signed on their behalf by:



Mr J Jowett
Chair

The notes on pages 24 to 49 form part of these financial statements.

The Great North Air Ambulance Service

(A company limited by guarantee)

Charity balance sheet At 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	288,402	185,581
Tangible assets	14	10,618,262	11,747,815
Investments	15	5,411	5,089
		<u>10,912,075</u>	<u>11,938,485</u>
Current assets			
Stocks	16	39,845	34,253
Debtors	17	586,489	1,046,068
Cash at bank and in hand		9,511,292	6,478,845
		<u>10,137,626</u>	<u>7,559,166</u>
Creditors: amounts falling due within one year	18	(1,004,212)	(903,821)
		<u>9,133,414</u>	<u>6,655,345</u>
Total assets less current liabilities		<u>20,045,489</u>	<u>18,593,830</u>
Creditors: amounts falling due after more than one year	19	(3,416,383)	(3,733,010)
		<u>16,629,106</u>	<u>14,860,820</u>
Total net assets		<u>16,629,106</u>	<u>14,860,820</u>
Charity funds			
Unrestricted funds	21	16,629,106	14,860,820
		<u>16,629,106</u>	<u>14,860,820</u>
Total funds		<u>16,629,106</u>	<u>14,860,820</u>

The charity's net movement in funds for the year was £1,768,286 (2022: £(113,181)).

The Great North Air Ambulance Service

(A company limited by guarantee)

Charity balance sheet (continued)

At 31 March 2023

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 21 July 2023 and signed on their behalf by:



Mr J Jowett
Chair

Company registered number: 04436859

The notes on pages 24 to 49 form part of these financial statements.

The Great North Air Ambulance Service

(A company limited by guarantee)

Consolidated statement of cash flows Year ended 31 March 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash generated from operating activities	22	3,923,856	1,410,865
Cash flows from investing activities			
Dividends, interests and rents from investments		27,258	598
Proceeds from the sale of tangible fixed assets		-	478,885
Purchase of intangible assets		(211,365)	(78,702)
Purchase of tangible fixed assets		(185,675)	(2,124,349)
Net cash used in investing activities		(369,782)	(1,723,568)
Cash flows from financing activities			
Cash inflows from new borrowing		-	1,147,125
Repayments of borrowing		(326,437)	(311,951)
Interest paid		(194,836)	(134,349)
Net cash (used in)/provided by financing activities		(521,273)	700,825
Change in cash and cash equivalents in the year		3,032,801	388,122
Cash and cash equivalents at the beginning of the year		6,880,974	6,492,852
Cash and cash equivalents at the end of the year	23	9,913,775	6,880,974

The notes on pages 24 to 49 form part of these financial statements

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Great North Air Ambulance Service meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.2 Going concern

The charity saw increased income from donations, grants, lottery and fundraising across 2022/23 with an additional £537k year on year.

Gifts in wills remained a significant source of income but are by their nature unpredictable, the amount received in 2022/23 increased by £1.6m compared to 2021/22, however this total amount received allowed the charity to end the year in a surplus position.

Income continues to be impacted into 2023/24 as the cost of living crisis has reduced the charity's ability to generate funds through individuals having less disposable income. The charity's trading company has also been impacted, reducing the amount that can be gifted to the charity.

The charity has prepared budget forecasts for the period to 31 March 2024. These forecasts show an expected surplus of £193k for the year 2023/24. The forecast surplus is expected as income across the charity sector continues to recover, with increased participation in organised events and fundraising activities.

Increased costs for 2023/24 were attributable to increased operating costs of moving toward 24/7 cover; and increased costs in fundraising activities as well as increased salary costs as a result of the significant increase to national living wage. Work continues to address these predicted losses and return the charity to a surplus position.

The charity is still forecast to have in excess of £6.8m cash in March 2024, a decrease of £2.7m from March 2023. This decrease in cash held is a result of paying of the mortgage owed for the purchase of the aircraft in 2023/24 of £3.8m.

Having considered the financial forecasts the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

1. Accounting policies (continued)

1.3 Income

All income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Legacy income is recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the group, can be reliably measured.

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

1. Accounting policies (continued)

1.5 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the consolidated statement of financial activities.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Intangible assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Software development	- no amortisation until the software is transferred into use
Software	- 25% straight-line

1.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 (£25,000 for assets relating to the aircrafts) or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2023

1. Accounting policies (continued)

1.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Land and buildings	- 2% straight-line for Urray Nook site 2% straight-line for Langwathby Hangar 10% straight-line for Langwathby base
Aircraft spare parts	- no depreciation until the parts are transferred into use
Office equipment	- 25% straight-line
Motor vehicles	- 25% straight-line
Other fixtures and equipment	- 10-25% straight-line
Medical equipment	- 20% straight-line
Service aircraft	- 10% straight-line

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at bank and in hand

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

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

1. Accounting policies (continued)

1.13 Liabilities

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

1.14 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.15 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.16 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2023

1. Accounting policies (continued)

1.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the group and which have not been designated for other purposes.

Designated funds have been allocated from the group's free reserves to support capital costs associated with maintaining the aircraft, and the expected costs of developing the new base and medical centre of excellence as well as costs relating to any other future investment.

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

Investment income, gains and losses are allocated to the appropriate fund.

A capital fund was created to isolate the capital costs of the group from the revenue expenditure required to fund the group's running costs. The cost of depreciating the assets over their useful lives, and the finance costs relating to borrowings to fund the aircraft are channelled through this fund. The fund remains unrestricted.

2. Critical accounting estimates and areas of judgment

Critical accounting estimates and assumptions:

The preparation of financial statements requires management to make judgments, assumptions and estimates that affect the application of accounting policies and amounts reported in the profit and loss account and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

Significant judgments in applying accounting policies:

In preparing these financial statements, no significant judgments were required in the process of applying the company's accounting policies.

Key sources of estimation uncertainty:

Estimates included within these financial statements include depreciation and asset impairments, including in relation to the residual value of aircraft. See note 14 for the carrying value of fixed assets. Some of these estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, and may bear some risk of causing a material adjustment to the carrying amounts of assets and liabilities in the future. However, this risk is mitigated by periodic external valuation of the aircraft with the Board keeping the expected residual value under review.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

3. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	2,031,376	2,031,376	1,908,689
Legacies	4,665,306	4,665,306	3,061,800
Grants	199,829	199,829	205,982
	<u>6,896,511</u>	<u>6,896,511</u>	<u>5,176,471</u>

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Air Ambulance Services	818,844	818,844	442,670

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2023

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lottery and raffle	1,115,601	1,115,601	979,132
Fundraising activities	1,209,990	1,209,990	926,042
Room hire and catering	2,516	2,516	3,870
	<u>2,328,107</u>	<u>2,328,107</u>	<u>1,909,044</u>

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Subsidiary trading income	779,031	779,031	876,721

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest income	27,258	27,258	598

7. Other incoming resources

	Total funds 2023 £	Total funds 2022 £
Profit on sale of tangible fixed assets	-	7,006

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Fundraising	338,196	338,196	333,311
Other direct costs	12,462	12,462	13,858
Support administration and office costs	144,832	144,832	128,364
Auditors' remuneration	3,631	3,631	2,810
Wages and salaries	739,918	739,918	592,247
National insurance	71,599	71,599	35,965
Pension cost	24,628	24,628	15,167
Depreciation	45,585	45,585	42,288
	<u>1,380,851</u>	<u>1,380,851</u>	<u>1,164,010</u>

Other trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Subsidiary trading costs	305,926	305,926	266,727
Staff costs	390,997	390,997	371,885
	<u>696,923</u>	<u>696,923</u>	<u>638,612</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Air Ambulance Services	<u>5,649,189</u>	<u>1,466,972</u>	<u>7,116,161</u>

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Air Ambulance Services	<u>5,168,505</u>	<u>1,422,623</u>	<u>6,591,128</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2023

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	1,367,857	1,200,470
Depreciation	1,241,434	1,234,734
Pilot and medical costs	621,079	630,842
Aircraft expenses	1,783,196	1,649,619
Administration and office costs	388,744	323,334
Other costs	246,879	129,506
	<u>5,649,189</u>	<u>5,168,505</u>

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	864,678	879,758
Depreciation	136,751	126,865
Administration and office costs	407,636	365,094
Other costs	47,016	42,476
Governance costs	10,891	8,430
	<u>1,466,972</u>	<u>1,422,623</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

10. Auditor's remuneration

	2023 £	2022 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	14,900	11,100
Fees payable to the charity's auditor and its associates in respect of:		
The auditing of accounts of associates of the charity	5,700	4,275
Other services	-	1,750
	<u>14,900</u>	<u>17,125</u>

11. Staff costs

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Wages and salaries	3,069,948	2,754,963	2,710,890	2,411,631
Social security costs	307,197	255,596	280,486	231,521
Contribution to defined contribution pension schemes	82,532	84,933	77,304	80,455
	<u>3,459,677</u>	<u>3,095,492</u>	<u>3,068,680</u>	<u>2,723,607</u>

The average number of persons employed by the charity during the year was as follows:

	Group 2023 No.	Group 2022 No.
Management	1	1
Administration	35	37
Charitable operations	39	32
Fundraising and lottery - charity	11	12
Fundraising and lottery - trading company	19	19
	<u>105</u>	<u>101</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	5	1
In the band £70,001 - £80,000	3	-
In the band £110,001 - £120,000	-	1
In the band £130,001 - £140,000	1	-

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the group.

During 2022/23 they were:

D Stockton
A Mawson
M Davison
C Smith
D Bramley
A Dunn
C James
A Chapman
A Burtenshaw

The total employee benefits of the key management personnel of the group were £578,287 (2022: £257,320).

12. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2022: £nil)

During the year ended 31 March 2023, no expenses were reimbursed or paid directly to trustees (2022: £50 reimbursed or paid directly to 1 trustee) in respect of travel expenses.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

13. Intangible assets

Group and company

	Software development £	Software £	Total £
Cost			
At 1 April 2022	17,903	566,139	584,042
Additions	211,365	-	211,365
At 31 March 2023	<u>229,268</u>	<u>566,139</u>	<u>795,407</u>
Amortisation			
At 1 April 2022	4,332	394,129	398,461
Charge for the year	18,362	90,182	108,544
At 31 March 2023	<u>22,694</u>	<u>484,311</u>	<u>507,005</u>
Net book value			
At 31 March 2023	<u>206,574</u>	<u>81,828</u>	<u>288,402</u>
At 31 March 2022	<u>13,571</u>	<u>172,010</u>	<u>185,581</u>

The Great North Air Ambulance Service
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 March 2023

14. Tangible fixed assets													
Group	Land and buildings	Service aircraft	Aircraft spare parts	Medical equipment	Office equipment	Motor vehicles	Other fixtures and equipment	Total					
Cost	£	£	£	£	£	£	£	£					£
At 1 April 2022	4,247,472	15,909,286	554,555	358,879	220,733	428,409	760,137	22,479,471					
Additions	32,505	-	-	9,989	4,760	121,716	16,705	185,675					
Disposals	-	-	-	-	-	(65,332)	-	(65,332)					
At 31 March 2023	4,279,977	15,909,286	554,555	368,868	225,493	484,793	776,842	22,599,814					
Depreciation													
At 1 April 2022	321,520	8,979,051	433,400	234,663	189,594	312,544	204,179	10,674,951					
Charge for the year	120,376	1,026,470	-	39,551	13,934	58,482	78,547	1,337,360					
On disposals	-	-	-	-	-	(65,332)	-	(65,332)					
At 31 March 2023	441,896	10,005,521	433,400	274,214	203,528	305,694	282,726	11,946,979					
Net book value													
At 31 March 2023	3,838,081	5,903,765	121,155	94,654	21,965	179,099	494,116	10,652,835					
At 31 March 2022	3,925,952	6,930,235	121,155	124,216	31,139	115,865	555,958	11,804,520					

The Great North Air Ambulance Service
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 March 2023

14. Tangible fixed assets (continued)

Charity

Cost	Land and buildings £	Service aircraft £	Aircraft spare parts £	Medical equipment £	Office equipment £	Motor vehicles £	Other fixtures and equipment £	Total £
At 1 April 2022	4,247,472	15,909,286	554,555	358,879	218,481	228,434	734,325	22,251,432
Additions	32,505	-	-	9,989	4,760	121,716	16,705	185,675
At 31 March 2023	4,279,977	15,909,286	554,555	368,868	223,241	350,150	751,030	22,437,107
Depreciation								
At 1 April 2022	321,520	8,979,051	433,400	234,663	188,993	168,201	177,789	10,503,617
Charge for the year	120,376	1,026,470	-	39,551	13,934	36,912	77,985	1,315,228
At 31 March 2023	441,896	10,005,521	433,400	274,214	202,927	205,113	255,774	11,818,845
Net book value								
At 31 March 2023	3,838,081	5,903,765	121,155	94,654	20,314	145,037	495,256	10,618,262
At 31 March 2022	3,925,952	6,930,235	121,155	124,216	29,488	60,233	556,536	11,747,815

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

15. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2022	5,087
Revaluations	322
	<u>5,409</u>
At 31 March 2023	<u>5,409</u>
Net book value	
At 31 March 2023	5,409
At 31 March 2022	<u>5,087</u>

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2022	2	5,087	5,089
Revaluations	-	322	322
	<u>2</u>	<u>5,409</u>	<u>5,411</u>
At 31 March 2023	<u>2</u>	<u>5,409</u>	<u>5,411</u>
Net book value			
At 31 March 2023	2	5,409	5,411
At 31 March 2022	<u>2</u>	<u>5,087</u>	<u>5,089</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

16. Stocks

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Donation bags	19,294	1,270	-	-
Items for resale	57,313	75,405	39,845	34,253
	76,607	76,675	39,845	34,253

17. Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade debtors	230,121	21,843	160,542	7,692
Amounts owed by group undertakings	-	-	64,298	5,048
Other debtors	52,984	45,870	43,520	32,821
Prepayments and accrued income	323,167	1,021,402	318,129	1,000,507
	606,272	1,089,115	586,489	1,046,068

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

18. Creditors: amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loans (note 19)	9,747	9,507	-	-
Other loans (note 19)	316,626	316,626	316,626	316,626
Trade creditors	333,338	263,268	287,044	212,060
Amounts owed to group undertakings	-	-	-	19,971
Other taxation and social security	86,129	78,025	78,938	72,903
Other creditors	2,008	8,531	1,998	8,287
Accruals and deferred income	389,326	285,432	319,606	273,974
	1,137,174	961,389	1,004,212	903,821
	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Deferred income at 1 April 2022	247,385	229,351	247,385	229,351
Resources deferred during the year	291,289	247,385	291,289	247,385
Amounts released from previous periods	(247,385)	(229,351)	(247,385)	(229,351)
	291,289	247,385	291,289	247,385

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

19. Creditors: amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loans	30,443	40,493	-	-
Other loans	3,416,383	3,733,010	3,416,383	3,733,010
	<u>3,446,826</u>	<u>3,773,503</u>	<u>3,416,383</u>	<u>3,733,010</u>

Bank loans

This lending facility is supported by the Bounce Back Loan Scheme (BBLs), managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy.

Under the terms of the loan, the BBLs guarantee is provided to the bank and not to the customer. The company therefore remains responsible for repaying the whole of the loan at all times.

The loan is an unsecured loan and is repayable over 59 monthly payments, with the final repayment date being 72 months after the loan was drawn.

The amount repayable by installments which falls due after five years is £nil (2022: £nil).

Other loans

In April 2021, the existing loan was refinanced to fund the purchase of a new helicopter over a 10 year period.

The loan financing is in the form of a secured loan with a variable interest rate of 2.75% above LIBOR and there is a fixed charge secured against two of the aircraft, which have an aggregate carrying value of £4,958,846 (2022: £5,736,773).

The terms of the security provide for the lender to claim title to the aircraft in the event of a default, details of which can be found on Companies House.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2023

20. Deferred taxation

Group

	2023 £	2022 £
At the beginning of the year	(11,105)	(1,268)
Credit/(charge) for the year	3,898	(9,837)
	<u>(7,207)</u>	<u>(11,105)</u>

The deferred tax liability is made up as follows:

	Group 2023 £	Group 2022 £
Fixed asset timing differences	(7,207)	(11,142)
Short term timing differences - trading	-	37
	<u>(7,207)</u>	<u>(11,105)</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2023

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
General funds	6,911,711	10,070,720	(7,073,231)	(713,667)	322	9,195,855
Capital funds	7,883,760	-	(1,423,772)	713,667	-	7,173,655
Subsidiary reserves	500,484	779,031	(696,932)	-	-	582,583
	<u>15,295,955</u>	<u>10,849,751</u>	<u>(9,193,935)</u>	<u>-</u>	<u>322</u>	<u>16,952,093</u>

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
General funds	6,572,467	7,535,789	(6,351,251)	(846,580)	1,286	6,911,711
Capital funds	8,441,067	-	(1,403,887)	846,580	-	7,883,760
Subsidiary reserves	262,375	876,721	(638,612)	-	-	500,484
	<u>15,275,909</u>	<u>8,412,510</u>	<u>(8,393,750)</u>	<u>-</u>	<u>1,286</u>	<u>15,295,955</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2023

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

	Group 2023 £	Group 2022 £
Net income for the year (as per statement of financial activities)	1,656,138	20,046
Adjustments for:		
Depreciation charges	1,337,360	1,326,865
Amortisation charges	108,544	99,245
Gains on investments	(322)	(1,286)
Dividends, interests and rents from investments	(27,258)	(598)
Profit on the sale of tangible fixed assets	-	(7,006)
Decrease in stocks	68	16,750
Decrease/(increase) in debtors	478,945	(115,729)
Increase/(decrease) in creditors	175,545	(71,608)
Interest paid	194,836	134,349
Deferred tax	-	9,837
Net cash provided by operating activities	3,923,856	1,410,865

23. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	9,913,775	6,880,974
Total cash and cash equivalents	9,913,775	6,880,974

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2023

24. Analysis of changes in net debt

	At 1 April 2022	Cash flows	Other non- cash changes	At 31 March 2023
	£	£	£	£
Cash at bank and in hand	6,880,974	3,032,801	-	9,913,775
Debt due within 1 year	(326,133)	326,437	(326,677)	(326,373)
Debt due after 1 year	(3,773,503)	-	326,677	(3,446,826)
	<u>2,781,338</u>	<u>3,359,238</u>	<u>-</u>	<u>6,140,576</u>

25. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £86,952 (2022: £84,933). Contributions totalling £nil (2022: £nil) were payable to the fund at the balance sheet date and are included in creditors.

