THE AIR AMBULANCE SERVICE

England & Wales · Charity number 1098874

Details

Other names	THE AIR AMBULANCE SERVICE, THE CENTRAL ENGLAND AIR AMUBLULANCE, WARWICKSHIRE AND NORTHAMPTONSHIRE AIR AMBULANCE, CENTRAL ENGLAND AIR AMBULANCE, DERBYSHIRE, LEICESTERSHIRE AND RUTLAND AIR AMBULANCE, NATIONAL CHILDREN'S AIR AMBULANCE
Status	Registered
Legal form	Charitable company
Company number	04845905
Registered	2003-08-05
Register	View on the Charity Commission register

Contact

Address	Blue Skies House Butlers Leap Rugby Warwickshire CV21 3RQ
Phone	03003045999
Email	enquiries@theairambulanceservice.org.uk
Website	www.theairambulanceservice.org.uk

Activities

Objects: THE RELIEF OF SICKNESS AND INJURY AND THE PRESERVATION OF HEALTH AND SAVING LIVES PRINCIPALLY BUT NOT EXCLUSIVELY BY THE PROVISION OF AN AIR AMBULANCE SERVICE.

Activities: Operator of two Helicopter Emergency Services, and the Children's Air Ambulance transfer service.

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Classification

- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives, Armed Forces/emergency Service Efficiency
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** MAINLY BUT NOT EXCLUSIVELY WITHIN THE AREAS OF WARWICKSHIRE, NORTHAMPTONSHIRE, DERBYSHIRE, LEICESTERSHIRE AND RUTLAND.
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£35,902,000	£37,585,000	£37,097,000	469
2023-12-31	£38,179,000	£34,418,000	£38,385,000	445
2022-12-31	£33,583,000	£27,343,000	£33,996,000	421
2021-12-31	£30,365,000	£24,961,000	£29,194,000	375
2020-12-31	£25,375,000	£23,229,000	£22,647,000	381

Trustees

Name	Role	Appointed
Andrew Hoyle		2022-12-21
Anthony Fradgley		2023-12-11
Christina Sheppard		2022-12-21
JOHN CHARLES ROGER TENNENT		2022-03-14
Joanna Walmsley		2023-12-11
Phill Wells		2022-03-14
Professor Robert Allison CBE		2022-02-02
Sarah Baumann		2022-12-21

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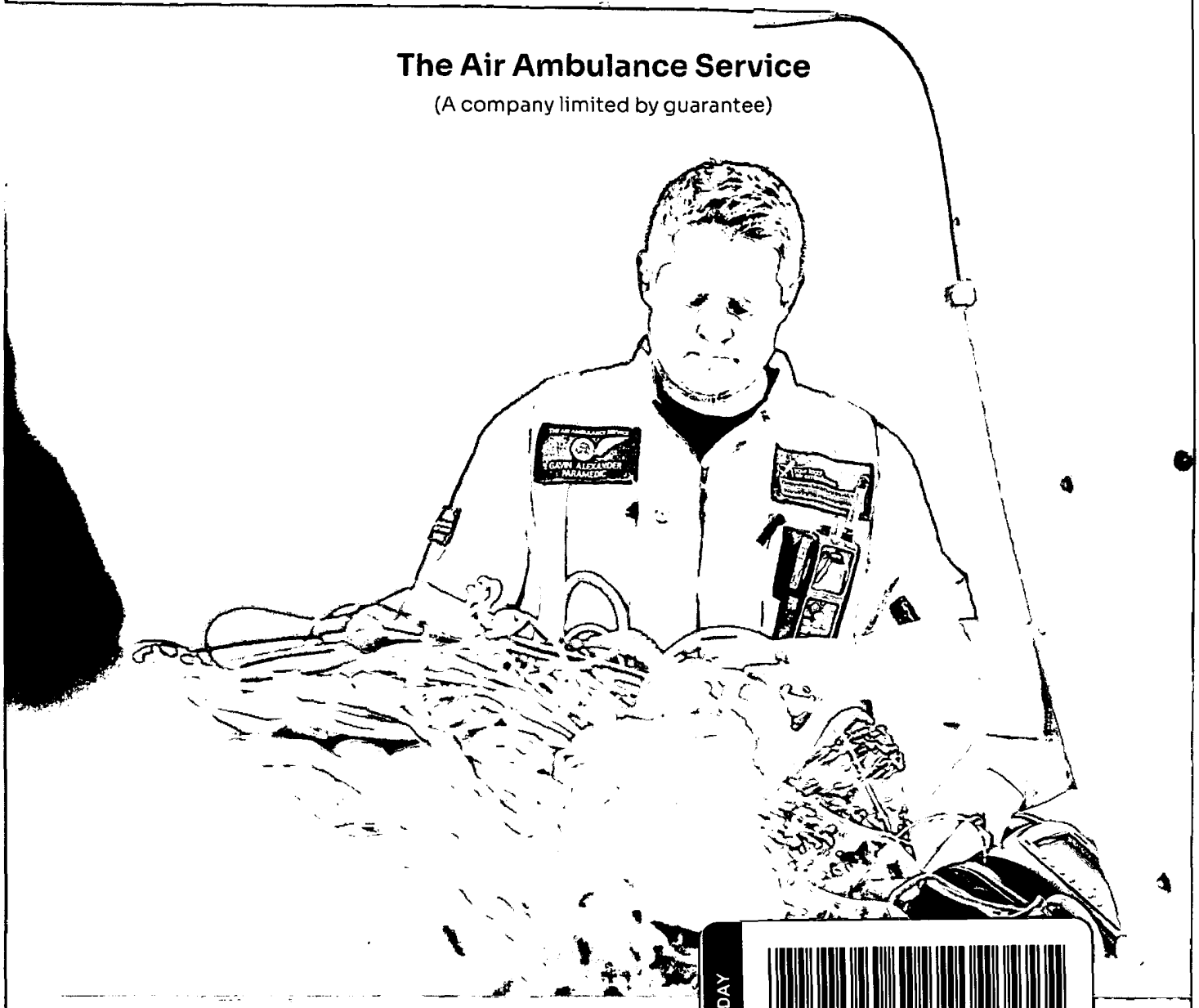
THE AIR AMBULANCE SERVICE

England & Wales - Charity number 1098874

Accounts

The Air Ambulance Service

(A company limited by guarantee)



THURSDAY
AE5ØBEMB
A09 19/06/2025 #77
COMPANIES HOUSE

FOR THE YEAR ENDED 31 DECEMBER 2024

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

2024

Registered company number : 04845905. Registered charity number : 1098874

FOR THE YEAR ENDED 31 DECEMBER 2024

TOGETHER, we SAVE MORE LIVES

CONTENTS

Chairman's Statement ____ 4

Chief Executive's Statement ____ 6-8

Our Vision, Mission and Values ____ 11

Trustee's Annual Report ____ 12-21

Independent Auditor's report to the members ____ 22-25

Consolidated Statement of Financial Activities ____ 26

Consolidated Balance Sheet ____ 27

Charitable Company Balance Sheet ____ 28

Consolidated Statement of Cash Flow ____ 29

Notes to the Financial Statements ____ 30-46

CHAIRMAN'S STATEMENT - PROFESSOR BOB ALLISON

As Chair, I am delighted to reflect on a remarkable year of progress, underpinned by an unwavering commitment to our mission. In an increasingly complex and challenging environment, our organisation has demonstrated the utmost capability, fortitude, and vision.

We are not simply meeting the needs of today but shaping the future of air ambulance critical care. This is made possible through the tireless dedication of our staff, volunteers and supporters, who remain at the heart of everything we do. Whatever your contribution to our endeavour, you ensure that we continue to provide the highest standards of care, innovation, and service to those who depend upon us in times of urgent need.