26. Operating lease commitments

At 31 March 2023 the group had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023	Group 2022
	£	£
Not later than 1 year	-	21,567

The company had no commitments under non-cancellable operating leases at 31 March 2023 (2022: same).

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2023

27. Related party transactions

Dr K Han is a trustee and is a Honorary Medical Director with NEAS. During the year, income from NEAS from a contract to provide MERIT services amounted to £314,650 (2022: £309,392) in respect of the charity.

Mr J Devine was a trustee during the year and is a partner in Muckle LLP, solicitors. During the year, legal fees charged by Muckle LLP amounted to £27,171 (2022: £47,756) in respect of the charity and £3,890 (2022: £5,977) in respect of the subsidiary companies. At the year end, £3,890 (2022: £1,889) was owed to Muckle LLP.

Mr P Neal is a trustee and is a director of The Experience Bank. During the year, costs charged by The Experience Bank amounted to £9,000 (2022: £nil) in respect of the charity and £nil (2022: £nil) in respect of the subsidiary companies.

During the year, the charity received a gift aid donation of £194,256 (2022: £109,161) from Great North Air Ambulance Trading Company Limited. At the year end, the charity was owed £26,755 (2022: £nil) from Great North Air Ambulance Trading Company Limited. At the year end, the charity owed £nil (2022: £19,971) to Great North Air Ambulance Trading Company Limited.

During the year, the charity received a gift aid donation of £nil (2022: £nil) from Arc Medtech Limited. At the year end, the charity was owed £37,543 (2022: £5,048) from Arc Medtech Limited. At the year end, the charity owed £nil (2022: £nil) to Arc Medtech Limited.

28. Post balance sheet events

Post year end the mortgage of £3,713,440 has been repaid in full on 17th May 2023.

29. Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Principal activity	Class of shares	Holding
Great North Air Ambulance Service Trading Company Limited	3662874	Trading subsidiary for recycling collections	Ordinary	100%
Arc Medtech Limited	12189819	Trading subsidiary for royalties of software	Ordinary	100%

Both of these subsidiaries are included in the consolidation. The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit for the year £	Net assets £
Great North Air Ambulance Service Trading Company Limited	742,531	676,183	66,348	288,529
Arc Medtech Limited	36,500	28,712	7,788	26,492

THE GREAT NORTH AIR AMBULANCE SERVICE

England & Wales - Charity number 1092204

Accounts

Registered number: 04436859
Charity number: 1092204

The Great North Air Ambulance Service
(A company limited by guarantee)

Trustees' report and financial statements

Year ended 31 March 2022

The Great North Air Ambulance Service

(A company limited by guarantee)

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The Great North Air Ambulance Service

(A company limited by guarantee)

Reference and administrative details

Year ended 31 March 2022

Trustees Mr B Jobling, Chair
Mr J Devine
Dr K Han
Mrs J Trench
Mr S Groves OBE
Ms D Dunn
Mr P Neal
Prof M Defeyter
Mrs C Vaughan
Mr A Hui (appointed 30 April 2021)
Mr J Jowett (appointed 27 May 2022)

Company registered number 04436859

Charity registered number 1092204

Registered office Progress House
Urlay Nook Road
Eaglescliffe
Stockton-on-Tees
TS16 0QB

Company secretary Muckle Secretary Limited

Chief executive officer Mr D Stockton

Independent auditor UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers Royal Bank of Scotland
Drummond House
1 Redheughs Avenue
Edinburgh
EH12 9JN

Solicitors Muckle LLP
32 Gallowgate
Newcastle upon Tyne
Tyne and Wear
NE1 4BF

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report Year ended 31 March 2022

The trustees (who are also directors of the charity for the purposes of the Companies Act) present this their annual report together with the audited financial statements of The Great North Air Ambulance Service (the company and the group) for the year ended 31 March 2022. This report includes the strategic and directors' report as required by company law.

The trustees confirm that the annual report and financial statements of the company and the group comply with the Charities Act 2011, the Companies Act 2006, the requirements of the company and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities (FRS 102)' effective from 1 January 2015.

Welcome

The Great North Air Ambulance Service (GNAAS) is a charitably funded air ambulance service which provides life-saving care to the most ill and injured people in the North East, North Yorkshire, and Cumbria. We operate two helicopters 365 days a year and also operate a night-time service in the North East and Cumbria on rapid response vehicles.

The aircraft cover an area of about 8,000 square miles and on board are specialist doctors and paramedics who effectively bring the hospital to the patient.

GNAAS is a progressive organisation which has pioneered pre-hospital care in the region.

The latest techniques, equipment and drugs are constantly being evaluated to ensure the charity can provide the best care possible for their patients.

In the last 20 years we have responded more than 23,500 times across the region, with road traffic collisions being the most frequent type of incident responded to by the team.

Other incidents they have attended include medical incidents such as stroke and cardiac issues, assaults, such as stabbings and shootings, leisure activities gone wrong, especially in rural areas, and self-harm.

We do not receive Government funding and must therefore raise £6.7m a year through public donations to remain operational.

In October 2021 the charity's contribution to the North East was recognised as we won two North East Chamber of Commerce (NECC) awards - North East Champion of the Year and North East Business of the year. This accolade was hugely appreciated by the whole charity, acknowledging the dedication and commitment of all despite covid challenges and its effects.

Our aims and objectives

Our vision is to provide a world-class pre-hospital care service for the people of the region.

The principal objects of the charity are:

- To promote the relief of sickness within the United Kingdom and the Isle of Man and in particular the counties of Cumbria, Northumberland and Durham and the surrounding areas by provision of an air ambulance service.
- To provide and maintain or assist with the provision and maintenance of aircraft and other ancillary and associated equipment.
- The advancement of education and training of medical professionals and health care personnel in medical disciplines with particular reference to emergency and pre hospital care.

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2022

Our mission is to extend and constantly seek to improve emergency pre-hospital and inter-hospital critical care across our region.

Everything we do is focused around the delivery of world-class care for our patients, but the impact is felt far beyond this group of people. Our impact extends to their families, their friends and colleagues, those we train, our healthcare partners and the communities involved in fundraising activity.

Strategic report

Income generation

Achievements and performance

The year was once again unprecedented, with effects of covid still impacting face to face fundraising activities and external factors affecting donations in general. In the first part of the year covid restrictions meant traditional fundraising could still not take place as the safety of our team and the public was paramount. The first fundraising event of the year did not take place until September. Despite these obstacles, total income generation activities raised £7.52m (2020/21 £7.05m).

These included some key fundraising campaigns such as the charity's annual raffle which raised over £130,000, a new virtual event in January raising £25,000 plus the annual appeal which received over £50,000 in donations. The charity's first virtual event took place in 2020 and these are now a key income generator. To support these campaigns and aid fundraising and awareness overall, we have strengthened our marketing and communications team. This allowed us to introduce a TikTok channel and explore new approaches.

Corporate support remained a vital area of generating income. Go North East made a considerable donation from two of their North East depots, Home Bargains hosted collection boxes at tills in 33 stores throughout the North East and HR 2day hosted a successful fundraising ball raising in excess of £20,000. To support our corporate fundraising, we have joined networking groups and employed corporate engagement team members to help us connect with business leaders in the area. We have also entered, and won, prestigious awards including Business of the Year at the NECC annual awards to help further increase awareness to businesses in the region.

Investment was made in the front-line fundraising team following two years of reduced activity. This included recruitment of two community fundraisers in Cumbria and two new positions of Community Fundraising Leads. This was to help increase our presence within our community, improving awareness of the cause and ultimately increasing donations.

Legacy donations were a significant contributor to overall funds raised with 138 supporters kindly including us in their wills, resulting in £3.06m (2020/21 £3.16m).

Every donation made to our charity is gratefully received no matter how big or small and ultimately funds the critical care team responding to incidents throughout the North.

For every £1 spent by the charity raising funds, £6.25 (2020/21: £4.91) was generated in donations, legacies, grants and lottery and fundraising income.

Fundraising

The charity is registered with the Fundraising Regulator and fundraising activities undertaken by the charity are carried out with reference to the Code of Fundraising Practice. All complaints received by the charity are recorded and investigated in line with the charity's complaints and appreciations procedure. During the year we received 2 (2020/21: 5) complaints. All complaints were handled in line with the charity's published complaint procedure and resolved at stage 1 of the process. No complaints were received via the Fundraising Regulator.

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2022

As a charity, we do not use the services of professional fundraisers, external call centres or external sales canvassing companies to support our fundraising activities. Where a business supporter seeks to promote our charity alongside the sale of their own product or service, we require them to put in place the appropriate legal agreement recognising their responsibilities.

The charity provides guidance and training to employees and volunteers on dealing with people in vulnerable circumstances.

Volunteers

We rely on the commitment and generosity of over 50 volunteers. Unfortunately, due to covid their activity was limited to ensure the safety of all. As the world returns to normal, we look forward to once again working closely with our volunteers, as well as growing this number and supporting them in helping to achieve our aims.

Future activity

As the world emerges from the pandemic, and our critical care team is busier than ever, our fundraising ambition is growing. However, as a result of recent world events and the cost-of-living crisis, we are having to work harder than ever to generate income.

The Civil Society states that Charitable giving has reduced by £2bn, and studies are also showing a reduction in participation in fundraising activities. This pattern is mirrored within our charity, with us needing to be creative and resourceful to maintain and increase our income. We are, however, confident that we are doing the right things, and are trying numerous new approaches, which are helping us to learn.

We have established a cross department Income Generation Group to help us to oversee our income generation.

2022 will mark the charity's 20th Anniversary, and despite our efforts and impact over the last 20 years, we are still surprised at how many people are not aware of the charity or its charitable status. Investment made in our teams will support spreading our message further and positively impact fundraising efforts.

To achieve income growth, we plan to increase our lottery from 50p to £1 per week, increase and diversify our events calendar and continue to maximise digital fundraising opportunities.

Now it is safe to do so, we will attend more community fayres, stalls, and events than ever before to make up for lost time and reconnect with our vital supporters.

Engaging and building relationships with businesses throughout the region is a key focus to help increase and sustain income. Financial support, gifts-in-kind and shared knowledge are paramount in supporting the charity through the upcoming economic uncertainty.

We will continue to nurture supporters by providing a great giving experience to encourage future support and continue to encourage supporters to remember us in their wills.

2022/23 plans are exciting and ambitious however we will be agile in our approach so we can respond to external influences and ensure we effectively continue to raise vital funds.

Operations

Achievements and performance

2021 to 2022 saw an unprecedented demand for our critical care team, with more incidents and a higher ratio of critical care interventions. This was delivered against a backdrop of clinical exhaustion due to the pandemic, uncertainty and a huge loss in income. Our commitment to our communities has never been stronger, but the challenges that face us have never been more difficult.

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 March 2022

We know that we save lives, and we keep loved ones together. That means we need to find a way to deliver our care every hour of every day. We have achieved so much in this period, delivering a fifth nightshift in the North East and our first two nights in Cumbria. This has moved us significantly towards our ambition to be deployable 24/7. We have incorporated a capability to move patients more safely from Cumbrian hospitals to specialist care in the North East, but we need to go further. To continue this journey a recruitment program was planned and is now underway, with a completion date by early 2023.

The second of our N2 aircraft was upgraded in June 2021 and G-NHAE began service in Cumbria under the tailfin 'Pride of Cumbria II'. With two N3 aircraft in service we saw an immediate improvement in range and endurance, with improved avionics and centrally mounted stretchers enabling 360 degree access to patients.

By upgrading our fleet over the last few years we have now been able to provide our service to another vulnerable community in the North - the Isle of Man. Detached from the mainland, critically ill patients have to wait several hours to be transferred to definitive care, but by using our service we hope we can reach these patients at the site of their incident and take them directly to the mainland. This extension of our area helps us to widen our impact, and exposes the charity to another source of income, to enable us to safeguard the service for all of the North.

Furthering our research into the delivery of care, GNAAS teamed up with Orsted, one of the world's largest and most innovative renewable energy companies and Gravity Industries, the designer and manufacturer of Jet Suits. The concept was to explore whether the technology could be used in the Lake District by GNAAS medics to access patients more cost effectively and quickly and allow GNAAS medics to respond to cases that require medical assistance but do not need the full critical care capability on board the helicopter. To be involved in a true 'world first' is a huge privilege. GNAAS has a strong heritage in innovative solutions to our challenges and the Jet Suit project is a first look at how we can improve patient access as a whole, not only in the Lake District but beyond. The technologies that are being developed will open a new world of possibilities and as a team we see their huge potential.

During 2021 and 2022 we continued to develop a portfolio of training courses that we deliver to medics from around the world. By sharing our techniques and experience we are able to support teams both in the UK and abroad in the development of their own services.

Recently we have supported a Blood on Board program that went live in Italy, and hosted colleagues from Belgium who learned about our system and attended our first ever Obstetrics Emergency course. This course has been developed by our own team of clinicians with incredible support from specialist colleagues in Obstetrics Medicine and Midwifery. Training programmes are featured in more detail within the 'Training' section below.

The rigour and emotional trauma of delivering the level of care that we do, alongside the pandemic has taken its toll on our critical care team. Our doctors work in the NHS and were very much on the frontline in Accident and Emergency, Anaesthetics and Intensive Care. They have faced huge pressure during the pandemic but continued to stand with GNAAS, working over and above their NHS commitments. We genuinely and sincerely appreciate their ongoing efforts to support our service.

Although we saw an easing of the effects of the pandemic, it has left most of our team exhausted and uncertain. We are working hard to support all of our people in their own journeys, to help everyone find positivity in an uncertain time. By looking after each other, we can be there to look after the incredible people of the North and ensure we can be there in their hour of need.

During the year the regions three NHS ambulance services called us out 1,732 times (2020/21: 1,287). The average cost per request for assistance, based on total expenditure for the charity is £4,478 (2020/21: £5,193).

We do not receive any financial, human resource or equipment support from the government. The impact of the charity's activities continues to improve patient care and survivability, adding value to the regions' health economy without any cost to the NHS.

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2022

Future activity

Providing critical care to the people of the North remains the core of our operational activity. We constantly strive to deliver the most advanced pre-hospital emergency care to ensure the best outcome possible for patients experiencing the worst day of their lives. Our future activity will continue to support this aim.

The recruitment programme of paramedics and doctors, due to finish in 2023, will mean we have the staff trained to provide a 24/7 service. This training takes considerable investment, both from the service and the trainee, but excellent care comes from excellent training and this process takes time. Sustaining this does however come at a cost and we must ensure we can financially support this vision.

In the next year we will celebrate over 500 patients receiving blood transfusions from our service, which was introduced in 2015. This use of blood and plasma transfusions has led to us being chosen as one of the teams chosen to conduct a national research project with colleagues around the country to analyse the use of whole blood in the pre-hospital setting. Conducting research at the level is complex but valuable and to be represented in this program is a huge privilege, and the result of significant amounts of hard work. We hope the result of this research will provide further positive impact to those we attend.

Jet suit trials to provide care in hard-to-reach locations, kindly funded by Orsted, will also continue as we further explore the practicalities and impact this could have on patients.

Operational training Achievements and performance

Due to COVID in 2021 GNAAS was limited as to what training could be delivered. We were unable to have external people on base during the pandemic, this was to minimise the risk of COVID impacting the operational team's capability to deliver our service. This resulted in uncertainty and courses only being delivered from July 2021 onwards. This has also impacted on our ability to hold training days for our operational team members, as we did not want to compromise our organisation's ability to deliver our core service. In addition to this, due to the recruitment of new paramedics within this time period, this has taken priority.

External training

With COVID in mind we were only able to deliver three external courses in 2021, these being our Prehospital Emergency Medicine Crew Course (PHEMCC) and our Prehospital Emergency Anaesthesia Course (PHEA). We also managed one training day with the Northumbria Firearms team.

PHEMCC (two-week course) - six paramedics and six doctors with approximately 30 observers over the course of the two weeks, who were a mix of paramedic students and junior doctors.

PHEA (two-day course) – nine paramedics and nine doctors with five observers who were a mix of qualified and student paramedics and doctors.

Northumbria Firearms (one-day course) – 12 firearms police focusing on catastrophic haemorrhage control and patient assessment.

Internal training

Within this time period, although opportunity has been limited due to NHS pressure for our doctors, and the need to ensure our team are not exposed to any unnecessary risk of catching COVID, we have managed to provide a significant amount of good training opportunities.

To maintain our crew's operational readiness it has been important to carry out training while on shift, this means simulation practice on base has been of critical importance and something we have looked to maximise while under COVID restrictions and something we have continued since. We carried out 911 simulations in our team across both bases and these are now part of our daily routine. This helps to ensure familiarisation with our standard operating procedures and helps to maintain our critical thinking and decision-making processes in difficult and sometimes rarely attended types of incidents.

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Trustees' report (continued) Year ended 31 March 2022

Our statutory and mandatory training has been maintained above 90% throughout this period and is something we will look to improve over the next year and looking into 2023.

A number of our clinicians have successfully completed the Diploma in immediate medical care with the Royal College of Surgeons, a prestigious and difficult qualification that is well respected within the PHEM community. This was assisted by the training team putting on revision days with multiple simulation stations similar to that of the exams and sessions on exam techniques.

With the new service in Cumbria providing time critical transfers between emergency departments we have provided two transfer training days which has incorporated both classroom based and practical sessions with hands on new equipment and taught sessions from subject matter experts in this field and practical simulations, giving our crew the confidence to deliver this service on multiple occasions.

We have delivered a number of internal training days focusing on different aspects of our care.

Obstetric Emergencies - This day was delivered to our team by our own clinicians and subject matter experts regarding maternal emergencies. It was a mix of theory and practical simulations with high fidelity mannequins and actors and we plan to deliver this course externally in 2022.

Enhanced Resuscitation - This day was delivered to our team by our own clinicians and subject matter experts, with the support of Zoll (defibrillator company) regarding maternal emergencies. It was mix of theory and practical simulations with high fidelity mannequins and actors and this course will be delivered externally in 2022.

Ultrasound Training - Delivered to our team by one of our team members who specialises in point of care ultrasound and a number of SME's from the Royal Victoria Infirmary (RVI) in Newcastle.

We have also provided our paramedic team with access to the region's major trauma centres' Theatres, Emergency Departments and Intensive Care Units. This allows our paramedics to carry out supernumerary shifts in hospital to ensure our training in certain practical elements such as intubation, central and peripheral cannulation as well as patient assessment skills are all maintained.

Operational training Future activity

External training

Moving forward into 2022 - 2023 we will be looking to run the external courses listed below:

PHEA Course (twice (April & October))	-	36 candidates
Emergency Obstetrics Course (May)	-	20 candidates
Enhanced Resuscitation Course (July)	-	20 candidates
PHEMCC (September)	-	12 candidates

We will also be running the firearms training day at least once. We will be looking to deliver training moving forward to both Teesside University and Sunderland University for all student paramedics to give them an understanding of the service we provide and when it is required. This would potentially be approximately 120 people per university per year.

Internal training

We will be looking to provide more training days including ones relating to mountain rescue, major incidents, and surgical skills amongst others. We will be changing the way statutory and mandatory training is recorded and on which system, making it easier for our team to maintain currency.

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Trustees' report (continued) Year ended 31 March 2022

We will be implementing a clinical currency passport for the critical care skills to ensure our clinical team are current on all surgical skill procedures. We are recruiting multiple new doctors and paramedics, and one of the priorities for the next 12 to 18 months is the successful training of these clinicians to be able to perform their role at GNAAS to a high standard. We will look to continue to develop our team through the Dip IMC and other study days on base. The transfer training day course will be run again to ensure our competence with the kit and the delivery of this service moving forward.

Financial review

Consolidated accounts

The consolidated accounts set out the combined results for The Great North Air Ambulance Service charity, and for the charity's wholly-owned trading subsidiaries (The Great North Air Ambulance Trading Company and ARC Medtech Limited) for the year ended 31 March 2022. Income for the year totalled £8,412,510 (2020/21: £8,517,729), a small decrease year on year.

Gifts in wills remained a significant source of income but are by their nature unpredictable. The amount received due to Gifts in Wills decreased by £102k compared to 2020/21. Income from donations, grants, lottery and fundraising decreased by £139k compared to 2020/21.

Resources expended in the year totalled £8,393,750 (2020/21: £7,429,630), an increase of £954,120.

The consolidated accounts include income of £876,721 (2020/21: £741,115) earned by the subsidiary companies and associated resources expended of £638,612 (2020/21: £746,289).

The subsidiary companies made a return to the charity of £109,161 in the current financial year (2020/21: £182,850), which relates to profits generated in 20/21.

The capital fund differentiates the capital costs of the charity from the revenue expenditure required to fund the charity's running costs. The costs of depreciating the assets over their useful lives, and the finance costs relating to borrowing to fund the aircraft are reflected in the capital fund. The capital fund remains unrestricted.

Results for the charity

Income for the year totalled £7,723,039 (2020/21: £7,833,111). Our sources of income include:

- Donations from individuals, corporate supporters and from the charity's own trading company £2,102,945 – 27% (2020/21: £1,902,887 – 24%)
- Legacies £3,061,800 – 40% (2020/21: £3,163,729 – 40%)
- Charitable activities (chargeable pre-hospital care services and training) £442,644 – 6% (2020/21: £310,770 – 4%)
- Lottery subscriptions £979,132 – 13% (2020/21: £1,061,367 – 14%)
- Fundraising activities including events £926,042 – 12% (2020/21: £565,096 – 7%)
- Grants and other income £210,476 – 2% (2020/21: £829,262 – 11%)

Resources expended in the year totalled £7,755,138 (2020/21: £6,683,34). Resources expended include:

- Costs of delivering our charitable activities – these costs cover the clinical, operational, training, compliance and essential support costs of delivering our services. Total costs of delivery for the year were £6,591,128 (2020/21: £5,246,884), this represents 85% (79%) of our costs.
- The costs of delivering fundraising activities – these are the costs, including staff and non-staff costs, relating to events, managing fundraising activities, promotion activities to generate public support, and the costs of running the lottery. Without these activities, the charity could not generate the financial support needed to allow us to deliver our services. £1,164,010 (2020/21: £1,436,457) of our costs, 15% (21%), are attributable to this area of our work.

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Trustees' report (continued) Year ended 31 March 2022

Any surplus generated is held for future investment and to support the reserves policy laid down by the charity's trustees.

As set out above, the capital fund differentiates the capital costs of the charity from the revenue expenditure required to fund the charity's running costs.

Investment policy and performance

As per the memorandum and articles of association the charity has the power to acquire assets to borrow money and to invest surplus funds in any way that the trustees wish.

There were no investments and no investment income during the year other than small amounts of interest received from interest-bearing current accounts, and a small number of shares received through gifts in wills.

The trustees reviewed their approach to investment during the year and concluded to continue to maintain cash balances in the light of future capital commitments and plans. The trustees keep the cash position and broader investment strategy and policies of the charity under review.

Reserves policy

In line with Charity Commission guidelines, the trustees monitor the level of reserves held to ensure they are being used to help to achieve the objectives of the charity.

The charity aims to keep free reserves at levels to provide for six months operating costs which the trustees consider prudent. Based on 2022/23 budgeted costs the operating costs of the charity excluding depreciation are forecast at £7.5mil, this equates to an estimated £3.75mil for six months.

As at 31 March 2022, the charity holds total reserves of £15.3 million, of which £12 million is tied up in fixed assets. The charity's free reserves stand at £3.3 million, which is lower than the charity aims to hold. However, this was expected to reduce during 2021/22 with the charity's reserves being utilised to ensure continuity of service whilst continuing to invest in fundraising activities to support the charity's recovery once restrictions on movement begin to lift. The aim is to return free reserves to the target of 6 months expenditure following recovery.

Principal risks and uncertainties

As part of their responsibilities, the trustees ensure that the major risks to which the charity is exposed are reviewed and systems established to mitigate those risks. The trustees have appointed the chief executive and the executive team to review major risks and make recommendations to the trustees as to how to manage them. The finance, audit, remuneration and risk committee are responsible for the review and monitoring of the effectiveness of policies and processes for assessing and managing risk.

The principal risk categories are strategic governance, clinical, service delivery (clinical), service delivery (other), financial risk, income generation risk, reputational risk, information governance/data protection, and human resources.

Foremost for consideration are clinical and operational risks involving patient treatment and care, this aspect is regulated by the Care Quality Commission (CQC) where failure to comply with the regulations would severely inhibit the charity; and factors involved with the flying environment, this is highly regulated by the Civil Aviation Authority (CAA).

In addition to the major risk groups, the charity has developed a business continuity plan to ensure that the charity is prepared to deal with service outages caused by factors beyond its control that could seriously impair the charity's ability to continue normal operations. COVID-19 has meant that our business continuity plan has been put to the test and shown to work with our frontline services continuing to operate with the necessary adaptations, and our non-frontline services mobilised to work from remote locations.

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Trustees' report (continued)

Year ended 31 March 2022

As part of their responsibilities, the trustees ensure that major risks to which the charity may be exposed are reviewed annually. At each meeting of the board, any new risks or changes to existing risks identified from the papers or discussions around agenda items are noted and the risk register updated accordingly.

Complaints received are reviewed by the relevant sub-committee on a regular basis. The committees review the number and general nature of complaints received; any trends in complaints; and any areas of risk that need to be addressed.

Going concern

The charity saw increased income from donations, grants, lottery and fundraising across 2021/22 with an additional £463k year on year. Excluded from this amount is the one-off government grant to support air ambulance charities during COVID-19 of £520,000, and Coronavirus Job Retention Scheme (CJRS) funding of £82,424, which was received in 2020/21.

Gifts in wills remained a significant source of income but are by their nature unpredictable, the amount received in 2021/22 decreased by £102k compared to 2020/21, however this total amount received allowed the charity to end the year in a surplus position.

Income continues to be impacted into 2022/23 as the cost of living crisis and war in Ukraine has reduced the charity's ability to generate funds through focus being elsewhere than having disposable income to donate to a charity. The charity's trading company has also been impacted, reducing the amount that can be gifted to the charity.

The charity has prepared budget forecasts for the period to 31 March 2023. These forecasts show an expected loss of £96k in 2022/23. The forecast losses were attributable to increases in depreciation costs following investment in aircraft; increased operating costs of moving toward 24/7 cover; and increased costs in fundraising activities. Work continues to address these predicted losses and return the charity to a surplus position.

Despite the forecast deficit, the charity is still forecast to have in excess of £7.2m cash in March 2023, an increase of £703k from March 2022.

Having considered the financial forecasts the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

End of strategic report

Public benefit

All our charitable activities are undertaken to further our charitable purposes for the public benefit. Over the last nineteen years, this charity has changed the way many seriously ill or injured patients are treated and cared for. This advance in pre-hospital emergency medical care (limited only by resource) has noticeably impacted on vulnerable patients with many more surviving than would otherwise have done so previously, delivering proven public benefit.

In accordance with S17 of the Charities Act 2011, the trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the charity and when planning the future activities. The trustees assess how new activities planned will contribute to the overall aims and objectives they have set and periodically review existing activities to ensure ongoing public benefit.

Structure, governance and management

The charity is a company limited by guarantee, incorporated in the United Kingdom on 13 May 2002 and registered in England and Wales. It is also a registered charity (charity number 1092204).

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 March 2022

Organisational structure

The controlling entity of the charity is the Board of Trustees. The board meets a minimum of four times per year. Between general meetings subcommittees of the board, the Finance, Audit, Remuneration and Risk committee, and the Operations and Clinical committee, are called upon to maintain a continuous governance overview.

The charity is sub-divided into Medical, Operational, Fundraising, Business Support, Compliance and Assurance, and HR, each headed up by a member of the executive team. The executive team are responsible for leading their service area, and collectively along with the Chief Executive are responsible and accountable for delivering a safe and efficient service. The charity employs its own paramedics and doctors. The clinical team are supported by a range of support functions, including fundraising; and by a team of active volunteers.

The charity owns two non-charitable commercial subsidiary companies known as the Great North Air Ambulance Service Trading Company and ARC Medtech.

The Great North Air Ambulance Trading Company operates independently of the charity with its own structure, management and employees. This recycling and international export business trades in mobile phones, inkjet cartridges, unwanted clothing and other disposable goods. The trading company donates the distributable profits derived from its trading activities to the charity that over the years has amounted to over £4mill, making it the charity's largest single commercial donor.

ARC Medtech was established in 2019 to allow the charity to exploit the intellectual property vested in its operational ICT system. ARC Medtech does not employ any staff. As with the trading company, ARC Medtech's distributable profits derived from its trading are donated to the charity.

Governance

The trustees, who are also directors of the charitable company, are bound by the charity's Articles of Association and Memorandum.

The trustees collectively are responsible for directing the affairs of the charity ensuring that it is solvent, well run, delivering the charitable outcomes for which it was set up, and ensuring compliance with charity law and all other applicable legislation and regulation. The trustees also determine the strategy and key objectives and vote on major policy decisions affecting the charity. Trustees monitor the performance of the charity at meetings of the board and its sub-committees. Sub-committees meet a minimum of 3 times per year.

The Operations and Clinical Committee has delegated responsibility for overseeing all operational and clinical aspects of the charity and reporting back to the board accordingly.

The Finance, Audit, Remuneration and Risk Committee has delegated responsibility for overseeing all financial aspects of the charity, including audit and remuneration, to ensure short and long-term viability and report back to the board accordingly. The committee, when required, will determine and make recommendations regarding the remuneration of the senior executive specifically and employees generally. The remuneration packages of senior executives and employees are established with reference to market rates for similar roles and are designed to attract and retain employees while remaining affordable to the charity.

The board approved the creation of a new committee, The Nomination Committee, on 30 April 2021, examining the skills and characteristics required of board candidates. They began work on their Terms of Reference and report back to board on their progress.

Two of the trustees are also directors of the trading company, and two of the trustees are also directors of ARC Medtech. The directors of each of the trading subsidiaries report on the company's activities and performance and communicate those matters to the charity board.

The Great North Air Ambulance Service

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Trustees' report (continued)

Year ended 31 March 2022

Regulatory compliance and overall performance standards are monitored and assessed with quality and key performance indicators by the board throughout the year. This helps to ensure the charity is well-governed, safe and legislatively compliant in all aspects of its duties and operations.

Policies adopted for the induction and training of trustees

Trustees are identified by a process of targeted recruitment aimed at ensuring the skills of the board remain both relevant and balanced. New trustees are interviewed and appointed by the presiding trustees who aim to achieve a good mix of professional skills that will benefit the charity.

Each new trustee undergoes a brief induction programme that includes the charity's vision and objects, role and responsibilities and financial standing. The charity facilitates attendance at appropriate external training events where there is an identified need.

In addition to the constitution, trustees are bound by the charity's Code of Governance and Code of Conduct.

Management

Although ultimate responsibility for the management of the charity lies with the trustees, they do have the power to delegate and do so to enable the charity to function on a daily basis.

The trustees are responsible for appointing a chief executive. The chief executive is responsible for staff leadership, management, and administration as well as the clinical and operational aspects of the charity and is the link between the board of trustees and the staff. Senior managers are appointed to assist the chief executive in these duties and this structure ensures the charity is effective, well-governed and legislatively compliant in all aspects of its operations.

Senior managers are responsible and accountable to the CEO for their designated area of operation, ensuring that services are delivered in pursuance of the charity's agreed strategies and objectives; that relevant regulatory compliance is maintained; and that performance is in line with agreed standards.

Regular departmental and staff meetings are held to ensure the charity progresses and maintain its aims and objectives thereby delivering on its public benefit requirement.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- That trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the group strategic report, was approved by the trustees, in their capacity as company directors, on 19 July 2022 and signed on their behalf by:



Mr B Jobling
Chair

The Great North Air Ambulance Service

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Trustees' responsibilities statement Year ended 31 March 2022

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charity 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 group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Independent auditor's report to the members of The Great North Air Ambulance Service

Opinion

We have audited the financial statements of The Great North Air Ambulance Service ('the parent charitable company') and its subsidiaries ('the group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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



Independent auditor's report to the members of The Great North Air Ambulance Service (continued)

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 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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



Independent auditor's report to the members of The Great North Air Ambulance Service (continued)

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by Auditing Standards) and from inspection of the group's legal correspondence and we discussed with the trustees and other management the policies and procedures in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, civil aviation regulations, care quality legislation, employment law, data protection, environmental law and certain aspects of company legislation, recognising the nature of the group's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not become aware of any actual or suspected non-compliance material to the financial statements.



Independent auditor's report to the members of The Great North Air Ambulance Service (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

A handwritten signature in black ink that reads 'Anne Hallowell'.

Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

19 July 2022

The Great North Air Ambulance Service

(A company limited by guarantee)

Consolidated statement of financial activities (incorporating income and expenditure account)

Year ended 31 March 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	3	5,176,471	5,176,471	5,834,195
Charitable activities	4	442,670	442,670	310,770
Other trading activities	5	2,785,765	2,785,765	2,367,578
Investments	6	598	598	1,745
Other income	7	7,006	7,006	3,441
Total income		8,412,510	8,412,510	8,517,729
Expenditure on:				
Raising funds	8	1,802,622	1,802,622	2,182,746
Charitable activities	9	6,591,128	6,591,128	5,246,884
Total expenditure		8,393,750	8,393,750	7,429,630
Net income before net gains on investments		18,760	18,760	1,088,099
Net gains on investments	15	1,286	1,286	212
Net movement in funds		20,046	20,046	1,088,311
Reconciliation of funds:				
Total funds brought forward		15,275,909	15,275,909	14,187,598
Net movement in funds		20,046	20,046	1,088,311
Total funds carried forward	21	15,295,955	15,295,955	15,275,909

The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 23 to 48 form part of these financial statements.

The Great North Air Ambulance Service

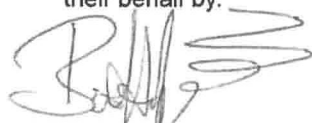
(A company limited by guarantee)

Consolidated balance sheet At 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	185,581	206,124
Tangible assets	14	11,804,520	11,478,915
Investments	15	5,087	3,801
		<u>11,995,188</u>	<u>11,688,840</u>
Current assets			
Stocks	16	76,675	93,425
Debtors	17	1,089,115	973,386
Cash at bank and in hand		6,880,974	6,492,852
		<u>8,046,764</u>	<u>7,559,663</u>
Creditors: amounts falling due within one year	18	(961,389)	(967,389)
Net current assets		<u>7,085,375</u>	<u>6,592,274</u>
Total assets less current liabilities		<u>19,080,563</u>	<u>18,281,114</u>
Creditors: amounts falling due after more than one year	19	(3,773,503)	(3,003,937)
Provisions for liabilities			
Deferred tax	20	(11,105)	(1,268)
Total net assets		<u>15,295,955</u>	<u>15,275,909</u>
Charity funds			
Unrestricted funds	21	15,295,955	15,275,909
Total funds		<u>15,295,955</u>	<u>15,275,909</u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 19 July 2022 and signed on their behalf by:



Mr B Jobling
Chair

The notes on pages 23 to 48 form part of these financial statements.

The Great North Air Ambulance Service

(A company limited by guarantee)

Charity balance sheet At 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	185,581	206,124
Tangible assets	14	11,747,815	11,449,405
Investments	15	5,089	3,803
		<u>11,938,485</u>	<u>11,659,332</u>
Current assets			
Stocks	16	34,253	40,965
Debtors	17	1,046,068	920,042
Cash at bank and in hand		6,478,845	6,173,364
		<u>7,559,166</u>	<u>7,134,371</u>
Creditors: amounts falling due within one year	18	(903,821)	(865,765)
Net current assets		<u>6,655,345</u>	<u>6,268,606</u>
Total assets less current liabilities		<u>18,593,830</u>	<u>17,927,938</u>
Creditors: amounts falling due after more than one year	19	(3,733,010)	(2,953,937)
Total net assets		<u>14,860,820</u>	<u>14,974,001</u>
Charity funds			
Unrestricted funds	21	14,860,820	14,974,001
Total funds		<u>14,860,820</u>	<u>14,974,001</u>

The charity's net movement in funds for the year was £(113,181) (2021: £1,149,982).