Throughout 2024, our operational teams have reached new heights, both in the scale of their work and in pioneering new developments. We have attended more requests for help than ever before. We have enhanced our capabilities with cutting-edge medical technology. Our clinical and aviation teams have embodied excellence every time they have been tasked and sent on a mission. These are not mere statistics but represent more lives saved, more families supported and more communities strengthened.

Our financial sustainability remains a key priority. Our Trading division has seen significant improvements in efficiency and strategic growth. The industry recognition we have received is a testament to the outstanding work undertaken in this area, ensuring that every pound raised is maximised to benefit our charitable aims. Similarly, our fundraising and supporter engagement teams continue to innovate, deepening the partnership with everyone that supports what we do.

At the heart of our success lies our people. Their dedication, skills and compassion drive us forward. In return, we are committed to supporting their professional development and well-being. Our focus on equality, diversity and inclusion is at the heart of our organisational culture. We want everyone to thrive and be able to contribute to their full potential.

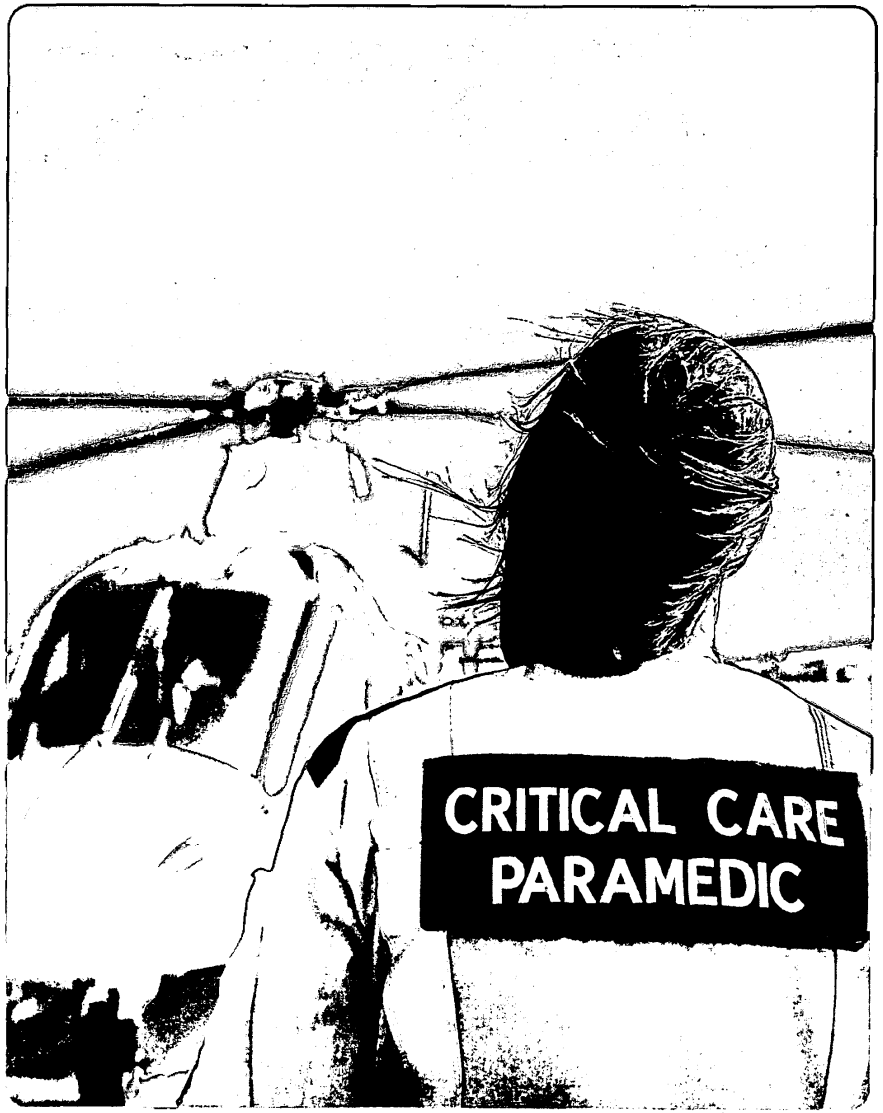
Governance and stewardship remain critical to our long-term success. This year, we have taken further strides in enhancing our internal controls, refining our risk management processes, and strengthening our quality assurance mechanisms. The Board of Trustees has worked hard to provide governance oversight, ensuring that our organisation remains robust, accountable, and forward-thinking in all that we do. I am personally grateful to all of the Trustees for their support and enthusiasm.

We can look ahead with confidence. Our strategic ambition is clear (please visit our website to learn more), our values remain at the heart of how we operate, and our ambition is as strong as ever.

On behalf of the Board of Trustees, I extend my heartfelt thanks to Peta Wilkinson, our Chief Executive, our staff, our volunteers and our generous supporters. It is through your collective efforts that we are able to achieve so much. It is with deep gratitude that I acknowledge the vital role that every individual plays in our shared success. Together, we will ensure that our organisation continues to be a beacon of excellence, hope and service for years to come.

Professor Bob Allison CBE DL
Chair of Trustees

FOR THE YEAR ENDED 31 DECEMBER 2024



WE PROVIDE LIFE-SAVING care WHEN IT MATTERS MOST

CHIEF EXECUTIVE'S REPORT - PETA WILKINSON

I am delighted to be sharing the output of the first year of our three year organisational strategy and am staggered by what our organisation has managed to achieve despite the very difficult environment in which we are operating. This is all due to the unstinting commitment, skills and talents of all of our staff and volunteer teams. I remain extremely proud to work alongside such inspiring people.

In 2024 our HEMS crews flew for 653 hours and drove 57,112 miles completing 3,779 missions. Our TCAA crews completed 200 missions in total (the highest in their history) and they flew 608 hours. They also achieved the highest number of incubator transfers since inception in 2022.

Our Trading division achieved industry recognition for its retail stores, improved its operational efficiency and improved cost management. They also improved the warehouse and distribution process and created a store expansion strategy.

In 2024 the 'happiness factor' of our supporters was 95% which is amazing and a testament to the hard work and commitment of our fundraising and supporter experience teams. We were externally recognised for our legacy work and were innovative in creating digital and other platforms for engagement.

2024 saw a growth in our volunteering contributions of 12% and moved to staff to volunteer ratio to 1:3. We launched a new volunteer strategy and delivered 'key to success' training to support effective volunteer management.

2024 saw us become a proactive organisation in relation to Equality, Diversity and Inclusion being at the heart of everything we do. We adopted the Employer Six Pillar standard and delivered a full calendar of events.

We designed and implemented a structure fit for purpose to deliver our future strategy, develop a cultural framework of behaviours and developed a line managers expectations document to support people in delivering their role.

We have increased our systems of internal control and governance through our Risk Management Strategy, to include a Board Assurance Framework and Corporate Risk Register aligned with our operational risk registers. The Governance structure has been strengthened by introducing robust reporting mechanisms to provide increased assurances to sub-committees and the Board.