The Great North Air Ambulance Service

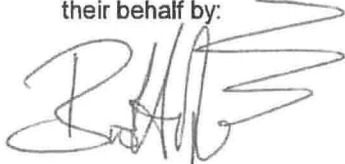
(A company limited by guarantee)

Charity balance sheet (continued)

At 31 March 2022

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 19 July 2022 and signed on their behalf by:



Mr B Jobling
Chair

Company registered number: 04436859

The notes on pages 23 to 48 form part of these financial statements.

The Great North Air Ambulance Service

(A company limited by guarantee)

Consolidated statement of cash flows Year ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	22	1,410,865	1,927,485
Cash flows from investing activities			
Dividends, interests and rents from investments		598	1,745
Proceeds from the sale of tangible fixed assets		478,885	3,441
Purchase of intangible assets		(78,702)	(39,985)
Purchase of tangible fixed assets		(2,124,349)	(369,203)
Net cash used in investing activities		(1,723,568)	(404,002)
Cash flows from financing activities			
Cash inflows from new borrowing		1,147,125	50,000
Repayments of borrowing		(311,951)	(130,263)
Interest paid		(134,349)	(95,501)
Net cash provided by/(used in) financing activities		700,825	(175,764)
Change in cash and cash equivalents in the year		388,122	1,347,719
Cash and cash equivalents at the beginning of the year		6,492,852	5,145,133
Cash and cash equivalents at the end of the year	23	6,880,974	6,492,852

The notes on pages 23 to 48 form part of these financial statements

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Great North Air Ambulance Service meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

1.2 Going concern

The charity saw increased income from donations, grants, lottery and fundraising across 2021/22 with an additional £463k year on year. Income continues to be impacted into 2022/23 as the cost of living crisis and war in Ukraine has reduced the charity's ability to generate funds through focus being elsewhere than having disposable income to donate to a charity. The charity's trading company has also been impacted, reducing the amount that can be gifted to the charity.

However, the charity has prepared budget forecasts for the period to 31 March 2023, and outline forecasts beyond that. These forecasts show an expected loss of £96k in 2022/23. The forecast losses are attributable to increases in depreciation costs following investment in aircraft; increased operating costs of moving toward 24/7 cover; and increased costs in fundraising activities. Work continues to address these predicted losses and return the charity to a surplus position, with investment made in a variety of areas over the last 12 months as detailed in the Trustees report.

Despite the small forecast deficit, the charity is still forecast to have in excess of £7.2m cash in March 2023, an increase of £703k from March 2022.

Having considered the financial forecasts the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2022

1. Accounting policies (continued)

1.3 Income

All income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the group, can be reliably measured.

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2022

1. Accounting policies (continued)

1.5 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the consolidated statement of financial activities.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Intangible assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Software development	- no amortisation until the software is transferred into use
Computer software	- 25% straight-line

1.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 (£25,000 for assets relating to the aircrafts) or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2022

1. Accounting policies (continued)

1.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Land and buildings	- 2% straight-line for Urray Nook site 2% straight-line for Langwathby Hangar 10% straight-line for Langwathby base
Aircraft spare parts	- no depreciation until the parts are transferred into use
Office equipment	- 25% straight-line
Motor vehicles	- 25% straight-line
Other fixtures and equipment	- 10-25% straight-line
Medical equipment	- 20% straight-line
Service aircraft	- 10% straight-line

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at bank and in hand

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

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2022

1. Accounting policies (continued)

1.13 Liabilities

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

1.14 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.15 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.16 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2022

1. Accounting policies (continued)

1.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the group and which have not been designated for other purposes.

Designated funds have been allocated from the group's free reserves to support capital costs associated with maintaining the aircraft, and the expected costs of developing the new base and medical centre of excellence as well as costs relating to any other future investment.

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

Investment income, gains and losses are allocated to the appropriate fund.

A capital fund was created to isolate the capital costs of the group from the revenue expenditure required to fund the group's running costs. The cost of depreciating the assets over their useful lives, and the finance costs relating to borrowings to fund the aircraft are channeled through this fund. The fund remains unrestricted.

2. Critical accounting estimates and areas of judgment

Critical accounting estimates and assumptions:

The preparation of financial statements requires management to make judgments, assumptions and estimates that affect the application of accounting policies and amounts reported in the profit and loss account and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

Significant judgments in applying accounting policies:

In preparing these financial statements, no significant judgments were required in the process of applying the company's accounting policies.

Key sources of estimation uncertainty:

Estimates included within these financial statements include depreciation and asset impairments, including in relation to the residual value of aircraft. See Note 14 for the carrying value of fixed assets. Some of these estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, and may bear some risk of causing a material adjustment to the carrying amounts of assets and liabilities in the future. However, this risk is mitigated by periodic external valuation of the aircraft with the Board keeping the expected residual value under review.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2022

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	1,908,689	1,908,689	1,720,037
Legacies	3,061,800	3,061,800	3,163,729
Grants	205,982	205,982	950,429
	<u>5,176,471</u>	<u>5,176,471</u>	<u>5,834,195</u>

4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Air Ambulance Services	442,670	442,670	310,770

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2022

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lottery and raffle	979,132	979,132	1,061,367
Fundraising activities	926,042	926,042	565,096
Room hire and catering	3,870	3,870	-
	<u>1,909,044</u>	<u>1,909,044</u>	<u>1,626,463</u>

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Subsidiary trading income	876,721	876,721	741,115

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2022

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Interest income	598	598	1,745

7. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Profit on sale of tangible fixed assets	7,006	7,006	3,441

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2022

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fundraising	333,311	333,311	190,997
Other direct costs	13,858	13,858	54,461
Support administration and office costs	128,364	128,364	112,924
Auditors' remuneration	2,810	2,810	2,816
Wages and salaries	592,247	592,247	932,222
National insurance	35,965	35,965	65,806
Pension cost	15,167	15,167	29,776
Depreciation	42,288	42,288	47,455
	<u>1,164,010</u>	<u>1,164,010</u>	<u>1,436,457</u>

Staff costs included above have decreased from £1,027,804 to £643,379 following a re-allocation of staff departments, with departments such as marketing and support services no longer being included within expenditure on raising funds.

Other trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Subsidiary trading costs	266,727	266,727	248,059
Staff costs	371,885	371,885	498,230
	<u>638,612</u>	<u>638,612</u>	<u>746,289</u>

The Great North Air Ambulance Service

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Notes to the financial statements

Year ended 31 March 2022

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Air Ambulance Services	<u>5,168,505</u>	<u>1,422,623</u>	<u>6,591,128</u>

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Air Ambulance Services	<u>3,936,711</u>	<u>1,310,173</u>	<u>5,246,884</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2022

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	1,200,470	793,490
Depreciation	1,234,734	1,101,783
Pilot and medical costs	630,842	1,049,271
Aircraft expenses	1,649,619	682,976
Administration and office costs	323,334	228,784
Other costs	129,506	80,407
	<u>5,168,505</u>	<u>3,936,711</u>

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	879,758	853,678
Depreciation	126,865	112,339
Administration and office costs	365,094	322,187
Other costs	42,476	13,523
Governance costs	8,430	8,446
	<u>1,422,623</u>	<u>1,310,173</u>

The Great North Air Ambulance Service

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Notes to the financial statements Year ended 31 March 2022

10. Auditor's remuneration

	2022 £	2021 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	11,100	10,575
Fees payable to the charity's auditor and its associates in respect of:		
The auditing of accounts of associates of the charity	4,275	4,075
Other services	1,750	-
	<u>17,125</u>	<u>14,650</u>

11. Staff costs

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Wages and salaries	2,754,963	2,823,741	2,411,631	2,361,684
Social security costs	255,596	226,035	231,521	194,427
Contribution to defined contribution pension schemes	84,933	123,426	80,455	118,861
	<u>3,095,492</u>	<u>3,173,202</u>	<u>2,723,607</u>	<u>2,674,972</u>

The average number of persons employed by the charity during the year was as follows:

	Group 2022 No.	Group 2021 No.
Management	1	1
Administration	37	25
Charitable operations	32	15
Fundraising and lottery - charity	12	27
Fundraising and lottery - trading company	19	22
	<u>101</u>	<u>90</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2022

11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	1
In the band £110,001 - £120,000	1	-
In the band £380,001 - £390,000*	-	1

* A payment of compensation for loss of office was made to one employee during the prior year.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the group.

During 2021/22 they were:

D Stockton
D Lewis-Boyne (resigned October 2021)
A Mawson
D Bramley

The total employee benefits of the key management personnel of the group were £257,320 (2021: £309,882).

12. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2021: same)

During the year ended 31 March 2022, expenses totalling £50 were reimbursed or paid directly to 1 trustee (2021: none) in respect of travel expenses.

The Great North Air Ambulance Service

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Notes to the financial statements

Year ended 31 March 2022

13. Intangible assets

Group and company

	Software development £	Software £	Total £
Cost			
At 1 April 2021	11,943	493,397	505,340
Additions	5,960	72,742	78,702
At 31 March 2022	<u>17,903</u>	<u>566,139</u>	<u>584,042</u>
Amortisation			
At 1 April 2021	-	299,216	299,216
Charge for the year	4,332	94,913	99,245
At 31 March 2022	<u>4,332</u>	<u>394,129</u>	<u>398,461</u>
Net book value			
At 31 March 2022	<u>13,571</u>	<u>172,010</u>	<u>185,581</u>
At 31 March 2021	<u>11,943</u>	<u>194,181</u>	<u>206,124</u>

The Great North Air Ambulance Service
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Notes to the financial statements
Year ended 31 March 2022

14. Tangible fixed assets

Group

Cost	Land and buildings £	Service aircraft £	Aircraft spare parts £	Medical equipment £	Office equipment £	Motor vehicles £	Other fixtures and equipment £	Total £
At 1 April 2021	4,240,982	15,239,286	554,555	305,010	210,520	494,295	768,725	21,813,373
Additions	6,490	1,960,000	-	53,869	10,213	93,777	-	2,124,349
Disposals	-	(1,290,000)	-	-	-	(159,663)	(8,588)	(1,458,251)
At 31 March 2022	4,247,472	15,909,286	554,555	358,879	220,733	428,409	760,137	22,479,471
Depreciation								
At 1 April 2021	205,141	8,794,445	433,400	189,054	175,874	402,759	133,785	10,334,458
Charge for the year	116,379	1,015,541	-	45,609	13,720	60,066	75,550	1,326,865
On disposals	-	(830,935)	-	-	-	(150,281)	(5,156)	(986,372)
At 31 March 2022	321,520	8,979,051	433,400	234,663	189,594	312,544	204,179	10,674,951
Net book value								
At 31 March 2022	3,925,952	6,930,235	121,155	124,216	31,139	115,865	555,958	11,804,520
At 31 March 2021	4,035,841	6,444,841	121,155	115,956	34,646	91,536	634,940	11,478,915

The Great North Air Ambulance Service
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 March 2022

14. Tangible fixed assets (continued)

Charity

	Land and buildings £	Service aircraft £	Aircraft spare parts £	Medical equipment £	Office equipment £	Motor vehicles £	Other fixtures and equipment £	Total £
Cost								
At 1 April 2021	4,240,982	15,239,286	554,555	305,010	208,268	196,665	742,913	21,487,679
Additions	6,490	1,960,000	-	53,869	10,213	34,977	-	2,065,549
Disposals	-	(1,290,000)	-	-	-	(3,208)	(8,588)	(1,301,796)
At 31 March 2022	4,247,472	15,909,286	554,555	358,879	218,481	228,434	734,325	22,251,432
Depreciation								
At 1 April 2021	205,141	8,794,445	433,400	189,054	175,273	132,988	107,973	10,038,274
Charge for the year	116,379	1,015,541	-	45,609	13,720	38,421	74,972	1,304,642
On disposals	-	(830,935)	-	-	-	(3,208)	(5,156)	(839,299)
At 31 March 2022	321,520	8,979,051	433,400	234,663	188,993	168,201	177,789	10,503,617
Net book value								
At 31 March 2022	3,925,952	6,930,235	121,155	124,216	29,488	60,233	556,536	11,747,815
At 31 March 2021	4,035,841	6,444,841	121,155	115,956	32,995	63,677	634,940	11,449,405

The Great North Air Ambulance Service

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Notes to the financial statements Year ended 31 March 2022

15. Fixed asset investments

Group				Listed investments £	
Cost or valuation					
At 1 April 2021				3,801	
Revaluations				1,286	
				<u>5,087</u>	
At 31 March 2022				<u>5,087</u>	
Net book value					
At 31 March 2022				5,087	
At 31 March 2021				<u>3,801</u>	
Company	Investments in subsidiary companies £	Listed investments £			Total £
Cost or valuation					
At 1 April 2021	2	3,801			3,803
Revaluations	-	1,286			1,286
	<u>2</u>	<u>5,087</u>			<u>5,089</u>
At 31 March 2022	<u>2</u>	<u>5,087</u>			<u>5,089</u>
Net book value					
At 31 March 2022	2	5,087			5,089
At 31 March 2021	<u>2</u>	<u>3,801</u>			<u>3,803</u>

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Notes to the financial statements Year ended 31 March 2022

16. Stocks

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Donation bags	1,270	28,145	-	-
Items for resale	75,405	65,280	34,253	40,965
	<u>76,675</u>	<u>93,425</u>	<u>34,253</u>	<u>40,965</u>

17. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	21,843	38,193	7,692	(3,166)
Amounts owed by group undertakings	-	-	5,048	15,705
Other debtors	45,870	41,412	32,821	32,095
Prepayments and accrued income	1,021,402	893,781	1,000,507	875,408
	<u>1,089,115</u>	<u>973,386</u>	<u>1,046,068</u>	<u>920,042</u>

The Great North Air Ambulance Service

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Notes to the financial statements Year ended 31 March 2022

18. Creditors: amounts falling due within one year

	Group 2022 £	Group As restated 2021 £	Charity 2022 £	Charity As restated 2021 £
Bank loans (note 19)	9,507	-	-	-
Other loans (note 19)	316,626	260,525	316,626	260,525
Trade creditors	263,268	80,050	212,060	50,822
Amounts owed to group undertakings	-	-	19,971	-
Corporation tax	-	4,957	-	-
Other taxation and social security	78,025	76,216	72,903	61,443
Other creditors	8,531	387	8,287	-
Accruals and deferred income	285,432	545,254	273,974	492,975
	961,389	967,389	903,821	865,765

The comparatives have been restated to reclassify accruals and deferred income of £52,279 which were previously classified as other creditors, and to reclassify deferred tax of £1,268 to provisions for liabilities on the face of the balance sheet.

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Deferred income at 1 April 2021	229,351	363,760	229,351	363,760
Resources deferred during the year	247,385	229,351	247,385	229,351
Amounts released from previous periods	(229,351)	(363,760)	(229,351)	(363,760)
	247,385	229,351	247,385	229,351

The Great North Air Ambulance Service

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Notes to the financial statements Year ended 31 March 2022

19. Creditors: amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loans	40,493	50,000	-	-
Other loans	3,733,010	2,953,937	3,733,010	2,953,937
	<u>3,773,503</u>	<u>3,003,937</u>	<u>3,733,010</u>	<u>2,953,937</u>

Bank loans

This lending facility is supported by the Bounce Back Loan Scheme (BBLs), managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy.

Under the terms of the loan, the BBLs guarantee is provided to the bank and not to the customer. The company therefore remains responsible for repaying the whole of the loan at all times.

The loan is an unsecured loan and is repayable over 59 monthly payments, with the final repayment date being 72 months after the loan is drawn.

The amount repayable by installments which falls due after five years is £nil (2021: £887).

Other loans

In April 2021, the existing loan was refinanced to fund the purchase of a new helicopter over a 10 year period.

The loan financing is in the form of a secured loan with a variable interest rate of 2.75% above LIBOR and there is a fixed charge secured against two of the aircrafts, which have an aggregate carrying value of £5,736,773 (2021: £3,214,462).

The terms of the security provide for the lender to claim title to the aircraft in the event of a default, details of which can be found on Companies House.

The Great North Air Ambulance Service

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Notes to the financial statements

Year ended 31 March 2022

20. Deferred taxation

The movement in the deferred tax liability is as follows:

	Group 2022 £	Group 2021 £
At the beginning of the year	1,268	3,406
Charge/(credit) for the year	9,837	(2,138)
	<u>11,105</u>	<u>1,268</u>

The deferred tax liability is made up as follows:

	Group 2022 £	Group 2021 £
Fixed asset timing differences	(11,142)	(1,268)
Short term timing differences - trading	37	-
	<u>(11,105)</u>	<u>(1,268)</u>

The Great North Air Ambulance Service

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Notes to the financial statements Year ended 31 March 2022

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
General funds	6,572,467	7,535,789	(6,351,251)	(846,580)	1,286	6,911,711
Capital funds	8,441,067	-	(1,403,887)	846,580	-	7,883,760
Subsidiary reserves	262,375	876,721	(638,612)	-	-	500,484
	<u>15,275,909</u>	<u>8,412,510</u>	<u>(8,393,750)</u>	<u>-</u>	<u>1,286</u>	<u>15,295,955</u>

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
General funds	4,438,996	7,650,261	(5,421,764)	(95,238)	212	6,572,467
Capital funds	9,424,556	-	(1,261,577)	278,088	-	8,441,067
Subsidiary reserves	324,046	867,468	(746,289)	(182,850)	-	262,375
	<u>14,187,598</u>	<u>8,517,729</u>	<u>(7,429,630)</u>	<u>-</u>	<u>212</u>	<u>15,275,909</u>

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2022

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

	Group 2022 £	Group 2021 £
Net income for the year (as per statement of financial activities)	20,046	1,088,311
Adjustments for:		
Depreciation charges	1,326,865	1,167,887
Amortisation charges	99,245	111,446
Gains on investments	(1,286)	(212)
Dividends, interests and rents from investments	(598)	(1,745)
Profit on the sale of fixed assets	(7,006)	(3,441)
Decrease/(increase) in stocks	16,750	(50,579)
Increase in debtors	(115,729)	(468,743)
Decrease in creditors	(71,608)	(10,940)
Interest paid	134,349	95,501
Deferred tax	9,837	-
Net cash provided by operating activities	1,410,865	1,927,485

23. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	6,880,974	6,492,852
Total cash and cash equivalents	6,880,974	6,492,852

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2022

24. Analysis of changes in net debt

	At 1 April 2021	Cash flows	Other non- cash changes	At 31 March 2022
	£	£	£	£
Cash at bank and in hand	6,492,852	388,122	-	6,880,974
Debt due within 1 year	(260,525)	260,525	(326,133)	(326,133)
Debt due after 1 year	(3,003,937)	(1,095,699)	326,133	(3,773,503)
	<u>3,228,390</u>	<u>(447,052)</u>	<u>-</u>	<u>2,781,338</u>

25. Capital commitments

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Contracted for but not provided in these financial statements				
Acquisition of tangible fixed assets	-	1,960,000	-	1,960,000
	<u>-</u>	<u>1,960,000</u>	<u>-</u>	<u>1,960,000</u>

26. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £84,933 (2021: £123,426). Contributions totalling £nil (2021: £nil) were payable to the fund at the balance sheet date and are included in creditors.

27. Operating lease commitments

At 31 March 2022 the group had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022	Group 2021
	£	£
Not later than 1 year	21,567	68,225
Later than 1 year and not later than 5 years	-	28,427
	<u>21,567</u>	<u>96,652</u>

The company had no commitments under non-cancellable operating leases at 31 March 2022.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements Year ended 31 March 2022

28. Related party transactions

Dr K Han is a trustee and is a Honorary Medical Director with NEAS. During the year, income from NEAS from a contract to provide MERIT services amounted to £309,392 (2021: £307,583) in respect of the charity.

Mrs J Trench is a trustee and is a director of C.Change Consultancy. During the year, consultancy fees charged by C.Change Consultancy amounted to £nil (2021: £19,500) in respect of the charity and £nil (2021: £nil) in respect of the subsidiary companies.

Mr J Devine is a trustee and is a partner in Muckle LLP, solicitors. During the year, legal fees charged by Muckle LLP amounted to £47,756 (2021: £25,590) in respect of the charity and £5,977 (2021: £1,250) in respect of the subsidiary companies. At the year end, £1,889 (2021: £nil) was owed to Muckle LLP.

Mr P Neal is a trustee and is a director of The Experience Bank. During the year, costs charged by The Experience Bank amounted to £nil (2021: £13,959) in respect of the charity and £nil (2021: £nil) in respect of the subsidiary companies.

During the year, the charity received a gift aid donation of £109,161 (2021: £160,048) from Great North Air Ambulance Trading Company Limited.

At the year end, the charity was owed £nil (2021: £1,322) from Great North Air Ambulance Trading Company Limited. At the year end, the charity owed £19,971 (2021: £nil) to Great North Air Ambulance Trading Company Limited.

During the year, the charity received a gift aid donation of £nil (2021: £22,802) from Arc Medtech Limited.

At the year end, the charity was owed £5,048 (2021: £15,221) from Arc Medtech Limited. At the year end, the charity owed £nil (2021: £nil) to Arc Medtech Limited.

29. Principal subsidiaries

The following were subsidiary undertakings of the charity:

Names	Company number	Principal activity	Class of shares	Holding
Great North Air Ambulance Service Trading Company Limited	3662874	Trading subsidiary for recycling collections	Ordinary	100%
Arc Medtech Limited	12189819	Trading subsidiary for royalties of software	Ordinary	100%

Both of these subsidiaries are included in the consolidation. The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(loss) for the year £	Net assets £
Great North Air Ambulance Service Trading Company Limited	870,926	631,120	239,806	416,437
Arc Medtech Limited	7,063	7,492	(429)	18,704

THE GREAT NORTH AIR AMBULANCE SERVICE

England & Wales - Charity number 1092204

Accounts

Registered Number: 04436859

Charity Number: 1092204

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees' report and financial statements

31 March 2021

The Great North Air Ambulance Service

(A company limited by guarantee)

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The Great North Air Ambulance Service

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Trustees and professional advisors for the year ended 31 March 2021

The trustees confirm that the annual report and financial statements of the company and the group comply with the Charities Act 2011, the Companies Act 2006, the requirements of the company and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities (FRS 102)' effective from 1 January 2015.

Trustees	Mr B Jobling, Chair Mr J Devine Dr K Han Mr P Turner (resigned 31 July 2020) Mrs J Trench Mr S Groves OBE Ms D Dunn Mr P Neal Prof M Defeyter Mrs C Vaughan (appointed 29 January 2021)
Company registered number	04436859
Charity registered number	1092204
Registered office	Progress House Urley Nook Road Eaglescliffe Stockton-on-Tees TS16 0QB
Company secretary	Muckle Secretary Limited
Chief executive officer	Mr G Pickering MBE (resigned 29 March 2021) Mr D Stockton (appointed 8 February 2021)
Independent auditors	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Royal Bank of Scotland Drummond House 1 Redheughs Avenue Edinburgh EH12 9JN
Solicitors	Muckle LLP 32 Gallowgate Newcastle upon Tyne Tyne and Wear NE1 4BF

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees annual report
for the year ended 31 March 2021

The trustees (who are also directors of the charity for the purposes of the Companies Act) present this their annual report together with the audited financial statements of The Great North Air Ambulance Service (the company and the group) for the year ended 31 March 2021. This report includes the directors' report as required by company law. This report includes the directors' report as required by company law.

Strategic Report

Throughout the year, COVID-19 has thrown significant challenges our way.

From an operational perspective the bulk of the work in the early part of the year focussed on issues around the acquisition of PPE and the complex area of ongoing risk assessment based on growing understanding of the way the virus is transmitted. We have maintained our service throughout, and we can proudly say that through the measures put in place we have not lost a minute of service. During the crisis, we have flown on, providing critical care, preserving the ability to fly patients through rapid adaptations to the aircraft and delivering the service to the people of the North that we are so very proud of.

From a fundraising perspective, we are incredibly grateful for the continued support the public has shown us - we appreciate the significant human challenges our communities have faced, and we are humbled by their generosity. Sadly, despite this incredible support, our fundraising activity and donation income has been impacted by the pandemic. The government's furlough scheme helped us to protect jobs in these areas throughout the early part of the crisis, and this will put us in a much stronger position to recover as restrictions on the movement of people, and therefore our fundraising, begin to lift. Our team have shown a huge level of resilience and we welcome their continued support.

The external training calendar was also postponed. The training faculty remain highly motivated and are planning their return to course delivery once the situation allows, with course directors taking a lead on moving courses forward.

All operations of our Trading Company had to cease in late March 2020. To protect our trading subsidiary for the longer term, several measures were taken to minimise costs including use of the furlough scheme for the majority of employees. Ad-hoc collections resumed in June 2020, and we continued to monitor the situation to allow us to make an informed decision as to when it is safe to re-start our door-to-door collections.

As we neared the end of the year, the charity began preparation for a new era after its founder left the organisation due to ill health.

Grahame Pickering MBE, who started the Great North Air Ambulance Service (GNAAS), departed the organisation due to ongoing health issues after more than 20 years of dedicated service.

Mr Pickering built GNAAS from the ground up and introduced a series of initiatives in the region that have gone on to become commonplace throughout the UK, including carrying doctors on board air ambulance missions. The charity simply would not exist if not for Grahame's tenacity in getting it off the ground.

The Great North Air Ambulance Service

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**Trustees annual report
for the year ended 31 March 2021**

With the generous support of the public, the charity has prevented many unnecessary deaths and relieved serious suffering throughout our region, as well as taking a pivotal role in the development and training of emergency critical care.

In 2011, in recognition of his humanity, dedication and success, Grahame was awarded an MBE for emergency health care - an award recognising not just his contribution but the support of many within the industry and the wider community. We wish him well for the future.

David Stockton was appointed as the charity's in-coming CEO towards the end of the year. This was a hugely sought-after role, and after a very competitive recruitment process the trustees were delighted to appoint David as chief executive.

It is a challenging time for all charities, the effect of COVID-19 has been stark on our finances and David has just the right mix of skills, experience and strength of character to lead this organisation into a bold and bright future.

David brings decades of experience in the commercial sector to GNAAS. David previously ran his own businesses, focussing primarily on healthcare and retail and he also spent the last five years working at board level within a multi-billion-pound company.

David's immediate focus is on helping the charity emerge out of the coronavirus crisis, and beyond that, to support the delivering of the charity's strategic aims and continued ambition to expand services so that more people can benefit from our life-saving services.

Our aims and objectives

Our vision is to provide a world-class pre-hospital care service for the people of the region.

The principal objects of the charity are:

- To promote the relief of sickness within the counties of Cumbria, Northumberland and Durham and surrounding areas by the provision of an air ambulance service.
- To provide and maintain or assist with the provision and maintenance of aircraft and other ancillary and associated equipment.
- The advancement of education and training of medical professionals and health care personnel in medical disciplines with particular reference to emergency and pre-hospital care.

Our mission is to extend and constantly seek to improve emergency pre-hospital and inter-hospital critical care across our region.

Everything we do is focused around the delivery of world-class care for our patients, but the impact is felt far beyond this group of people. Our impact extends to their families, their friends and colleagues, those we train, our healthcare partners and the communities involved in fundraising activity.

The Great North Air Ambulance Service

(A company limited by guarantee)

Trustees annual report
for the year ended 31 March 2021

Strategy for achieving the objectives

Our strategic aims for 2020 onward

In October 2019 the trustees worked with the management team to develop the strategic aims for the next 3-5 years. These are:

- Put people at the heart of our strategy
- Operate safely, efficiently and effectively
- Increase service capability across areas of operation
- Revise and update the clinical plan to support the delivery of our Mission
- Develop and deliver world-class research, education and training
- Develop a financial plan to sustain and grow income generation
- To consolidate and optimize the infrastructure which supports the furtherance of the objects

Work toward these objectives has begun, albeit more slowly than it might have given the added challenges COVID-19 has presented.

Ordinarily the trustees review the aims and objectives of the charity on an annual basis. The review looks at progress made toward the achievement of the agreed strategic aims and re-examines them, along with the aims and objectives, to ensure they remain relevant and continue to support the delivery and continued improvement of the charity's services. Due to the impact of COVID-19, the focus during the year has been on continued delivery against agreed aims.

We measure our success by the improvement in pre-hospital and inter-hospital emergency care across the region. In addition to the expertise of our clinicians, our research, training, fundraising and support services are all integral part of securing this success. However, none of this would be possible without the on-going charitable support of the public that makes all of this possible.

Achievements and performance

Achievements

2020/21 was the first year of our new strategic plan and activity has therefore been focused on working to develop the aims for the next 3-5 years.

Throughout the year we have faced the human, operational, and financial challenges presented by COVID-19. These challenges continue and, for that reason, we have included within this report details of our response to these challenges and an indication of what this means for the charity.

Highlights of our achievements against our key strategic aims are set out below.

Put people at the heart of our strategy

This strategic aim is focussed not only on our staff. It is also concerned with our patients, their families, our supporters, and our volunteers.

The Great North Air Ambulance Service

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Trustees annual report for the year ended 31 March 2021

In early 2020 the executive team commenced a programme of staff engagement events designed to provide a forum for staff to share information, voice concerns, and promote a culture of openness and transparency across the organisation. Whilst COVID-19 has meant we cannot physically meet we have maintained communication and engagement with the use of a weekly virtual update that is open to all members of our team. The session provides a platform to provide updates to colleagues, and to keep in touch.

A number of activities were also undertaken to gain feedback from across the organisation. The feedback allowed us to focus on areas where working practices could be improved.

During the year we asked for volunteers from across the charity to come forward to act as mental health champions. These team members have attended specialist training and are working together to help to raise awareness of, and promote, positive mental health and to signpost to relevant support and help, where appropriate.

Opportunities to meet our supporters and volunteers have been significantly restricted across the year and we have further developed our use of social media and other digital channels to enable our existing and potential supporters to engage with us remotely. Our activities included the launch of virtual fundraising events, which were well received and well supported.

We look forward to welcoming people back to Progress House once the current restrictions begin to lift and it is safe to do so.

Operate safely, efficiently and effectively

As would be expected, our primary focus at the start of the year was to respond to the challenges of COVID-19 with the primary aim of maintaining our service for those who need it most.

On the front-line we would always be at the highest risk, and because we have to work as a team this infection could be easily spread. Indirectly, we were facing the loss of staff, with doctors possibly being redeployed back into the NHS.

With this in mind, and because we cover the largest area of any charitable air ambulance in the UK, we had to find a way to fly patients safely. The initial guidance was that air ambulances could not be used to transport patients, but we looked at our rural communities and knew that this could mean the difference between life and death.

With our aviation partner Multiflight we began to look at ways to minimise risk to the pilot - who unlike other crew members is unable to wear the appropriate PPE. We made and installed Perspex screens to separate the pilot from the patient. This gave us the ability to fly those patients who, put simply, would die without that flight.

Just as we wanted a solution for the aircraft, we also aimed towards a firm solution for PPE. This came in the form of respirator hoods. These can be decontaminated and offer very high levels of protection during those high-risk procedures.

During this time our clinical care continued to be rigorously examined and improved through our clinical governance structures and crew debriefing techniques. This ongoing work ensures that we continue to develop, refine and learn from the critical care we deliver.

The Great North Air Ambulance Service

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Trustees annual report
for the year ended 31 March 2021

All operational crew have an in-depth annual appraisal and analysis of their performance where strengths are highlighted, and areas of improvement formalised. It is with great credit to the team that everyone's commitment to continued development means this has been embraced by the crews and is now part of our culture.

As reported in our last annual report, in 2019 we secured a deal on a new helicopter. The Dauphin N3+ aircraft can fly for longer and safely carry heavier loads, among many other advantages, and replaces one of our helicopters, which are each around thirty years old. Once secured the team began a detailed project to redesign the inside of the aircraft and overhaul the equipment we carry. This has led to some brilliant design work, the principles of the project were around simplicity, ergonomics and infection control. Having a minimal style of cabin means cleaning is more effective and safer. Without the foresight of COVID-19 this has proven to be an excellent decision.

This aircraft went live in July 2020 and coincided with the move of our critical care teams from Teesside International Airport to Progress House, our headquarters near Eaglescliffe, concluding the work to rationalise our facilities and provide a long-term home for the charity.

Whilst this new aircraft, the Guardian of the North II is capable of operating across our region we continued our search for a replacement aircraft for our Cumbria operations. A suitable Dauphin N3 was identified in late 2020 and actions taken to secure it for the charity. As at the end of March 2021 the aircraft was being refitted to the same specification as the Guardian of the North II. This second aircraft will be located at our base in Langwathby and will support the on-going sustainability and development of our services. The purchase of this aircraft was completed in April 2021.

During the year work also began to further strengthen quality and assurance across the charity. Work is underway to establish concise and meaningful indicators to help assure standards, where these do not currently exist. An assurance panel will provide oversight of quality and compliance through review and audit.

Increase service capability across areas of operation

We have provided an overnight response car in the North East since 2015. With that now established, work has commenced to replicate this model in Cumbria as a further upgrade to the charity's service in the county. This service will go live in May 2021.

Our aspirations to deliver a full 24/7 rollout across the North East has been impacted by COVID-19 but this remains part of our plans for the future.

The most newsworthy trial carried out during the year was the test the use of a jet suit to deliver care in the Lake District. We knew it would generate some excitement, but we could not have predicted the international attention it would bring. As we spoke to media outlets from around the globe, one of the recurring themes that we kept hearing was how refreshing it was to hear about something so adventurous and positive at a time when coronavirus dominated the global news cycle.

Our initial testing in late summer 2020 was a success and we now plan to undertake the next phase in our exploratory jet suit paramedic project. We hope to demonstrate how jet suit technology, developed by UK-based Gravity Industries, can be used to deliver care to remote and inaccessible

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locations. We think it could help us reach up to 20 additional patients a week in the Lake District and we hope the next stage of our exploration will demonstrate how this concept could become a reality.

Revise and update the clinical plan to support the delivery of our Mission

Our commitment to the development of our own clinicians continues with the delivery of internal training days and facilitating courses such as the Dip IMC and FIMC.

Throughout the year we have worked with our clinicians to agree new contracts aimed at supporting the long-term clinical plan for the charity. We will look to further refine these in 2021.

Develop and deliver world-class research, education and training

Delivery of frontline services remained more critical than ever during the height of the pandemic and whilst we were unable to deliver our pre-hospital emergency anaesthesia and pre-hospital emergency crew courses, we continued to support the delivery of mandatory training for colleagues in other life-saving services across the year. We look forward to resuming our full range of courses in 2021.

Develop a financial plan to sustain and grow income generation

Our supporters are critical in allowing us to deliver our services. We employ our own staff who, with the assistance of our volunteer base, are responsible for generating the funds we need to enable us to deliver our clinical services. Our media and communication activities promote awareness of the charity, support fundraising, and manage the reputation of the charity harnessing internal and external media. Social media and digital channels are increasingly important aspects of our communication activity.

The running costs of the charity continue to grow year on year and the costs of replacing and maintaining our aircraft remains a challenge. Added to that we have been faced with COVID-19. Being detached from our supporters and the communities we serve has been incredibly challenging for our fundraising team members and our volunteers.

Our regular fundraising events, that our supporters engage with, were all cancelled or postponed during the year. We have, instead developed virtual fundraising initiatives, and utilised social media channels and on-line networking opportunities to keep in touch with our supporters and volunteers. Whilst this has helped us to maintain a level of donations and fundraising, we look forward to the time when we can see each other face to face.

The generosity of those who remember us in their wills is always invaluable. Gifts in wills, or legacies, generally represent approximately one quarter of our income year on year. This year it makes up a more significant part of our overall income and we are incredibly grateful for this.

Grant applications for small grant schemes are undertaken on a cyclic basis. A number of trusts and foundations have varied their approach during the year, recognising the impact of COVID-19 on charity's and responding accordingly. The government also put in place emergency funding grants for many sectors, including a package of £750mil of funding support for the Voluntary, Community and Social Enterprise sector, with £360mil of this allocated by government departments to charities providing key services during the COVID-19 crisis. As a charity, with the support of Air Ambulance UK

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(a membership body for air ambulances) we secured £520,000 of this funding via the Department of Health and Social Security.

To consolidate and optimize the infrastructure which supports the furtherance of the objects

We could not deliver our life-saving services without effective and efficient support services and suitable infrastructure that acts as an enabler for our frontline services.

Digital capabilities are increasingly crucial to our service delivery and during the year work commenced on our digital strategy, aimed at developing agreed principles against which digital development and investment will be considered.

We delivered a project to replace our finance system, to improve our financial reporting to aid our future decision making and be more responsive to changing circumstances, and commenced work to identify a HR system that will help us streamline the administrative processes for our staff and volunteers. We also spent time reviewing the structure of our support services to identify areas where we could improve our services.