Achievement in 2024

Our many achievements of 2024 include:

Operations

- 1st year of extended flying hours for TCAA
- First all female HEMS crew
- TCAA 400th mission with parents
- TCAA 1,000th mission
- Nominated in four award categories for the AAUK awards
- Developing relationships with NHS Clinical Teams and Ambulance services to increase the number of people we can support

CHIEF EXECUTIVE'S REPORT - PETA WILKINSON (CONTINUED)

Operations (continued)

- Research, procurement and operational deployment of a new cutting-edge patient monitor that allows additional interventions such as invasive blood pressure monitoring
- Research and analysis completed to upgrade our automated CPR machines
- New patient and operational data base 'TAAS Portal', including electronic patient record
- Gold Standard Clinical Surgical Skills Training delivered across the region
- Development of three specialist incubators (the only ones in England) which were fully utilised in 2024
- Phase 2 development of the inside of the TCAA helicopter to better meet the needs of NHS clinicians and patients
- Participated in significant levels of research around clinical skills and the patient experience

Fundraising

- Funraisin goes live - our brand new web-site platform for events
- 81,182 young people were educated on our work in schools talks
- 165 schools fundraised for us (the most ever)
- Highest level of legacy pledges
- Best year for legacy notifications 297 received
- Won the Smee and Ford - 'Internal Collaboration Champions' legacy fundraising award
- Best performance ever for a Christmas Raffle - we raised £583,066
- Launched new Christmas video
- CRM road mapping completed and partner secured for delivery of the new system
- Busiest year ever for live chat with over 1,000 conversation with supporters using this functionality
- First ever legacy film created for 'Your Local Air Ambulance'

Trading

- Opening of the store of the future in West Bridgeford
- Industry recognition for Melton Mowbray who were Shop of the Year for the Charity Retail Association awards (Doncaster were also nominated)
- New warehouse and distribution process
- Increased margin of 3% from a smaller range of new goods
- Reduction in overhead costs of £527k
- New strategy for store expansion in retail

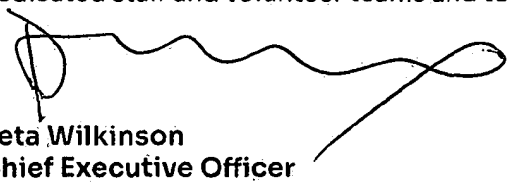
CHIEF EXECUTIVE'S REPORT - PETA WILKINSON (CONTINUED)

People and Business Support Services

- Launched our Tik Tok channel
- 19 people achieved their ILM level 5 award
- 14 people successfully achieved their Aspiring Leaders Academy
- Equipped our leaders to lead effectively through change implementing a 'Managing through Change' programme
- Finalised our re-branding strategy
- Launched winning temps as a tool to understand how people are feeling and how best to support them
- Ran a series of roadshows to communicate strategic intent and people's roles within it and held 'coffee and cake' sessions to engage with people around the strategy
- Created a Volunteering strategy
- Implemented a new incident management system

Conclusion

Whilst our operating environment remains challenging, our strategic initiatives are driving positive change. By optimising our efficiency, streamlining costs and focusing on driving profit we are positioning ourselves for a more sustainable future. Our continued efforts in innovation, the development of clinical practice and strategic growth will ensure that we can contribute to providing more care and support for the patients we serve. My grateful thanks go to all of our dedicated staff and volunteer teams and to our amazing donors and supporters.

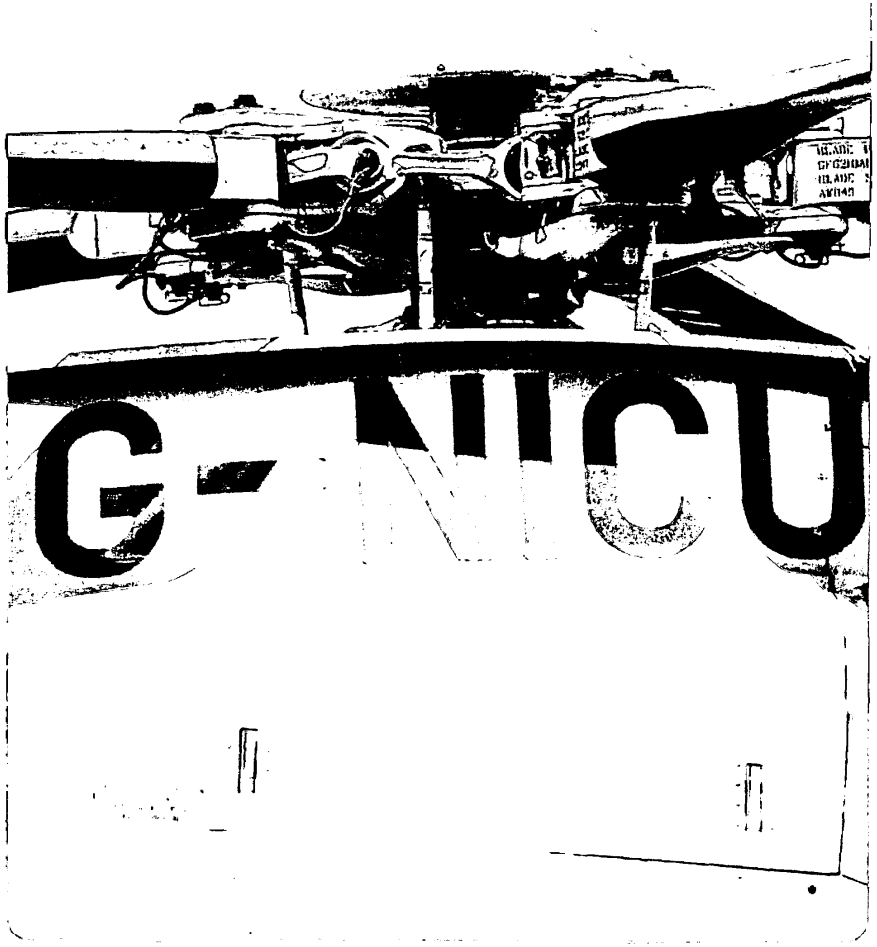


Peta Wilkinson
Chief Executive Officer

FOR THE YEAR ENDED 31 DECEMBER 2024

TODAY'S ADVANCES save TOMORROW'S LIVES

FOR THE YEAR ENDED 31 DECEMBER 2024



EXCELLENCE IS THE difference BETWEEN LIFE AND DEATH

OUR VISION, MISION AND VALUES

OUR VISION

To ensure children grow into adults, for adults to live longer and for families to stay together as bereavement through trauma becomes rare.

OUR MISSION

Our rapid response services work tirelessly to save lives and alleviate pain and suffering, wherever and whenever needed.

OUR VALUES

COMPASSION

We succeed because we care. We care about our patients, our supporters, our partners and our colleagues. We act with dignity, humility, integrity and respect.

COURAGE

We succeed because we dare. We are bold, pioneering and brave enough to ask questions of ourselves and others while actions are taken with responsibility.

CREATIVITY

We succeed because we innovate. We recognise that new ideas, big and small are essential for future growth. We are curious, we embrace change, and we rise to the challenge.

TRUSTEE'S ANNUAL REPORT

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary ("the Group") for the year ending 31 December 2024 which are also prepared to meet the requirements of a Directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

LEGAL AND ADMINISTRATION INFORMATION

Charity Name	The Air Ambulance Service
Charity Registration Number	1098874
Company Registration Number	04845905
Registered Office	Blue Skies House, Butlers Leap, Rugby, Warwickshire, CV21 3PQ
Independent Auditor	Crowe U.K. LLP, 4th Floor, St James House, St James Square, Cheltenham, GL50 3PR
Bankers	Barclays Bank PLC, Leicester, LE87 2BB
Investment Managers	Cazenove Capital, 1 London Wall Place, London, EC2Y 5AU CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal Activities

The principal activities of The Air Ambulance Service ("TAAS") are the relief of sickness and injury and the protection of human life, principally (but not exclusively), by the provision of an air ambulance service.

Statement of public benefit

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Air Ambulance Services' charitable objects are stated within its memorandum and articles of association and as such the trustees ensure that the charity's activities are carried out for the public benefit through its strategic priorities. This is done primarily through the delivery of services by the provision of an emergency and children's air ambulance services which are provided at no cost to the patient(s). This report allows us to show how our charitable funds are spent and the impact and benefit that this has on those requiring our services, as well as the wider impact on the communities we operate in.

Our fundraising standards

As a charity reliant on voluntary income we take an active and responsible approach to our fundraising. Our fundraising activity is carefully planned and all supporter data on our fundraising database is governed by strict consent, unsubscribe and complaints processes. Oversight of these processes is carried out by an internal Data Protection Officer, ensuring we are kept up to date with new legislation as well as supporter feedback.

We are registered with the Fundraising Regulator and follow the Code of Fundraising Practice. We are also registered with the Fundraising Preference Service, which allows supporters to 'opt out' of receiving communications from us. We received 77 FPS requests in the year (2024).

We have only had one complaint about our 2024 fundraising activities, which required involvement from The Fundraising Regulator. The complaint related to our door-to-door collections of donated goods. The complaint demonstrated that the collection partner supporting us in the South of England was not recording requests to opt-out of receiving charity bags effectively (despite corrective action and oversight from us to improve the situation over the preceding year). As a result of their ongoing failure to improve, we decided to terminate our partnership with this third-party, and halted door-to-door charity bag collections in the region. We are currently exploring options for how best to restart this activity - but will only proceed once we have identified a collection partner who fully appreciates the requirement to adhere to the opt-out regulations.

The majority of our fundraising activity is carried out by staff directly employed by The Air Ambulance Service, while we also work with a few carefully selected professional partnerships to support our work, such as promotion of the lottery. Where others are involved in fundraising on our behalf, we work closely with them to ensure the highest possible standards are always maintained, including understanding our charity mission; the regulator's code of practice; Gambling Commission licensing conditions; as well as relevant codes of practice and applicable regulation.

We pay an annual levy to support the Fundraising Regulator and their Fundraising Promise with its four underlying values to support implementation of the fundraising code, which are meeting the legal requirements, being open with the public, being honest and being respectful.

Supporters can contact us directly at any time with any questions, comments or concerns via the 'contact us' section on our website: https://theairambulanceservice.org.uk/contact/

Company Status

The charity is a company limited by guarantee (registration number - 04845905), and as such has no share capital. The company is governed by its Memorandum and Articles of Association which were last updated in November 2019. The liability of the members of the company, as set out in the Memorandum of Association, is limited to £1 per member.

Board of Trustees

The Trustees of the charitable company, who are directors for the purpose of company law, who served during the year and up to the date of this report are set out as follows:

- Professor R J Allison CBE DL
- Mr P Wells
- Mr J C R Tennent
- Mr P Whatmore (resigned 20 November 24)
- Ms S Baumann
- Ms C Sheppard
- Mr T Boxell
- Mr A Hoyle
- Mr A Fradgley
- Ms R Grant
- Mrs J Walmsley

Company Secretary
Mrs P Wilkinson (appointed 5 December 24)

Directors are selected against pre-determined skills criteria designed to ensure that the Board has the necessary knowledge with which to direct The Air Ambulance Service.

Key Management Personnel:

Senior Management Team of The Air Ambulance Service and its Subsidiary at the year end:

- Mrs P Wilkinson, CEO
- Mr R Clayton, COO
- Mrs L Gundy, CFO
- Ms D Young, Director of Income Generation
- Mr C Bailey, Associate Director of Operations
- Mrs R O'Brien, Associate Director of Quality & Governance
- Mr M Rawlins, Director of Trading

Trustee and Director induction and training

Trustees are inducted to the organisation on appointment and are briefed as appropriate. As part of ongoing training, trustees have received formal charity law updates, strategic sessions and presentations in relation to operational requirements during the year.

Organisational Structure

The Air Ambulance Service Board of Trustees meets at least four times per year to oversee the development of the charity and the work of the Senior Management Team.

The Air Ambulance Service Trading Company Board also meets at least four times a year, to oversee the work and development of the trading subsidiary.

Several sub-committees support the governance of the charity, including a Finance sub-Committee which considers matters of finance and IT, for both the Charity and the Trading company, and an Audit and Risk sub-committee which considers matters of governance, audit and risk management. These committee's meet three weeks prior to the Boards so that the committee can report the discussions and actions arising from their meeting. There are also additional committees in place which consider matters of, operations, marketing and people, which provide additional reporting processes.

During the year a Project Oversight Committee was established to review governance and progress of major projects.

The Trustees are responsible for the control over all activities and authorise all major transactions of the charitable company and its subsidiaries. Day-to-day activities are overseen by the Chief Executive and the Senior Management Team on a delegated basis.

Pay policy for Senior Staff

Remuneration Committee considers pay and other benefits for senior staff and makes recommendations to the Board of Trustees for approval. The senior management team comprise the key management personnel of the Charity in charge of directing, running and operating the Charity on a day-to day basis. We set salaries in line with our general pay policy principles to be competitive with similar roles and commensurate with the scope of the individual's responsibilities and demands of the job. Benchmarking data will be sector and location specific to each role wherever possible.

Risk Management

A robust risk management and governance process is in place in respect of clinical operations, to meet the regulatory requirements of the Care Quality Commission fundamental standards and key line of enquiry. In addition, a wider organisation focussed Risk Management process is in place and is monitored regularly by the Executive Leadership Team, Senior Management Team and Board.

In line with best practice and the requirements of the Charities SORP (FRS 102), the Trustees have reviewed all major potential risks for the charity and taken appropriate measures to mitigate their impact.

OBJECTIVES AND ACTIVITIES

The objects of the charitable company have not changed and are as stated earlier under the Principal Activities. The activities of the charitable company continue to be:

- The delivery of Helicopter Emergency Medical Services (HEMS), a trauma service responding to road accidents, falls of many kinds, medical emergencies, injuries received in remote locations and many other scenarios. These services are based in Warwickshire, Northamptonshire, Derbyshire, Leicestershire and Rutland.
- The Delivery of The Children's Air Ambulance, a hospital-to-hospital paediatric neonatal transfer service. This is a national service and involves liaison with critical care hospitals and paediatric retrieval teams across England.

Our work makes a difference to people, to communities and to society as a whole. Our responsibility is far reaching. The obvious impact is on saving lives, improving clinical outcomes and being able to react quickly and efficiently to emergencies but our influence is also able to challenge, and when necessary, try to change Government policies on health; we are able to innovate in clinical care, challenge the boundaries that often exist in state run services and invest heavily in the development of the people who deliver that care.

Our primary purpose is healthcare and we will lead the way in our chosen fields of operation in trauma and medical emergencies via our HEMS services and in the innovation and development of the unique critical transfer and retrieval service that is The Children's Air Ambulance. However, our reach goes much further in our impact on society. We are a significant employer and contributor to our local economies; we are a socially responsible organisation that values the very communities that support us. Our expertise is made available to smaller charities, to education establishments and to organisations with similar goals. We care about our environment and we must use our abilities to change, shape or challenge the voluntary sector as a whole for genuine public benefit.

We are an organisation that engenders pride and purpose in every individual associated with us.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Helicopter Emergency Medical Services (HEMS) and Clinical Operational Report

Operating two specialist AW109 helicopters and two Rapid Response Vehicles (RRV) daily, The Air Ambulance Service (TAAS) remains one of the busiest air ambulance service providers in the country, providing critical care, lifesaving services to the NHS 24 hours a day, 365 days a year.

The Air Ambulance Service (TAAS) attended 1,795 critical care missions by helicopter, and a further 1,984 critical care missions by RRV - 3,799 critical care missions in total for 2024. TAAS has responded to 56,057 lifesaving missions since services commenced in 2003, a truly remarkable achievement.

The dedicated spare helicopter, which was introduced as part of the new helicopter fleet in March 2021, has been an asset during 2024 for periods of scheduled maintenance (routine servicing) and unscheduled maintenance (repairs) of the primary helicopters. This additional resilience has ensured that our life saving services by air were maintained throughout the year.

Extended flying hours, May to August inc., were once again undertaken in 2024 following the successful trial in 2021. During extended flying hours both aircraft were utilised not only in our primary regions but also providing mutual assistance in other areas.

Both of The Air Ambulance Services' Helicopter Medical Services Derbyshire, Leicestershire & Rutland Air Ambulance (DLRAA) and Warwickshire & Northamptonshire Air Ambulance (WNAA), since being inspected by the Care Quality Commission (CQC), have maintained an overall 'Outstanding' rating - the highest overall rating the regulator awards.