With the completion of our new operational base and centre of excellence we relocated our operational base from Teesside International Airport, allowing us to exit our lease arrangements at that site and rationalise our facilities.

Performance

Operational performance

From our airdesk at Progress House, we monitor the three areas covered by the North-West, North East and Yorkshire ambulance services, as well as the mountain rescue teams within the North of the UK.

On a bank of screens, we can see emergency calls from the North East Ambulance Service and North West Ambulance Service while they are ongoing, meaning we receive live updates on a patient's condition. We also take calls from the ambulance services either if their call-handlers or their paramedics on the ground require assistance.

We adhere to our own dispatch criteria, which means we will activate the aircraft and crew if an incident falls into a certain category, such as major trauma. Examples of this might be road traffic collisions, falls, industrial incidents, and medical incidents.

As well as our aircraft which are deployable during daylight hours, we have a fleet of rapid response vehicles, as there are some circumstances, such as adverse weather conditions, where it may be deemed unsafe for us to launch our aircraft. We also have a car working through the night.

Our onboard team is usually made up of a pilot, a specialist pre-hospital doctor and a paramedic. In order to function in some of the most testing environments, they must operate as equals, drawing on each other's experience and skills for the benefit of the patient.

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Our paramedics are full-time staff members at GNAAS and as well as their vital role in the critical care of patients, they provide support to the pilot when in flight, and act as the essential link between the team and airdesk, relaying information often under extreme pressure. We also have a paramedic based on our airdesk. They play a central role in deploying the team to incidents and acting as a communications link between the on-scene team, other emergency services, and hospitals.

Our pilots hold the ultimate responsibility for getting the patient to hospital safely. On a daily basis, they monitor flying conditions and the performance of the aircraft to ensure the safety of all on board.

Our doctors work for the charity on a part-time basis. Our doctors are all pre-hospital experts and come from a variety of backgrounds. We have several doctors who also have careers in the military, we have GPs with a pre-hospital speciality, and we have anaesthetics and emergency medicine consultants from hospitals throughout the region.

While on a call-out, our doctors' sole focus is on patient care but back on the base they also lead research and development projects that drive improvements in our service.

During the year the regions three NHS ambulance services called us out 1,287 times (2019/20: 1,466).

The average cost per request for assistance, based on total expenditure for the charity excluding the financial adjustment for the impairment relating to the aircraft is £5,193 (2019/20: £4,603).

We do not receive any financial, human resource or equipment support from the government on an on-going basis but were grateful of the support of one-off grant funding made available to air ambulance charities, and the furlough scheme that was available to organisations generally during COVID-19.

Overall, the impact of the charity's activities continues to improve the patient care and survivability, adding value to the regions' health economy without any cost to the NHS.

Fundraising

Our fundraising and income generation activities raised £7.05mil (2019/20: £7.2mil) during the financial year. This figure excludes the government COVID-19 grant, funding for the furlough of staff from the Coronavirus Job Retention Scheme, and the donations from our trading subsidiaries.

For every £1 spent by the charity on raising funds, we generated £4.91 (2019/20: £4.88) in donations, legacies, grants, and lottery and fundraising income. This is a small increase across financial years arising from a significant increase in legacies as a percentage of our overall income.

The charity is registered with the Fundraising Regulator and fundraising activities undertaken by the charity are carried out with reference to the Code of Fundraising Practice. All complaints received by the charity are recorded and investigated in line with the charity's complaints and appreciations procedure. During the year we received 5 (2019/20: 9) complaints. All complaints were handled in line with the charity's published complaint procedure and resolved at stage 1 of the process. No complaints were received via the Fundraising Regulator.

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As a charity, we do not use the services of professional fundraisers, external call centres or external sales canvassing companies to support our fundraising activities. Where a business supporter seeks to promote our charity alongside the sale of their own product or service, we require them to put in place the appropriate legal agreement recognising their responsibilities.

The charity provides guidance and training to employees and volunteers on dealing with people in vulnerable circumstances.

Volunteers

The charity covers a large geographic area and relies on a willing team of volunteers to support our small team of paid fundraising staff.

Sadly, during 2020/21 their activity was significantly impacted by COVID-19. We are incredibly grateful for our 'Ground Crew' volunteers; we could not do what we do without them. The support they give shows the true spirit of our amazing charity. We currently have 59 registered volunteers, and we look forward to increasing our register of volunteers and working with them more closely again as the restrictions lift and it is safe to do so.

Financial review

The financial results for the year are set out in pages XX to XX of this report.

The charity has been impacted financially due to the COVID-19 crisis, with our fundraising activities being worst hit, alongside a reduction in donations. Gift in wills and a one-off government grant has helped to bridge our funding gap this year. We are incredibly grateful for the continued support of the public during what has been a very challenging year.

Consolidated accounts

The consolidated accounts set out the combined results for The Great North Air Ambulance Service charity, and for the charity's wholly-owned trading subsidiaries (The Great North Air Ambulance Trading Company and ARC Medtech Limited) for the year ended 31 March 2021. Income for the year totalled £8,517,729 (2019/20: £8,313,235), a small increase year on year.

Gifts in wills remained a significant source of income but are by their nature unpredictable, the amount received increased by £1.77mil compared to 2019/20. Income from donations, grants, lottery and fundraising decreased by £1.15mil year on year.

During the year the government put in place emergency funding grants for many sectors, including a package of £750mil of funding support for the Voluntary, Community and Social Enterprise sector, with £360mil of this allocated by government departments to charities providing key services during the COVID-19 crisis. As a charity, with the support of Air Ambulance UK (a membership body for air ambulances), we secured £520,000 of this funding via the Department of Health and Social Security.

As we emerge from the pandemic there is a continued focus on increasing our more sustainable income streams.

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Resources expended in the year totalled £7,429,630 (2019/20: £8,086,125), a decrease of £656,495.

The consolidated accounts include income of £867,468 (2019/20: £1,087,445) earned by the subsidiary companies and associated resources expended of £746,289 (2019/20: £897,828). Income decreased by £219,977 as a result of the impact of COVID-19 on clothing collections. The subsidiary companies made a return to the charity of £182,850 in the current financial year (2019/20: £323,924).

The capital fund differentiates the capital costs of the charity from the revenue expenditure required to fund the charity's running costs. The costs of depreciating the assets over their useful lives, and the finance costs relating to borrowing to fund the aircraft are reflected in the capital fund. The capital fund remains unrestricted.

Results for the charity

Results for the charity are shown on page 25, 'Charity statement of financial activities'. These figures relate to the activities of the charity, excluding the activities of the trading companies and any consolidation adjustments that must be reflected in the consolidated statement of financial activities. Following a change in the accounting treatment of donations from trading subsidiaries, donations received from the trading companies for the financial years 2018/19 onward are reflected in the charity's accounts on the date of payment. The donation received in the current financial year was £182,850 which relates to profits generated in 2019/20.

Income for the year totalled £7,833,111 (2019/20: £7,549,714). Our sources of income include:

- Donations from individuals, corporate supporters and from the charity's own trading company £1,902,887 – 24% (2019/20: £2,103,060 – 28%)
- Legacies £3,163,729 – 40% (2019/20: £1,392,857 – 18%)
- Charitable activities (chargeable pre-hospital care services and training) £310,770 – 4% (2019/20: £375,830 – 5%)
- Lottery subscriptions £1,061,367 – 14% (2019/20: £1,051,188 – 14%)
- Fundraising activities including events £565,096 – 7% (2019/20: £1,076,245 – 14%)
- Grants and other income £829,262 – 11% (2019/20: £1,550,534 – 20%)

Resources expended in the year totalled £6,683,341 (2019/20: £7,188,297). Resources expended include:

- Costs of delivering our charitable activities – these costs cover the clinical, operational, training, compliance and essential support costs of delivering our services. Total costs of delivery for the year were £5,246,884 (2019/20: £5,267,421), this represents 79% (78%) of our costs.
- The costs of delivering fundraising activities – these are the costs, including staff and non-staff costs, relating to events, managing fundraising activities, promotion activities to generate public support, and the costs of running the lottery. Without these activities, the charity could not generate the financial support needed to allow us to deliver our services. £1,436,457 (2019/20: £1,480,876) of our costs, 21% (22%), are attributable to this area of our work.

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- Impairment of aircraft/aircraft spare parts – In 2019/20 two of the existing aircraft were put on the market, the expected market value was less than the carrying amount resulting in an impairment of £440,000 in the 2019/20 statement of financial activities.

Any surplus generated is held for future investment and to support the reserves policy laid down by the charity's trustees.

As set out above, the capital fund differentiates the capital costs of the charity from the revenue expenditure required to fund the charity's running costs.

Investment policy and performance

As per the memorandum and articles of association the charity has the power to acquire assets to borrow money and to invest surplus funds in any way that the trustees wish.

There were no investments and no investment income during the year other than small amounts of interest received from interest-bearing current accounts, and a small number of shares received through gifts in wills.

The trustees reviewed their approach to investment during the year and concluded to continue to maintain cash balances in the light of future capital commitments and plans. The trustees keep the cash position and broader investment strategy and policies of the charity under review.

Reserves policy

In line with Charity Commission guidelines, the trustees monitor the level of reserves held to ensure they are being used to help to achieve the objectives of the charity.

The charity aims to keep free reserves at levels to provide for six months operating costs which the trustees consider prudent. Based on 2021/22 budgeted costs the operating costs of the charity excluding depreciation are forecast at £7mil, this equates to an estimated £3.5mil for six months.

As at 31 March 2021, the charity holds total reserves of £15.3 million, of which £11.7 million is tied up in fixed assets. The charity's free reserves stand at £3.6 million, however this is expected to reduce over the coming year with the charity's reserves being utilised to ensure continuity of service whilst continuing to invest in fundraising activities to support the charity's recovery once restrictions on movement begin to lift. The aim is to return free reserves to the target of 6 months expenditure following recovery.

Principal risks and uncertainties

As part of their responsibilities, the trustees ensure that the major risks to which the charity is exposed are reviewed and systems established to mitigate those risks. The trustees have appointed the chief executive and the executive team to review major risks and make recommendations to the trustees as to how to manage them. The finance, audit, remuneration and risk committee are responsible for the review and monitoring of the effectiveness of policies and processes for assessing and managing risk.

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The principal risk categories are strategic governance, clinical, service delivery (clinical), service delivery (other), financial risk, income generation risk, reputational risk, information governance/data protection, and human resources.

Foremost for consideration are clinical and operational risks involving patient treatment and care, this particular aspect is regulated by the Care Quality Commission (CQC) where failure to comply with the regulations would severely inhibit the charity; and factors involved with the flying environment, this is highly regulated by the Civil Aviation Authority (CAA).

In addition to the major risk groups, the charity has developed a business continuity plan to ensure that the charity is prepared to deal with service outages caused by factors beyond its control that could seriously impair the charity's ability to continue normal operations. COVID-19 has meant that our business continuity plan has been put to the test and shown to work with our frontline services continuing to operate with the necessary adaptations, and our non-frontline services mobilised to work from remote locations.

As part of their responsibilities, the trustees ensure that major risks to which the charity may be exposed are reviewed annually. At each meeting of the board, any new risks or changes to existing risks identified from the papers or discussions around agenda items are noted and the risk register updated accordingly.

Complaints received are reviewed by the relevant sub-committee on a regular basis. The committees review the number and general nature of complaints received; any trends in complaints; and any areas of risk that need to be addressed.

Going concern

The charity saw reduced income from donations, grants, lottery and fundraising across 2020/21 with a decrease of £1.15mil year on year. This was offset in part by a one-off government grant to support air ambulance charities during COVID-19 of £520,000, and Coronavirus Job Retention Scheme (CJRS) funding of £82,424. The charity's trading company also accessed the CJRS, claiming £126,353. Gifts in wills remained a significant source of income but are by their nature unpredictable, the amount received in 2020/21 increased by £1.77mil compared to 2019/20, allowing the charity to end the year in a surplus position.

Income continues to be impacted into 2021/22 as social distancing measures reduce the charity's ability to generate funds through community, corporate and events fundraising. The charity's trading company has also been impacted, reducing the amount that can be gifted to the charity.

Prior to COVID-19 the charity had prepared budget forecasts for the period to 31 March 2022. These original forecasts showed an expected loss of £874k in 2021/22. The forecast losses were attributable to increases in depreciation costs following investment in aircraft; increased operating costs of moving toward 24/7 cover; and increased costs in fundraising activities. The budget forecast for 2021/22 has been revised to reflect the expected impact of COVID-19 and forecasts prepared for 2022/23. The forecasts show an expected loss of £1.5mil in 2021/22 and continued though reducing losses into 2022/23. Work continues to address these predicted losses and return the charity to a surplus position.

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The charity's liquidity position remains positive, having started in a strong position prior to COVID-19. With the recent replacement of the charity's aircraft, the old aircraft are now being marketed and when sold will provide a cash receipt for the charity.

Having considered the financial forecasts the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Plans for future period

Our continued focus is to develop the services of the charity for the benefit of our patients. Inevitably, our plans for the coming year continue to be impacted by COVID-19, but we remain optimistic that we can face the on-going challenges and look at new ways of working that provide new income streams and aid our recovery from the financial impacts of the virus. With this in mind, our plans for the coming year are set out below:

- We will maintain our focus on our people, broadening the ways in which we engage with our staff, our volunteers, our supporters and our patients.
- We will continue to develop our people plan, promoting wellbeing, and providing support to engage and empower staff with open and honest communication across the charity.
- We will conclude the purchase of the Dauphin N3 and bring this into service.
- We will continue our work to develop an overnight car in Cumbria and begin a phased implementation of the service beginning with two nights a week and continue to seek sustainable funding to support our aspirations to deliver a full 24/7. Rollout across the North East has been impacted by COVID-19 but this remains part of our plans for the future.
- We will undertake the next phase in our exploratory jet suit paramedic project.
- We will introduce a paramedic response car to ensure service resilience and appropriate clinical exposure.
- We will produce a medical workforce plan to support delivery of our increase in services.
- We will seek to embed learning, development and improvement cultures across the charity; look at opportunities to access training for members of our team to help support the mental health and well-being of our staff; and continue our commitment to our own clinicians by delivering internal training days and facilitating courses such as the Dip IMC and FIMC.
- We will exploit the training, research, and development opportunities enabled through the development of our new base and centre of excellence, and continue our work with delivery partners, regional education providers, and the wider pre-hospital care community to deliver training opportunities that support improvements in medical practice.
- We will continue to promote the charity to maintain awareness and help us to achieve our stretching financial targets for donations, fundraising, grants and gifts in wills that fund our service; seek to grow corporate support; update and develop our individual giving strategy; and continue to grow and improve our virtual fundraising. Once it is safe to do so, our fundraising team will be back out in our region, meeting supporters and gently encouraging the public to get behind our cause.
- We will continue to develop internal systems to improve efficiency, performance monitoring and data use, seeking to utilise enterprise-wide solutions where it is relevant to do so.

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Public benefit

All our charitable activities are undertaken to further our charitable purposes for the public benefit. Over the last nineteen years, this charity has changed the way many seriously ill or injured patients are treated and cared for. This advance in pre-hospital emergency medical care (limited only by resource) has noticeably impacted on vulnerable patients with many more surviving than would otherwise have done so previously, delivering proven public benefit.

In accordance with S17 of the Charities Act 2011, the trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the charity and when planning the future activities. The trustees assess how new activities planned will contribute to the overall aims and objectives they have set and periodically review existing activities to ensure ongoing public benefit.

Structure, governance and management

The charity is a company limited by guarantee, incorporated in the United Kingdom on 13 May 2002 and registered in England and Wales. It is also a registered charity (charity number 1092204).

Organisational structure

The controlling entity of the charity is the Board of Trustees. The board meets a minimum of four times per year. Between general meetings subcommittees of the board, the Finance, Audit, Remuneration and Risk committee; and the Operations and Clinical committee, are called upon to maintain a continuous governance overview.

The charity is sub-divided into Medical, Operational, Fundraising, Business Support, Compliance and Assurance, and HR, each headed up by a member of the executive team. The executive team are responsible for leading their service area, and collectively along with the Chief Executive are responsible and accountable for delivering a safe and efficient service. The charity employs its own paramedics and doctors. The clinical team are supported by a range of support functions, including fundraising; and by a team of active volunteers.

The charity owns two non-charitable commercial subsidiary companies known as the Great North Air Ambulance Service Trading Company and ARC Medtech.

The Great North Air Ambulance Trading Company operates independently of the charity with its own structure, management and employees. This recycling and international export business trades in mobile phones, inkjet cartridges, unwanted clothing and other disposable goods. The trading company donates the distributable profits derived from its trading activities to the charity that over the years has amounted to over £4mill, making it the charity's largest single commercial donor.

ARC Medtech was established in 2019 to allow the charity to exploit the intellectual property vested in its operational ICT system. ARC Medtech does not employ any staff. As with the trading company, ARC Medtech's distributable profits derived from its trading are donated to the charity.

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Governance

The trustees, who are also directors of the charitable company, are bound by the charity's Articles of Association and Memorandum.

The trustees collectively are responsible for directing the affairs of the charity ensuring that it is solvent, well run, delivering the charitable outcomes for which it was set up, and ensuring compliance with charity law and all other applicable legislation and regulation. The trustees also determine the strategy and key objectives and vote on major policy decisions affecting the charity. Trustees monitor the performance of the charity at meetings of the board and its sub-committees. Sub-committees meet a minimum of 3 times per year.

The Operations and Clinical committee has delegated responsibility for overseeing all operational and clinical aspects of the charity and reporting back to the board accordingly.

The Finance, Audit, Remuneration and Risk Committee has delegated responsibility for overseeing all financial aspects of the charity, including audit and remuneration, to ensure short and long-term viability and report back to the board accordingly. The committee, when required, will determine and make recommendations regarding the remuneration of the senior executive specifically and employees generally. The remuneration packages of senior executives and employees are established with reference to market rates for similar roles and are designed to attract and retain employees while remaining affordable to the charity.

Two of the trustees are also directors of the trading company, and two of the trustees are also directors of ARC Medtech. The directors of each of the trading subsidiaries report on the company's activities and performance and communicate those matters to the charity board.

Regulatory compliance and overall performance standards are monitored and assessed with quality and key performance indicators by the board throughout the year. This helps to ensure the charity is well-governed, safe and legislatively compliant in all aspects of its duties and operations.