In addition to recruiting new doctors, TAAS continues to support the West Midlands Deanery with their PHEM (Pre-Hospital Emergency Medicine) Training Programme. The programme helps to train and educate the next generation of PHEM doctors.

The Air Ambulance Service (TAAS) is extremely proud to be nominated in four categories at the Air Ambulances UK Awards of Excellence 2024. A truly incredible achievement given the calibre of nominations.

Continuous improvement is essential in prehospital care, and a number of major advancements have been made during 2024 to how we train, educate and equip our critical care teams to support the NHS to care for the most sick and injured patients.

We are pleased to report that following a thorough clinical evaluation/trial new ventilators and cardiac monitors have now been purchased and are now operational with our teams along with a new mechanical chest compression devices.

Using the advanced surgical equipment introduced in 2022 and state-of-the-art surgical and advanced airway mannequins purchased in 2023, TAAS have now run three simulated complex education scenario days for TAAS clinicians but also used to support external agencies such as the NHS. These two areas alone changed how we deliver certain medication to patients as well as performing invasive surgical procedures for our sickest, most severely injured patients.

TAAS has been carrying blood on board its operational platforms since 2022. From implementation TAAS has already delivered this additional lifesaving treatment on 246 occasions. TAAS would like to take this opportunity to acknowledge the support of both the Warwickshire & Solihull and Leicestershire & Rutland Blood Biker charities in delivering blood and blood products daily to our operational bases. Honorary contracts are now in place with neighbouring Major Trauma Centres allowing our clinicians to undergo shifts in different departments and thus continue their professional development. This exposure will assist the clinicians with assessments and treatment in the pre-hospital setting. Having knowledge of pathways within hospitals and exemplary care before reaching hospital can only serve patients with better outcomes.

Aftercare support is an essential extension of the care TAAS provides; essentially our care to our patients, their families and loved ones extends beyond the doors of the Emergency Department. TAAS introduced a Clinical Liaison Officer (CLO) in 2020 with great success. The CLO provides the conduit between TAAS former patients and their families and has been invaluable in providing information and support to help patients piece together the patient journey to help aid their emotional recovery alongside the physical.

Quality outcomes/audit reports continued to be reviewed monthly by the Operations Management Team and quarterly by the Clinical Governance Group. Audit assurances for anaesthesia, sedation, surgical skills and Infection, Prevention & Control for both operational bases continue to provide excellent assurance.

The Children's Air Ambulance Operational Report

TAAS have worked with Sloane Helicopters Limited in 2024, operating two AgustaWestland 169 (AW169) helicopters. This included full engineering and a phased upgrade of the medical interior of one aircraft, the second will undergo the same upgrades early in 2025.

In 2024 TCAA completed 200 critical missions across the country supporting 11 NHS paediatric and neonatal specialist transport teams in their lifesaving work. TCAA has completed 1,084 missions since services commenced.

On Friday, 05 July 2024, our G-NICU helicopter undertook the 1,000th mission, transferring a neonatal patient with Embrace - the Yorkshire and Humber Infant and Children's Transport Service. The journey, from Liverpool to Chesterfield, took just 33 minutes by air compared to the two-hour plus trip by road, exemplifying the life-changing impact of our work.

In total TCAA saved a total of over 341hrs for our smallest most vulnerable patients compared to road transfer, and a total of over 735hrs of NHS clinician time compared to road transfer.

Of the 200 missions completed, 75 used the bespoke incubator systems in transfers. Since launching these incubators in December 2022, they have made a profound difference in improving neonatal care, enabling TCAA to safely transport the most vulnerable babies to where they need to be. TCAA is the first and only helicopter provider in England to support the NHS with a helicopter certified incubator transport system.

2024 also saw a significant achievement with the 400th mission milestone of carrying a parent onboard — a touching reminder of how the charity values the vital bond between families and their children, especially during challenging times.

Financial Review

We receive no government support. We rely solely on donations, legacies, sponsorship, grants, fundraising events and our retail operations. We believe this enables us to ensure that we put the needs of the patient at the top of our entire decision making.

We finish the year in a strong and better than anticipated position, following the impact of wider market pressures as seen across the whole charity sector. The £1.3m deficit accurately reflects the slight decline in income but our unwavering support towards funding the increased cost of charitable activities in the year.

For income, we benefitted from an incredible response from our supporters, enabling us to generate a total £36 million income for the year. This is a decrease of £2.3m driven by a step down in both legacies and retail income. Expenditure increased in the year by £3.2m: £1.9m of which is an investment in our fundraising costs to support future years' income; and £1.3m towards increased cost of missions.

Investment income increased by £0.5m on the back on higher interest rates and there was also an investment gain of £0.4m. Our investment portfolio is held for the medium to long term and our Finance and Investment Committee approve the strategy and parameters surrounding the investment of surplus funds. This committee is also responsible for agreeing the use of any investment vehicles considered to be of medium to high risk.

We are confident that The Air Ambulance Service remains a financially stable organisation and that we are well positioned to operate as effectively as possible. The sustainability of our income allows us to cope with increasing costs, secure the stability of the charity by moving towards our reserves policy and as always, to ensure the maximisation of funds raised in the operation and running of the Helicopter Emergency Medical Services and The Children's Air Ambulance.

Reserves policy

The Charity is holding 12 months operational costs, which are approximately £16 million. As at 31 December 2024 the Charity held unrestricted free reserves of £18 million, due to the other £17.5m of our reserves designated to support our strategic aims. This provides us with the necessary fall-back position to maintain our operational capabilities in periods of downturn and invest in new equipment, infrastructure and provision for airbase as it becomes available.

Going concern

The financial statements have been prepared on a going concern basis as the trustees consider that adequate reserves continue to be available to fund the activities of the charity and group for the foreseeable future and believe no material uncertainties exist. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Streamlined Energy and Carbon Reporting (SECR)

The Charitable group is reporting energy and carbon emissions in compliance with Companies (Trustees Report) and Energy and Carbon Report Regulations 2019.

UK Greenhouse And Gas Emissions And Energy Use Data For The Period	2024	2023
Energy consumption used to calculate emissions (kWh)	1,547,799	1,667,258
Emissions in metric tonnes C02e		
Gas consumption	53.08	51.19
Owned Transport	30.87	36.93
Purchased electricity	19.56	21.93
Business travel in employee owned vehicles	55.14	53.75
Total emissions in metric tonnes C02e	158.65	163.80
Intensity Ratio	0.42	0.37

The chosen intensity measurement ratio is total gross emissions in CO2e per no. of employees.

Financial Instruments

The charity does not use complex financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk and manages this through credit control procedures. The trustees do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or performance.

The Companies (Miscellaneous Reporting) Regulations 2018 requires large companies to include detail in their annual report describing how the Trustees have had regard to matters set out in section 172 (1) of the Companies Act 2006. The Trustees statement is set out below.

Section 172 (1) statement Companies Act 2006

The trustees have acted in the way which they consider, in good faith, promotes the success of the charitable group for the benefit of its members and stakeholders as a whole, and in doing so have given regard to (amongst other matters):

Business relationships

With a highly committed and dedicated workforce, the charitable group takes great pride in listening to what our beneficiaries and stakeholders want and continues to provide the level of service they have come to expect, leading to continued increases in the awareness of the charitable group's activities and operations.

Our relationship with the community

As a charity, public benefit is at the heart of all we do. The Chief Executive's report together with the Objectives & Activities and Achievements & Performance section of the Trustees' Annual Report gives full details of the impact of our operations.

Maintaining a reputation for high standards

As a fundraising charity, we are compliant with the Code of Conduct issued by the Fundraising Regulator and take our responsibilities for exemplary clinical care very seriously. Further detail can be found in the Clinical and Operational Report included within the Trustees' Report.

Our people

At the end of 2024, we employed 469 members of staff and it is only through the combined effort of our whole workforce – our employees, supporters and volunteers that we can change the lives of so many. The charity encourages the involvement of employees by means of regular employee meetings and engagement in decision making processes that impact on them directly. Further details regarding key management personnel can be found in the Structure, Governance & Management section of the Trustees' Annual Report.

Employee involvement and employment of the disabled

Friday fortnightly communication meetings are held for presentations and discussion of key areas including business updates and projects.

The Air Ambulance Service has a number of policies and procedures in relation to all personnel matters, including:

- Equal opportunities; and
- Health & Safety

The recruitment and training of staff is undertaken in accordance with the charity's equal opportunities policy and in line with the Equality Act 2010 (Amendment) Regulations 2023.

Funds held as Custodian Trustees

The Charity has access to and control over the funds held for The Children's Air Ambulance Service lottery. These funds are held in a separate bank account from the funds of the charity. The Charity is registered with the Gambling Commission to run this lottery with day-to-day operations being under the control of a third party. Funds are released to the Charity in accordance with accounts submitted by the third party.

Principal Risks and Uncertainties

The Board and Joint Leadership Team have established a Board Assurance Framework which identifies the current Strategic Risks and which is reviewed at all monthly Executive Leadership Team meetings and quarterly Joint Leadership Team, Board and Trustee meetings. Each Principal Risk is managed by the appropriate committee and overall assurance is provided to the Audit and Risk Committee.

Principal Risks and Uncertainties (continued)

We have a formal process in place whereby all types of risks faced by the Charity have been considered as to their probability and impact, measures and strategies have been documented and implemented to deal with the identified risks on both an individual and overall basis. All activity is reviewed in the context of these risks and a summarised view of the charities risks are shown below.

Principle Risks	What the risks mean to TAAS	How we manage the risks
Maintaining financial stability	The risk is that we don't have sufficient income to operate.	We have a robust budgeting process, alongside quarterly forecasting, reserves held, reserves policy and KPIs aligned to strategy. We also use this process in our Trading subsidiary. We have different income streams to avoid dependence on any one income stream.
Maintaining organisational excellence across all areas	The risk is that we don't deliver the correct level of service or compliance.	Governance and compliance processes for both Board meetings and external organisations. Quarterly review of strategic KPIs. Staff Training. Investment in systems, people, capital assets.
Governance and strategy	The risk is that we don't have the right governance structures in place to drive the strategy. Or that the strategy is incorrect as a result.	We regularly review our performance and governance structures. There are processes in place to lead strategic change.
People capability and capacity	The risk is that talented staff and volunteers are not attracted, developed and retained in a competitive market.	Recruitment, appraisal and training processes for staff are regularly reviewed. We benchmark our pay and benefits across the sector. We have also implemented a new volunteer strategy.

Plans For The Future

We have completed the first year in our three year organisational strategy and continue to focus on our Vision, Mission and Core Values.

Our Vision is that we want children to grow into adults and adults to live longer, making bereavement through trauma rare.

Our Mission Statement "Our rapid response services work tirelessly to save lives and alleviate pain and suffering, wherever and whenever needed" is reflected in our core values which are Compassion, Courage and Creativity.

As an organisation we are clear on three things, our ultimate aim (The Vision), the impact we make on Society (The Mission) and the way we go about achieving this important work (The Values). Every individual in every part of the organisation holds these three things dear to them, for we are not here to do a job: we are here for a purpose driven by passion, commitment and humanity.

Our current strategic aims, as noted below are:

- **Our services:** Deliver excellence in all areas of service delivery and development to maximise our ability to save lives.

TRUSTEE'S ANNUAL REPORT 2024 (CONTINUED)

- **Our people and our values:** Develop a one team approach underpinned by our values to become an Employer of Choice
- **Our ways of working:** Organisational excellence with effective governance, quality and infrastructure
- **Our income:** Grow, innovate and diversify our income streams, with a diverse and engaged supporter base
- **Our identity:** Grow awareness of and support for our charity through a clear and engaging brand that displays our core values and purpose

A detailed strategic plan exists behind each aim, supported by KPIs which are monitored quarterly by the leadership team and Board.

Statement Of Trustees' Responsibilities

The Trustees (who are also Directors of The Air Ambulance Service for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepting Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

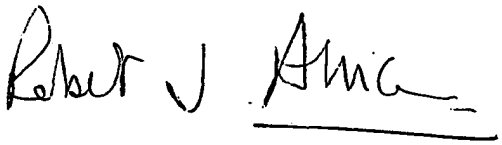
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of information to auditor

So far as each of the Trustees is aware at the time this report is approved:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on 22 May 2025 and signed on its behalf by:



Professor Bob Allison CBE DL
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT

To the members of The Air Ambulance Service for the year ended 31 December 2024

Opinion

We have audited the financial statements of The Air Ambulance Service ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charitable Company Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including 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 the charitable company's affairs as at 31 December 2024 and of the group's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), anti-fraud, Care Quality Commission (CQC), bribery and corruption legislation, health and safety legislation, taxation legislation and employment legislation.

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.

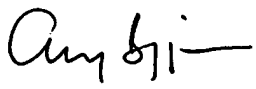
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income, grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, designing and performing audit procedures over the timing of grant income, designing and performing audit procedures over the timing of legacy income, and reading minutes of meetings of those charged with governance.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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.

Use of our report

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



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 17 June 2025

FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an income and expenditure account) For the year ended 31 December 2024

Income	Note	Unrestricted Funds £'000	Restricted Funds £'000	2024 Total £'000	2023 Total £'000
Income resources from generated funds					
Donations and legacies	2	8,446	3,126	11,572	13,148
Other trading activities	2	23,069	-	23,069	24,265
Investment income	4	1,261	-	1,261	766
Total Income		**32,776**	**3,126**	**35,902**	**38,179**
Expenditure					
Costs of raising funds					
Costs of generating voluntary income		7,449	-	7,449	5,528
Commercial trading operations and other costs		16,116	-	16,116	16,189
Charitable activities					
Operation of Air Ambulances		10,406	3,614	14,020	12,701
Total expenditure	5	**33,971**	**3,614**	**37,585**	**34,418**
Net (expenditure) / income before gains on investments		(1,195)	(488)	(1,683)	3,761
Net gain on fixed asset investments	11	395	-	395	677
Net (expenditure) / income before taxation		**(800)**	**(488)**	**(1,288)**	**4,438**
Taxation		-	-	-	(49)
Net movement in funds		**(800)**	**(488)**	**(1,288)**	**4,389**
Reconciliation of funds					
Total Funds brought forward at 1 January 2024		37,642	743	38,385	33,996
Total Funds carried forward at 31 December 2024	18	36,842	255	37,097	38,385

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenses are derived from continuing activities.

The notes on pages 30-46 form part of these financial statements.

AS AT 31 DECEMBER 2024

CONSOLIDATED BALANCE SHEET

Company number: 04845905.

	Note	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Fixed assets					
Tangible assets	10		1,848		1,797
Investments	11		13,237		12,842
			15,085		**14,639**
Current assets					
Stocks		312		519	
Debtors	12	5,499		4,134	
Cash at bank and in hand		18,718		21,526	
		24,529		**26,179**	
Creditors: Amounts falling due within one year	13	**(1,749)**		**(1,774)**	
Net currrent assets			**22,780**		**24,405**
Total assets less current liablities			**37,865**		**39,044**
Provisions for liabilities	14		(768)		(659)
Net assets			**37,097**		**38,385**
Funds					
Unrestricted funds					
General funds	17		18,105		36,800
Investment revaluation reserve	17		1,237		842
Designated funds	**16**		**17,500**		**-**
Restricted funds	**15**		**255**		**743**
Total funds			**37,097**		**38,385**

The notes on pages 30-46 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 22 May 2025.