Policies adopted for the induction and training of trustees

Trustees are identified by a process of targeted recruitment aimed at ensuring the skills of the board remain both relevant and balanced. New trustees are interviewed and appointed by the presiding trustees who aim to achieve a good mix of professional skills that will benefit the charity.

Each new trustee undergoes a brief induction programme that includes the charity's vision and objects, role and responsibilities and financial standing. The charity facilitates attendance at appropriate external training events where there is an identified need.

In addition to the constitution, trustees are bound by the charity's Code of Governance and Code of Conduct.

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Management

Although ultimate responsibility for the management of the charity lies with the trustees, they do have the power to delegate and do so to enable the charity to function on a daily basis.

The trustees are responsible for appointing a chief executive. The chief executive is responsible for staff leadership, management, and administration as well as the clinical and operational aspects of the charity and is the link between the board of trustees and the staff. Senior managers are appointed to assist the chief executive in these duties and this structure ensures the charity is effective, well-governed and legislatively compliant in all aspects of its operations.

The executive team are responsible and accountable to the CEO for their designated area of operation, ensuring that services are delivered in pursuance of the charity's agreed strategies and objectives; that relevant regulatory compliance is maintained; and that performance is in line with agreed standards. The executive team provide reports on performance to the CEO and the Board.

Due to sickness, an interim structure has been in place for the majority of the year, with the executive team reporting directly to the Board, and collectively assuming some of the responsibilities ordinarily undertaken by the CEO. At the end of March 2020, the trustees took the decision to appoint Joan Trench as an interim contractor to work alongside the executive team providing further support during COVID-19, this appointment continued until October 2020.

Regular departmental and staff meetings are held to ensure the charity progresses and maintain its aims and objectives thereby delivering on its public benefit requirement.

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Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- That trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report, incorporating the group strategic report, was approved by the trustees, in their capacity as company directors, on 23 July 2021 and signed on their behalf by:



Mr Brian Jobling, Chairman

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Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also directors of the Great North Air Ambulance Service Limited for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and 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 charity will continue in business.

The trustees are responsible for keeping proper records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence 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 the dissemination of the financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of The Great North Air Ambulance Service

Opinion

We have audited the financial statements of The Great North Air Ambulance Service (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the company statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 March 2021 and of the group's and of the parent charitable company's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent auditor's report to the members of The Great North Air Ambulance Service

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

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

Independent auditor's report to the members of The Great North Air Ambulance Service

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by auditing standards) and from inspection of the group's and the parent charitable company's legal correspondence, and we discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the group and the parent charitable company are subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and charities legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group and the parent charitable company are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; data protection, health and

Independent auditor's report to the members of The Great North Air Ambulance Service

safety, civil aviation regulations, care quality legislation, employment laws and certain aspects of company and charity legislation, recognising the nature of the group's and of the parent charitable company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not become aware of any actual or suspected non-compliance that was sufficiently significant to our audit or material.


Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent 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 parent charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

23 July 2021

The Great North Air Ambulance Service

(A company limited by guarantee)

Consolidated statement of financial activities (incorporating income and expenditure account) for the year ended 31 March 2021

		Great North Air Ambulance Service Capital fund (Unrestricted) 2021	Great North Air Ambulance Service Unrestricted Funds 2021	Great North Air Ambulance Service Restricted Funds 2021	Great North Air Ambulance Subsidiary Companies (Unrestricted) 2021	Total funds 2021	Restated Total Funds 2020
	Note	£	£	£	£	£	£
Income and endowments from:							
Donations and legacies							
Donations		-	1,720,037	-	-	1,720,037	1,779,136
Legacies		-	3,163,729	-	-	3,163,729	1,392,857
Grants		-	824,076	-	126,353	950,429	1,542,255
Charitable activities							
Air Ambulance services		-	310,770	-	-	310,770	375,830
Other trading activities							
Lottery and raffle		-	1,061,367	-	-	1,061,367	1,051,188
Fundraising activities		-	565,096	-	-	565,096	1,076,245
Trading activities	2	-	-	-	741,115	741,115	1,083,252
Investments							
Interest receivable		-	1,745	-	-	1,745	7,524
Other Income							
Profit on sale of assets		-	3,441	-	-	3,441	4,948
Total		-	7,650,261	-	867,468	8,517,729	8,313,235
Expenditure on:							
Raising funds							
Charity							
Direct costs	4	10,007	802,891	-	-	812,898	926,632
Support costs	4	37,448	586,111	-	-	623,559	554,244
Trading activities	3	-	-	-	746,289	746,289	897,828
Charitable activities							
Direct costs							
Direct costs	4	1,101,783	2,834,928	-	-	3,936,711	4,175,673
Impairment of Aircraft	4	-	-	-	-	-	440,000
Support costs	4	112,339	1,197,834	-	-	1,310,173	1,091,748
Total		1,261,577	5,421,764	-	746,289	7,429,630	8,086,125
Net gains/(losses) on investments		-	212	-	-	212	(906)
Net income/(expenditure)		(1,261,577)	2,228,709	-	121,179	1,088,311	226,204
Revaluation of tangible fixed assets		-	-	-	-	-	-
Transfer between funds	18	278,088	(95,238)	-	(182,850)	-	-
Net movement in funds for the year		(983,489)	2,133,471	-	(61,671)	1,088,311	226,204
Reconciliation of funds:							
Total funds brought forward	18	9,424,556	4,438,996	-	324,046	14,187,598	13,961,394
TOTAL FUNDS CARRIED FORWARD		8,441,067	6,572,467	-	262,375	15,275,909	14,187,598

All activities relate to continuing operations.

The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 38 form part of these financial statements.

During the period a review of income classification was undertaken which resulted in raffle income of £100,925 being reclassified from fundraising activities to Lottery and raffle within the Statement of financial activities for 2019/20.

There was no impact on the previously reported result or on the year end position.

The Great North Air Ambulance Service

(A company limited by guarantee)

Charity statement of financial activities (incorporating income and expenditure account) for the year ended 31 March 2021

	Capital fund (Unrestricted) 2021 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Restated Total Funds 2020 £
Income and endowments from:					
Donations and legacies					
Donations	-	1,902,887	-	1,902,887	2,103,060
Legacies	-	3,163,729	-	3,163,729	1,392,857
Grants	-	824,076	-	824,076	1,542,255
Charitable activities					
Air Ambulance services	-	310,770	-	310,770	375,830
Other trading activities					
Lottery and raffle	-	1,061,367	-	1,061,367	1,051,188
Fundraising activities	-	565,096	-	565,096	1,076,245
Trading activities	-	-	-	-	-
Investments					
Interest receivable	-	1,745	-	1,745	7,524
Other Income					
Profit on sale of assets	-	3,441	-	3,441	755
Total	-	7,833,111	-	7,833,111	7,549,714
Resources expended					
Raising funds					
Fundraising activities					
Direct costs	10,007	802,891	-	812,898	926,632
Support costs	37,448	586,111	-	623,559	554,244
Charitable activities					
Direct costs					
Direct costs	1,101,783	2,834,928	-	3,936,711	4,175,673
Impairment of Aircraft	-	-	-	-	440,000
Support costs	112,339	1,197,834	-	1,310,173	1,091,748
Total	1,261,577	5,421,764	-	6,683,341	7,188,297
Net gains/(losses) on investments		212	-	212	(906)
Net income/(expenditure)	(1,261,577)	2,411,559	-	1,149,982	360,511
Transfer between funds	278,088	(278,088)	-	-	-
Net movement in funds for the year	(983,489)	2,133,471	-	1,149,982	360,511
Reconciliation of funds:					
Total funds brought forward	9,424,556	4,399,463	-	13,824,019	13,463,508
TOTAL FUNDS CARRIED FORWARD	8,441,067	6,532,934	-	14,974,001	13,824,019

The statement of financial activities includes all gains and losses recognised in the year.

During the period a review of income classification was undertaken which resulted in raffle income of £100,925 being reclassified from fundraising activities to Lottery and raffle within the Statement of financial activities for 2019/20.

There was no impact on the previously reported result or on the year end position.

The Great North Air Ambulance Service
(A company limited by guarantee)

Consolidated balance sheet
As at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	7		11,478,915		12,277,599
Intangible assets	8		206,124		277,585
Investments	9		3,801		3,589
Current assets					
Stocks	10	93,425		42,846	
Debtors	11	973,386		504,643	
Cash at bank and in hand		6,492,852		5,145,133	
			<u>7,559,663</u>	<u>5,692,622</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(968,657)		(979,597)	
Net current assets			<u>6,591,006</u>		<u>4,713,025</u>
Total assets less current liabilities			<u>18,279,846</u>		<u>17,271,798</u>
Creditors: amounts falling due after one year	15		(3,003,937)		(3,084,200)
Net assets			<u>15,275,909</u>		<u>14,187,598</u>
Charity funds					
Great North Air Ambulance Subsidiary Companies	17	262,375		324,046	
Unrestricted funds	17	6,572,467		4,438,996	
Capital funds	17	8,441,067		9,424,556	
Total unrestricted funds			<u>15,275,909</u>		<u>14,187,598</u>
Restricted funds	17		-		-
			<u>15,275,909</u>		<u>14,187,598</u>

The financial statements were approved by the trustees on 23 July 2021 and signed on their behalf by:



B Jobling, Chair

Company Number 04436859


The notes on pages 25 to 38 form part of these financial statements.

The Great North Air Ambulance Service
(A company limited by guarantee)

Charity balance sheet
As at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	7		11,449,405		12,231,169
Intangible assets	8		206,124		277,585
Investments	9		3,803		3,591
Current assets					
Stocks	10	40,965		29,822	
Debtors	11	920,042		417,631	
Cash at bank and in hand		6,173,364		4,904,664	
			<u>7,134,371</u>	<u>5,352,117</u>	
Current liabilities					
Creditors: amounts falling due within one year	12	(865,765)		(956,243)	
Net current assets			<u>6,268,606</u>		<u>4,395,874</u>
Total assets less current liabilities			<u>17,927,938</u>		<u>16,908,219</u>
Creditors: amounts falling due after one year	13		(2,953,937)		(3,084,200)
Net assets			<u><u>14,974,001</u></u>		<u><u>13,824,019</u></u>
Charity funds					
Unrestricted funds		6,532,934		4,399,463	
Capital funds		8,441,067		9,424,556	
Total unrestricted funds			<u>14,974,001</u>		<u>13,824,019</u>
Restricted funds			<u>-</u>		<u>-</u>
			<u><u>14,974,001</u></u>		<u><u>13,824,019</u></u>

The financial statements were approved by the trustees on 23 July 2021 and signed on their behalf by:



B Jobling, Chair

Company Number 04436859

The notes on pages 25 to 38 form part of these financial statements.

The Great North Air Ambulance Service
(A company limited by guarantee)

Consolidated statement of cash flow
for the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities:			
Net income/(expenditure) (as per the statement of financial activities)		1,088,311	226,204
Adjustments for:			
Interest received		(1,745)	(7,524)
Interest paid		95,501	139,222
Donation of investments		-	-
Taxation		-	-
(Gains)/losses on investments		(212)	906
Depreciation of tangible fixed assets		1,167,887	1,059,885
Depreciation of intangible fixed assets		111,446	89,644
Loss/(profit) on disposal of tangible fixed assets		(3,441)	(4,948)
Impairment/revaluation of aircraft		-	440,000
(Increase)/decrease in stocks		(50,579)	66,641
(Increase)/decrease in debtors		(468,743)	(93,380)
Increase/(decrease) in creditors		(10,940)	93,079
		<hr/>	<hr/>
Net cash flow used in operating activities		1,927,485	2,009,729
Cash flows from investing activities:			
Proceeds from sale of fixed assets		3,441	44,202
Purchase of tangible fixed assets		(369,203)	(3,015,749)
Purchase of intangible fixed assets		(39,985)	(36,961)
Proceeds from sale of investments		-	-
Interest received		1,745	7,524
Interest paid		(95,501)	(139,222)
		<hr/>	<hr/>
Net cash used in investing activities		(499,503)	(3,140,206)
Cash flows from financing activities			
Cash inflows from new borrowings		50,000	-
Repayments of borrowings		(130,263)	(260,525)
		<hr/>	<hr/>
Net cash used in financing activities		(80,263)	(260,525)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		1,347,719	(1,391,002)
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the reporting period		5,145,133	6,536,135
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period	20	6,492,852	5,145,133
		<hr/>	<hr/>

The notes on pages 25 to 38 form part of these financial statements.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost 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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

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

The Great North Air Ambulance Service meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policies below.

1.2 Reduced disclosures policy

FRS 102 allows a qualifying entity certain disclosure exemptions. The charity meets the definition of a qualifying entity in respect of its separate (non-group) financial statements and has taken advantage of the exemptions relating to the disclosure of key management personnel compensation and the preparation of a cash flow statement. The consolidated financial statements include the equivalent disclosures and a consolidated cash flow statement.

1.3 Company status

The charity is a company limited by guarantee. The members of the charity are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

1.4 Going Concern

The group recorded a net income in 2021 of £1,277,493 and has net assets of £15,465,091, which exceeded original forecasts.

The charity saw reduced income from donations, grants, lottery and fundraising across 2020/21 with a decrease of £1.15mil year on year. This was offset in part by a one-off government grant to support air ambulance charities during COVID-19 of £520,000, and Coronavirus Job Retention Scheme (CJRS) funding of £82,424. The charity's trading company also accessed the CJRS, claiming £126,353. Gifts in wills remained a significant source of income but are by their nature unpredictable, the amount received in 2020/21 increased by £1.77mil compared to 2019/20, allowing the charity to end the year in a surplus position.

Income continues to be impacted into 2021/22 as social distancing measures reduce the charity's ability to generate funds through community, corporate and events fundraising. The charity's trading company has also been impacted, reducing the amount that can be gifted to the charity.

Prior to COVID-19 the charity had prepared budget forecasts for the period to 31 March 2022. These original forecasts showed an expected loss of £874k in 2021/22. The forecast losses were attributable to increases in depreciation costs following investment in aircraft; increased operating costs of moving toward 24/7 cover; and increased costs in fundraising activities. The budget forecast for 2021/22 has been revised to reflect the expected impact of COVID-19 and forecasts prepared for 2022/23. The forecasts show an expected loss of £1.5mil in 2021/22 and continued though reducing losses into 2022/23. Work continues to address these predicted losses and return the charity to a surplus position.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies (continued)

1.4 Going Concern (continued)

The charity's liquidity position remains positive, having started in a strong position prior to COVID-19. With the recent replacement of the charity's aircraft, the old aircraft are now being marketed and when sold will provide a cash receipt for the charity.

Having considered the financial forecasts the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

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

Designated funds have been allocated from the charity's free reserves to support capital costs associated with maintaining the aircraft, and the expected costs of developing the new base and medical centre of excellence as well as costs relating to any other future investment.

Investment income, gains and losses are allocated to the appropriate fund.

1.6 Capital fund

A capital fund was created to isolate the capital costs of the charity from the revenue expenditure required to fund charity's running costs. The costs of depreciating the assets over their useful lives, and the finance costs relating to borrowings to fund the aircraft are channelled through this fund. The fund remains unrestricted.

1.7 Income

All income is included in the SOFA when the company has entitlement to the funds, reasonable probability of receipt and the amount can be measured with sufficient reliability. Legacy income is recognised when receipt probable and amount can be reliably estimated.

Gifts donated for resale are included as income on donation and are valued at an estimate of fair value. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost.

No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Income received in relation to fundraising events or lottery draws that have not yet taken place is recognised as deferred income.

Income received from the charity's trading subsidiaries is accounted for on receipt, reflecting the legal substance of the transaction as a distribution. (see also note 18)

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions, there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies (continued)

1.8 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include management and administration costs, as well as costs incurred in connection with governance of the charity and compliance with constitutional and statutory requirements.

Redundancy and termination payments are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All such costs are disclosed in line with SORP requirements in note 6.

All resources expended are inclusive of irrecoverable VAT.

1.9 Basis of consolidation

The financial statements consolidate the accounts of The Great North Air Ambulance Service and all of its subsidiary undertakings ('subsidiaries').

The income and expenditure account for the year dealt with in the accounts of the charity was £1,149,983 (2020 - £360,511).

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

1.10 Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation. Assets are amortised at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Software	-	25% straight line
Software under developn	-	Amortisation is nil until the software is transferred into use.

1.11 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. A review for impairment 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 and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Aircraft	-	10% straight line
Aircraft spare parts	-	Depreciation is nil until the parts are transferred into use.
Land & buidings	-	2% straight line (Urly Nook site only)
Land & buidings	-	10% straight line (Langwathby base only)
Motor vehicles	-	25% straight line
Medical equipment	-	20% straight line
Office equipment & computers	-	25% straight line

Other fixtures and equipment consists of the following:

Fixtures & fittings	-	10% straight line
Plant & equipment	-	10% straight line
Internal decoration	-	25% straight line

The Great North Air Ambulance Service

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies (continued)

1.12 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

1.13 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payments are charged to the SOFA in equal instalments of the period of the lease.

1.14 Stocks

Purchased stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs. Donated good for resale are valued at estimated fair value.

1.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.16 Financial Instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, cash and bank balances, bank loans and loans to or from related parties, including fellow group companies.

1.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.19 Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

1.20 Employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

The charity operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

1.21 Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements.

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Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies (continued)

1.21 Taxation (continued)

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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

1.22 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.23 Judgments in applying accounting policies and key sources of estimation uncertainty

Critical accounting estimates and areas of judgement:

The preparation of financial statements requires management to make judgments, assumptions and estimates that affect the application of accounting policies and amounts reported in the profit and loss account and balance sheet. Such decisions are made at the time the financial statements are prepared and adopted based on the best information available at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

Significant judgments in applying accounting policies:

In preparing these financial statements, no significant judgments were required in the process of applying the company's accounting policies.

Key sources of estimation uncertainty:

Estimates included within these financial statements include depreciation and asset impairments, including in relation to the residual value of aircraft. See note 7 for the carrying value of fixed assets. Some of the estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, and may bear some risk of causing a material adjustment to the carrying amounts of assets and liabilities in the future. However, this risk is mitigated by periodic external valuation of the aircraft with the Board keeping the expected residual value under review.