Professor Bob Allison CBE DL
Chair of Trustees

FOR THE YEAR ENDED 31 DECEMBER 2024

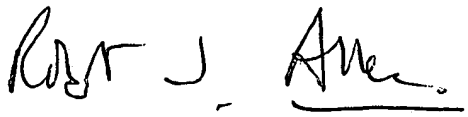
CHARITABLE COMPANY BALANCE SHEET COMPANY NUMBER: 04845905.

	Note	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Fixed assets					
Tangible assets	10		1,140		920
Investments	11		13,238		12,842
			14,378		**13,762**
Current assets					
Stocks		-		-	
Debtors	12	5,918		4,330	
Cash at bank and in hand		17,741		19,937	
		23,659		**24,267**	
Creditors: Amounts falling due within one year	13	(1,250)		(958)	
Net currrent assets			**22,409**		**23,309**
Total assets less current liablities			**36,787**		**37,071**
Provisions for liabilities	14		(73)		-
Net assets			**36,714**		**37,071**
Funds					
Unrestricted funds					
General funds	17		17,722		35,486
Investment revaluation reserve	17		1,237		842
Designated funds	**16**		**17,500**		-
Restricted funds	**15**		**255**		**743**
Total funds			**36,714**		**37,071**

The company's net movement in funds for the year was a deficit of £0.4m (2023: surplus of £5.43m).

The notes on pages 30-46 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 22 May 2025.



Professor Bob Allison CBE DL
Chair of Trustees

FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF CASH FLOW

Reconcilliation of net incoming resources to net cash flow from operating activities	2024 £'000	2023 £'000
Net (expenditure) / income	(1,288)	4,389
Depreciation	669	713
Loss on disposal of tangible fixed assets	17	77
Net (gain) / loss on fixed asset investments	(395)	(677)
Decrease / (increase) in stock	207	(40)
(Increase) / decrease in debtors	(1,365)	69
Increase / (decrease) in creditors	84	(400)
Investment income received	(1,261)	(766)
Net cash (outflow) / inflow from operating activities	**(3,332)**	**3,365**
Cash Flow Statement		
Net cash (outflow)/inflow from operating activities	(3,332)	3,365
Cash flows from investing activites	1,261	766
Purchase of intangible fixed assets	-	-
Purchase of tangible fixed assets	(737)	(635)
(Decrease) / Increase in cash and cash equivalents in the year	**(2,808)**	**3,496**

Analysis of changes in net cash	At 1 Jan 2024 £'000	Cash flow £'000	At 31 Dec 2024 £'000
Cash at bank and in hand	21,526	(2,808)	18,718

Reconcilliation of Movement in Cash	2024 £'000	2023 £'000
Net (decrease) / increase in cash and cash equivalents for the year	(2,808)	3,496
Cash and cash equivalents as at 1 January 2024	21,526	18,030
Cash and cash equivalents as at 31 December 2024	**18,718**	**21,526**
Cash flows from investing activities	**2024 £'000**	**2023 £'000**
Investment income received	1,261	766

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The following accounting policies have been applied in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

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 (FRS 102) (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 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 note(s).

The consolidated accounts incorporate the accounts of the parent charitable company and all group undertakings. Consolidation has been undertaken on a line by line basis. A separate statement of financial activities for the parent charitable company is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

Income

All income are included in the Statement of Financial Activities when the charitable group is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Gifts in kind

i) Assets given for distribution by the charity are included in the Statement of Financial Activities only when distributed.

ii) Assets given for use by the charity (e.g. property for its own occupation) are included in the Statement of Financial Activities as income when receivable.

iii) Gifts made in kind but on trust for conversion into cash and subsequent application are included in the accounting period in which the gift is sold.

In all cases, the amount at which gifts in kind are brought into the accounts is either a reasonable estimate of their value to the charitable group or the amount actually realised.

Donated services and facilities

Donated services and facilities are included at the value to the charitable group where this can be quantified. In accordance with the Charities SORP (FRS 102), the value of services provided by volunteers has not been included in these accounts.

Legacies

Legacies are credited to the Statement of Financial Activities when either the schedule of Assets and Liabilities or monies have been received. This uses the three recognition criteria of probability of receipt, ability to estimate with sufficient accuracy and entitlement in accordance with the charities SORP FRS102.

Trading outlets

Retail sales are included in the period in which the sale is initiated.

1. Accounting policies - continued

Structure of funds

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the trustees have chosen to earmark for set purposes are designated funds.

Expenditure

All expenditure is accounted for on an accruals basis. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. Expenditure is matched against the restricted or unrestricted funds to which it relates. Support costs directly attributable to an activity are allocated to that activity. Other costs that cannot be directly attributed are allocated against the categories based on management's estimate of usage of those services.

a) Costs of raising funds

The costs of generating funds are the costs associated with generating income through fundraising and other activities, including the costs of the commercial trading operations.

b) Charitable activities

The trustees consider that there is only one charitable activity, that of the provision of an air ambulance service.

c) Governance costs

These are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. The costs include external audit and costs associated with constitutional and statutory requirements e.g. the cost of trustee meetings and preparing statutory accounts.

Fixed assets

Capitalisation

All assets falling into the following categories are capitalised.

i) Tangible assets which are capable of being used for more than one year and have a cost equal to or greater than £500, (£200 for The Air Ambulance Service Trading Limited)

ii) Groups of tangible fixed assets which are interdependent or would normally be provided or replaced as a group with a total value in excess of £5,000 and an individual value of £500 or more, (£200 for The Air Ambulance Service Trading Limited)

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies - continued

Tangible Fixed Assets and Depreciation

Fixed assets are recorded at cost or, in the case of assets where assets have been donated to the group, at valuation at the time of acquisition. Depreciation is provided on all tangible fixed assets excluding freehold land, at rates calculated to write off the cost, less estimated residual value, based on values prevailing at the date of acquisition, of each asset, on a straight line basis, over its expected useful life, as follows:

Buildings	7%
Fixtures and fittings	20%
Medical equipment	20%
Office equipment	20%
Motor vehicles	25%
Computer equipment	33%

The holding value of assets is regularly reviewed for impairment and where deemed appropriate assets are written down.

Fixed Asset investments

Investments are a form of basic financial instrument, are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market value. Gains and losses arising on disposals and revaluation throughout the year are included in the Statement of Financial Activities. All investment income is treated as unrestricted.

Stock

Stock consists of purchased goods for resale and items to be given to volunteers and people who participate in fundraising events. Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The value of goods donated for sale in the group's charity shops is not included in stock. Instead, they are accounted for as income in the period in which the goods are sold.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of any transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible into known amounts of cash with insignificant risk of change in value.

Financial instruments

The charitable company enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1. Accounting policies - continued

Creditors and provisions

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

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

Operating leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease term. Lease incentives are charged on a straight-line basis over the term of the lease.

Gift aid payments receivable

The parent charity receives income from its trading subsidiary under the gift aid scheme, which are recognised as distributions to owners in equity within retained earnings of that company.

At the reporting date there was no legal obligation in place for the charity to receive this gift aid payment, although prior to the reporting date the trading subsidiary board had indicated its intention to pay the taxable profits to the parent charity in respect of the reporting date.

There is no tax charge in the year due to the exception under 29.14A of FRS 102. Relief is allowed as the gift aid payment will made by the trading subsidiary to the parent company within 9 months of the year end.

Judgements in applying accounting policies and key sources of estimation uncertainty

The charitable company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the charitable company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the trustees have made the following judgements:

- Determine whether leases entered into by the charitable company either as a lessor or a lessee are operating leases or finance leases. The decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor or lessee on a lease-by-lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies - continued

- Provisions. A provision is recognised when the charitable company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

  Whether a present obligation is probable or not requires judgment. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

- Depreciation and residual values. The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

  The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

2. Donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
Donations	5,228	85	5,313	5,116
Legacies	3,152	2,527	5,679	7,574
Grants receivable (see note 3)	66	514	580	458
	8,446	3,126	11,572	13,148
Other trading activities				
Charity shop income	13,836	-	13,836	15,143
Lottery income	8,594	-	8,594	8,522
Event income	639	-	639	600
Other	-	-	-	-
	23,069	-	23,069	24,265

Income from donations and legacies in 2023 was £13m of which £8m was attributable to unrestricted funds and £5m to restricted funds. Income from other trading activities in 2023 was £24.265m all of which was attributable to unrestricted funds.