2. Subsidiary income	2021	2020
	£	£
Trading Income		
United Kingdom	69,055	39,574
Rest of European Union	672,060	1,043,678
Rest of the World	-	-
	<u>741,115</u>	<u>1,083,252</u>
3. Subsidiary expenditure	2021	2020
	£	£
Direct costs	230,304	307,998
Wages and salaries	462,057	530,363
National Insurance	31,608	36,965
Pensions	4,565	6,902
Depreciation	17,755	15,600
	<u>746,289</u>	<u>897,828</u>

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for the year ended 31 March 2021

4. Expenditure by activity	Fundraising costs 2021 £	Air Ambulance Services 2021 £	Total 2021 £
Direct costs			
Pilot and medical costs	-	1,049,271	1,049,271
Aircraft expenses	-	682,976	682,976
Fundraising	190,997	-	190,997
Administration and office costs	6,221	228,784	235,005
Other costs	48,240	80,407	128,647
Wages and salaries	510,814	676,052	1,186,866
National insurance	35,446	72,988	108,434
Pension cost	11,173	44,450	55,623
Sub-total excluding depreciation and impairment	802,891	2,834,928	3,637,819
Depreciation	10,007	1,101,783	1,111,790
Impairment of Aircraft	-	-	-
Total direct costs	812,898	3,936,711	4,749,609
Support costs			
Administration and office costs	107,399	322,187	429,586
Other costs	5,525	13,523	19,048
Wages and salaries	421,408	753,410	1,174,818
National insurance	30,360	55,633	85,993
Pension cost	18,603	44,635	63,238
Auditors' remuneration	2,816	8,446	11,262
Auditors' non audit costs	-	-	-
Trustees expenses reimbursed	-	-	-
Sub-total excluding depreciation and impairment	586,111	1,197,834	1,783,945
Depreciation	37,448	112,339	149,787
Total support costs	623,559	1,310,173	1,933,732
Total	1,436,457	5,246,884	6,683,341
Expenditure by activity - prior year	Fundraising costs 2020 £	Air Ambulance Services 2020 £	Total 2020 £
Direct Costs			
Pilot and medical costs	-	1,121,981	1,121,981
Aircraft expenses	-	858,039	858,039
Fundraising	234,838	-	234,838
Administration and office costs	15,323	292,276	307,599
Other costs	102,370	104,643	207,013
Wages and salaries	524,215	665,934	1,190,149
National insurance	28,868	73,936	102,804
Pension cost	11,022	46,542	57,564
Sub-total excluding depreciation and impairment	916,636	3,163,351	4,079,987
Depreciation	9,996	1,012,322	1,022,318
Impairment of Aircraft	-	440,000	440,000
Total direct costs	926,632	4,615,673	5,542,305
Support costs			
Administration and office costs	130,662	391,970	522,632
Other costs	17,326	45,128	62,454
Wages and salaries	332,792	474,157	806,949
National insurance	25,007	46,150	71,157
Pension cost	17,879	42,615	60,494
Auditors' remuneration	2,986	8,957	11,943
Trustees expenses reimbursed	-	-	-
Sub-total excluding depreciation and impairment	526,652	1,008,977	1,535,629
Depreciation	27,592	82,771	110,363
Total support costs	554,244	1,091,748	1,645,992
Total	1,480,876	5,707,421	7,188,297

No trustees (2019: none) received any remuneration for their services as trustees of the charity.
For further information regarding the impairment, please see note 7.

The Great North Air Ambulance Service

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Notes to the financial statements for the year ended 31 March 2021

5. Net incoming resources

	2021	2020
	£	£
This is stated after charging/(crediting):		
Depreciation of tangible fixed assets:		
- owned by the charitable group	1,086,675	1,059,885
Depreciation of intangible fixed assets:		
- owned by the charitable group	111,446	89,644
Impairment of aircraft	-	440,000
Auditors' remuneration	14,702	14,350
Auditors' remuneration - non-audit	3,256	4,920
	<u>1,216,079</u>	<u>1,608,799</u>

6. Staff costs

	Total 2021	Total 2020
	£	£
Wages and salaries	2,823,741	2,527,461
Social security costs	226,035	210,926
Other pension costs	123,426	124,960
	<u>3,173,202</u>	<u>2,863,347</u>

The average monthly number of employees during the year was as follows:

	2021 No.	2020 No.
Management	1	1
Administration	25	18
Charitable operations	15	15
Fundraising and lottery - charity	27	32
Fundraising and lottery - trading company	22	29
	<u>90</u>	<u>95</u>

The number of higher paid employees was:

	2021 No.	2020 No.
In the band £70,001 - £80,000	1	1
In the band £120,001 - £130,000	-	1
In the band £380,001 - £390,000*	1	-
	<u>2</u>	<u>2</u>

Remuneration and benefits received by key management personnel

The key management personnel of the group comprise those of the charity and the key management personnel of its trading subsidiaries.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing and controlling the activities of the charity.

During 2020/21 they were:

D Stockton	D Lewis-Bynoe	A Mawson	A Drake
D Bramley	L Simmons	J Gray	

The total employee benefits of the key management personnel of the group were £309,882 (2020: £446,408)

*Compensation for loss of office

A payment of compensation for loss of office was made to one employee during the year. The payment amounted to £244,000.

Ex-gratia payments

Payments made in relation to termination during the year totalled £15,487 (2020: £nil), relating to redundancies.

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7. Tangible fixed assets

Group	Service Aircraft £	Aircraft Spare Parts £	Land & Buildings £	Motor Vehicles £	Medical Equipment £	Office and Computer Equipment £	Other Fixtures and Equipment £	Total £
Cost								
At 1 April 2020	14,981,421	554,555	4,240,378	484,401	240,645	199,314	824,668	21,525,382
Additions	257,865	-	604	16,250	64,365	11,206	18,913	369,203
Disposals	-	-	-	(6,356)	-	-	(74,856)	(81,212)
Revaluation	-	-	-	-	-	-	-	-
Transfer between classes	-	-	-	-	-	-	-	-
At 31 March 2021	15,239,286	554,555	4,240,982	494,295	305,010	210,520	768,725	21,813,373
Depreciation								
At 1 April 2020	7,903,927	433,400	90,523	362,320	160,678	162,223	134,712	9,247,783
Transfer between classes	-	-	-	-	-	-	-	-
Charge for the year	890,518	-	114,618	46,795	28,376	13,651	73,929	1,167,887
Impairment	-	-	-	-	-	-	-	-
On disposals	-	-	-	(6,356)	-	-	(74,856)	(81,212)
At 31 March 2021	8,794,445	433,400	205,141	402,759	189,054	175,874	133,785	10,334,458
Net book value								
At 31 March 2021	6,444,841	121,155	4,035,841	91,536	115,956	34,646	634,940	11,478,915
At 31 March 2020	7,077,494	121,155	4,149,855	122,081	79,967	37,091	689,956	12,277,599
Company								
Cost								
At 1 April 2020	14,981,421	554,555	4,240,378	186,771	240,645	197,897	724,000	21,125,667
Additions	257,865	-	604	16,250	64,365	10,371	18,913	368,368
Disposals	-	-	-	(6,356)	-	-	-	(6,356)
Revaluation	-	-	-	-	-	-	-	-
Transfer between classes	-	-	-	-	-	-	-	-
At 31 March 2021	15,239,286	554,555	4,240,982	196,665	305,010	208,268	742,913	21,487,679
Depreciation								
At 1 April 2020	7,903,927	433,400	90,523	109,880	160,678	162,046	34,044	8,894,498
Charge for the year	890,518	-	114,618	29,464	28,376	13,227	73,929	1,150,132
Impairment	-	-	-	-	-	-	-	-
On disposals	-	-	-	(6,356)	-	-	-	(6,356)
At 31 March 2021	8,794,445	433,400	205,141	132,988	189,054	175,273	107,973	10,038,274
Net book value								
At 31 March 2021	6,444,841	121,155	4,035,841	63,677	115,956	32,995	634,940	11,449,405
At 31 March 2020	7,077,494	121,155	4,149,855	76,891	79,967	35,851	689,956	12,231,169
Impairment of aircraft								

During 2019/20 year a review of the aircraft was undertaken, which led to an impairment charge of £440,000.

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Notes to the financial statements for the year ended 31 March 2021

8. Intangible fixed assets

Group and Company	Software £	Software Development £	Total £
Cost			
At 1 April 2020	448,660	16,695	465,355
Additions	16,358	23,627	39,985
Transfer between classes	28,379	(28,379)	-
At 31 March 2021	<u>493,397</u>	<u>11,943</u>	<u>505,340</u>
Amortisation			
At 1 April 2020	187,770	-	187,770
Charge for the year	111,446	-	111,446
Transfer between classes	-	-	-
At 31 March 2021	<u>299,216</u>	<u>-</u>	<u>299,216</u>
Net book value			
At 31 March 2021	<u>194,181</u>	<u>11,943</u>	<u>206,124</u>
At 31 March 2020	<u>260,890</u>	<u>16,695</u>	<u>277,585</u>

Amortisation of intangible fixed assets is included within:

- Raising funds - Charity - Direct Costs
- Raising funds - Charity - Support Costs
- Charitable activities - Direct Costs

9. Investments

Group	Listed Investments £	Share in Subsidiary undertakings £	2021 £
At 1 April 2020	3,589	-	3,589
Additions	-	-	-
Gains/(losses) on investment	212	-	212
At 31 March 2021	<u>3,801</u>	<u>-</u>	<u>3,801</u>
Charity			
At 1 April 2020	3,589	2	3,591
Additions	-	-	-
Gains/(losses) on investment	212	-	212
At 31 March 2021	<u>3,801</u>	<u>2</u>	<u>3,803</u>

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Notes to the financial statements for the year ended 31 March 2021

10. Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Donation bags	28,145	11,397	-	-
Donated good held for resale	24,315	1,627	-	-
Items for resale	40,965	29,822	40,965	29,822
	<u>93,425</u>	<u>42,846</u>	<u>40,965</u>	<u>29,822</u>

11. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	38,193	96,398	(3,166)	50,587
Amounts owed by group undertakings	-	-	15,705	3,697
Other debtors	41,412	40,844	32,095	40,787
Prepayments and accrued income	893,781	367,401	875,408	322,560
	<u>973,386</u>	<u>504,643</u>	<u>920,042</u>	<u>417,631</u>

12. Creditors: Amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other loans	260,525	260,525	260,525	260,525
Trade creditors	80,050	172,360	50,822	139,212
Amounts owed to group undertakings	-	-	-	33,387
Corporation tax	4,957	-	-	-
Deferred tax provision (see note 17)	1,268	3,406	-	-
Other taxation and social security	76,216	61,518	61,443	52,242
Other creditors	52,666	11,071	-	160
Accruals and deferred income	492,975	470,717	492,975	470,717
	<u>968,657</u>	<u>979,597</u>	<u>865,765</u>	<u>956,243</u>

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Notes to the financial statements for the year ended 31 March 2021

13. Creditors: Amounts falling due after one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other loans - charity	2,953,937	3,084,200	2,953,937	3,084,200
Other loans - subsidiaries	50,000	-	-	-
	<u>3,003,937</u>	<u>3,084,200</u>	<u>2,953,937</u>	<u>3,084,200</u>

14. Loans

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year				
Other loans	<u>260,525</u>	<u>260,525</u>	<u>260,525</u>	<u>260,525</u>
Amounts falling due between one and two years				
Other loans	<u>260,525</u>	<u>260,525</u>	<u>260,525</u>	<u>260,525</u>
Amounts falling due between two and five years				
Other loans	<u>1,092,100</u>	<u>1,042,100</u>	<u>1,042,100</u>	<u>1,042,100</u>
Amounts falling due over five years				
Other loans	<u>1,651,312</u>	<u>1,781,575</u>	<u>1,651,312</u>	<u>1,781,575</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Repayable by instalments	<u>1,651,312</u>	<u>1,781,575</u>	<u>1,651,312</u>	<u>1,781,575</u>

A loan was taken out in March 19 for the purchase of the new helicopter over 10 a year period.

The loan financing is in the form of a secured loan with a variable interest rate of 2.75% above LIBOR and there is a fixed charge secured against the aircraft, which has a carrying value of £3,214,462.

The terms of the security provide for the lender to claim title to the aircraft in the event of a default, details of which can be found on Companies House.

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Notes to the financial statements for the year ended 31 March 2021

15. Deferred income

	<u>Group and Company</u>
	£
Deferred income at 1 April 2020	363,760
Resources deferred during the year	247,561
Amounts released from previous years	(345,550)
	<u>229,351</u>
Deferred income at 31 March 2021	<u>229,351</u>

16. Deferred taxation

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	£	£	£	£
At beginning of year	(3,406)	(1,178)	-	-
Released during the year	-	(2,228)	-	-
	<u>(3,406)</u>	<u>(3,406)</u>	<u>-</u>	<u>-</u>
At end of year	<u>(3,406)</u>	<u>(3,406)</u>	<u>-</u>	<u>-</u>

The deferred taxation balance is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2021	2020	2021	2020
	£	£	£	£
Accelerated capital allowances	<u>(3,406)</u>	<u>(3,406)</u>	<u>-</u>	<u>-</u>

17. Statement of funds

	<u>Unrestricted funds</u>		<u>Restricted Funds</u>	<u>Subsidiary Companies</u>
	Capital Fund	Undesignated Funds		
	£	£	£	£
2021				
Brought Forward	9,424,556	4,438,996	-	324,046
Income resources	-	7,650,261	-	867,468
Resources Expended	(1,261,577)	(5,421,764)	-	(746,289)
Gains/(losses) on investment	-	212	-	-
Transfers in/(out)	278,088	(95,238)	-	(182,850)
	<u>8,441,067</u>	<u>6,572,467</u>	<u>-</u>	<u>262,375</u>
Carried Forward	<u>8,441,067</u>	<u>6,572,467</u>	<u>-</u>	<u>262,375</u>
	Capital Fund	Undesignated Funds	Restricted Funds	Subsidiary Companies
	£	£	£	£
2020				
Brought Forward	-	13,503,041	-	458,353
Income resources	-	6,225,790	1,000,000	1,087,445
Resources Expended	(1,572,681)	(5,615,616)	(1,000,000)	(897,828)
Gains/(losses) on investment	-	(906)	-	-
Transfers in/(out)	10,997,237	(9,673,313)	-	(323,924)
	<u>9,424,556</u>	<u>4,438,996</u>	<u>-</u>	<u>324,046</u>
Carried Forward	<u>9,424,556</u>	<u>4,438,996</u>	<u>-</u>	<u>324,046</u>

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Notes to the financial statements for the year ended 31 March 2021

18. Analysis of net assets between funds

	Unrestricted Funds		Restricted	Total
	Capital	Undesignated	Funds	
	2021	2021	2021	2021
	£	£	£	£
Tangible fixed assets	11,449,405	29,510	-	11,478,915
Intangible fixed assets	206,124	-	-	206,124
Investments	-	3,801	-	3,801
Current assets	-	7,559,663	-	7,559,663
Creditors due within one year	(260,525)	(708,132)	-	(968,657)
Provision for liabilities	-	-	-	-
Creditors due in more than one year	(2,953,937)	(50,000)	-	(3,003,937)
	<u>8,441,067</u>	<u>6,834,842</u>	<u>-</u>	<u>15,275,909</u>

Analysis of net assets between funds - prior year

	Unrestricted Funds		Restricted	Total
	Capital	Undesignated	Funds	
	2020	2020	2020	2020
	£	£	£	£
Tangible fixed assets	12,231,171	46,428	-	12,277,599
Intangible fixed assets	277,585	-	-	277,585
Investments	-	3,589	-	3,589
Current assets	-	5,692,622	-	5,692,622
Creditors due within one year	-	(979,597)	-	(979,597)
Provision for liabilities	-	-	-	-
Creditors due in more than one year	(3,084,200)	-	-	(3,084,200)
	<u>9,424,556</u>	<u>4,763,042</u>	<u>-</u>	<u>14,187,598</u>

19. Analysis of changes in net debt

	At start of year	Cash Flows	Non-Cash Movement	At end of year
Cash	5,145,133	1,347,719	-	6,492,852
Loans falling due with one year	(260,525)	130,263	(130,263)	(260,525)
Loans falling due after more than one year	(3,084,200)	(50,000)	130,263	(3,003,937)
Total	<u>1,800,408</u>	<u>1,427,982</u>	<u>-</u>	<u>3,228,390</u>

20. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £123,426 (2020: £99,364). Contributions totalling £nil (2019: £nil) were payable to the fund at the balance sheet date and are included in creditors.

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21. Related party transactions

Dr K Han is a trustee and is a Honorary Medical Director with NEAS. During the year income from NEAS from a contract to provide MERIT services amounted to £307,853 (2020: £303,603) in respect of the charity.

Mr P Neal is a trustee and was an employee of UNW. During the year professional fees of £13,328 (2020: £14,000) were charged by UNW, in respect of the charity and £3,500 (2020: £4,770) in respect of the trading company.

Mrs J Trench is a trustee and a director of C.Change Consultancy. During the year consultancy fees charged by C.Change amounted to £19,500 (2020: £1,750) in respect of the charity and £nil (2020: £nil) in respect of the subsidiary companies.

Mr J Devine is a trustee and a partner in Muckle LLP, solicitors. Legal fees charged by Muckle LLP and paid during the year amounted to £25,590 (2020: £28,483) in respect of the charity and £1,250 (2020: £4,154) in respect of the subsidiary companies.

Related party transactions between the charity and the subsidiaries amounted to £4,926 (2020: £1,139)

22. Principal subsidiaries

Name	Company Number	Principal Activity	Class of Shares	Holding	Included in Consolidation
Great North Air Ambulance Service Trading Company Limited	3662874	Trading subsidiary for recycling collections	Ordinary	100%	Yes
ARC Medtech Limited	12189819	Trading subsidiary for royalties of software	Ordinary	100%	Yes

Name	Income £	Expenditure £	Profit for the period £	Net Assets £
Great North Air Ambulance Service Trading Company Limited	837,968	737,921	100,047	285,792
ARC Medtech Limited	29,500	8,368	21,132	19,133

23. Capital Commitments

During the year the charity took the decision to initiate the purchase a Class 1 aircraft, to replace the current class 2 aircraft, located at our Langwathby base. The total amount of capital commitment is £1,960,000. A deposit of £525,000 was paid in November 2020 and is included within prepayments at 31st March 2021.