At the balance sheet date, the charity had been notified of a number of legacies which do not meet our legacy recognition policy. Accordingly, no income has been recognised but the estimated value of these legacies is approximately £2.7m.

NOTES TO THE FINANCIAL STATEMENTS

3. Material grants received by category

	2024 £'000	2023 £'000
Sources of material grants:		
General Charities of the City of Coventry	90	90
Millionaire Street Grant Fund	80	-
Dennis Alan Yardy Charitable Trust	55	-
RSM UK Foundation	28	-
EFD Trust	20	-
The Parker-Hannifin Foundation	19	-
David Wilson Foundation	15	15
The EBM Charitable Trust	13	10
O'Brien Charitable Trust	10	10
The Forbes Charitable Trust	10	-
NPT UK	10	-
Association of Air Ambulances	-	31
Groundworks (Tesco Bags of Help)	-	15
The L&D Seccombe Charitable Trust	-	11
The Margaret Giffen Charitable Trust	-	10
The Saintbury Trust	-	10
The John Salmon Trust	-	10
National Philanthropic Trust UK	-	10
The Haramead Trust	-	10
Other < £10,000	230	226
Total	**580**	**458**

4. Investment Income

	2024 £'000	2023 £'000
Bank interest	804	318
Investment Income	457	448
Other	-	-
	1,261	766

NOTES TO THE FINANCIAL STATEMENTS

5. Expenditure expended by activity

	Basis of allocation	Generating voluntary £'000	Trading costs £'000	Charitable activities £'000	Governance costs £'000	2024 £'000	2023 £'000
Costs directly allocated to activities							
Fundraising Costs	Direct	2,700	-	-	-	2,700	2,411
Operations	Direct	-	-	12,577	-	12,577	11,642
Marketing and PR	Direct	3,341	-	-	-	3,341	2,215
Trading Costs	Direct	-	15,642	-	-	15,642	15,735
Depreciation	Direct	-	315	354	-	669	713
Support costs allocated to activites							
Support Services	Hours	1,408	-	1,089	159	2,656	1,702
		7,449	15,957	14,020	159	37,585	34,418

Operational and fundraising staff are allocated directly, management and administration are allocated on a time apportioned basis.

The expenditure in 2023 was £34.418m of which £29.663m was attributable to unrestricted funds and £4.755m to restricted funds.

Included within Marketing and PR costs is £1.1m (2023: £Nil) relating to investment into our digital strategy.

6. Staff Costs

	2024 £'000	2023 £'000
Wages and salaries	11,656	10,238
Social security costs	1,037	874
Pension costs	433	335
Redundancy and termination payments	176	30
	13,302	11,477

During the year there were termination payments of £176,355 payable to 27 members of staff (2023: £29,765 to 15 members of staff). There was £Nil outstanding at the year-end (2023: £Nil).

NOTES TO THE FINANCIAL STATEMENTS

6. Staff Costs - continued

The average number of employees during the year was as follows:	2024 No.	2023 No.
Aviation Operations	39	34
Fundraising	44	32
Trading	332	326
Administration	54	53
	469	445

Pensions contributions

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Annual contributions amounting to £433,476 (2023: 334,571) were charged to the Statement of Financial Activities during the year. At the balance sheet date, there were £76,301 outstanding contributions (2023: £66,175).

Key Management Personnel remuneration

There were seven (2023: five) members of the senior management team and their aggregate remuneration in respect of qualifying services for the Group was:

	2024 £'000	2023 £'000
Remuneration receivable	521	385
Social security costs	56	43
Pension contributions	41	30
	618	458

The number of high paid employees whose remuneration (excluding pension contributions) for the year fell within the following bands were:

	2024 No.	2023 No.
£130,000 to £139,999	1	-
£120,000 to £129,999	1	-
£110,000 to £119,999	-	1
£80,000 to £89,999	4	2
£70,000 to £79,999	3	4
£60,000 to £69,999	13	5

NOTES TO THE FINANCIAL STATEMENTS

7. Trustees and connected persons' transactions

Trustees' expenses reimbursed

Expenses were incured of £6,917 (2023: £10,804) were reimbursed to 7 Trustees (2023: 7) and related to travel costs.

Trustees' remuneration

No trustees received remuneration during the year (2023: Nil).

The Charity pays an insurance premium in respect of Trustees' and Individuals' liability cover at a cost of £924 (2023: £926).

8. Net income

This is stated after charging:	2024 £'000	2023 £'000
Auditors' remuneration - audit service	35	33
Depreciation - owned assets	669	713
Loss on disposal of tangible fixed assets	17	77
Operating Lease Costs	8,744	8,321

9. Taxation and Deferred taxation

The charitable company, as a registered charity, is exempt from tax on income and gains falling within section 478 of the Taxes Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

The tax expense for the period is deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits and
- Any deferred tax balances are reversed if and when all the conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

10. Tangible fixed assets

GROUP	Leasehold Property £'000	Fixtures & Fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2024	150	2,040	3,647	226	6,063
Additions	-	391	346	-	737
Disposals	-	(356)	(1,144)	-	(1,500)
At 31 December 2024	**150**	**2,075**	**2,849**	**226**	**5,300**
Depreciation					
At 1 January 2024	110	1,414	2,582	160	4,266
Charge for the year	10	244	393	22	669
Disposals	-	(340)	(1,143)	-	(1,483)
At 31 December 2024	**120**	**1,318**	**1,832**	**182**	**3,452**
Net book value					
At 31 December 2024	**30**	**757**	**1,017**	**44**	**1,848**
At 31 December 2023	40	626	1,065	66	1,797

CHARITY	Leasehold Property £'000	Fixtures & Fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2024	150	448	2,583	222	3,403
Additions	-	279	295	0	574
Disposals	-	(247)	(1,127)	0	(1,374)
At 31 December 2024	**150**	**480**	**1,751**	**222**	**2,603**
Depreciation					
At 1 January 2024	110	317	1,897	159	2,483
Charge for the year	10	66	256	22	354
Disposals	-	(247)	(1,127)	-	(1,374)
At 31 December 2024	**120**	**136**	**1,026**	**181**	**1,463**
Net book value					
At 31 December 2024	**30**	**344**	**725**	**41**	**1,140**
At 31 December 2023	40	131	686	63	920

NOTES TO THE FINANCIAL STATEMENTS

11. Investments

GROUP Cost or Valuation	Managed Funds £'000	Total £'000
At 1 January 2024	12,842	12,842
Net gains on investment	395	395
At 31 December 2024	**13,237**	**13,237**

CHARITY Cost or Valuation	Investments in Subsidiaries £'000	Managed Funds £'000	Total £'000
At 1 January 2024	1	12,842	12,843
Net gains on investment	-	395	395
At 31 December 2024	**1**	**13,237**	**13,238**

Our portfolio of funds is managed equally by Cazenove Capital and CCLA. Their mandate is to maximise the overall growth of these funds through investment in various different asset classes while ensuring that the risks taken are carefully monitored, managed and controlled, whilst bearing in mind liquidity needs.

The following are subsidiary undertakings at 31 December 2024:

NAME	Holding	Principal Activity	Proportion held by the charity
The Air Ambulance Service Trading Limited	Ordinary shares	Retail charity outlet	100%
The Air Ambulance Service Events Limited	Ordinary shares	Dormant	100%
The Air Ambulance Service Recycling Limited	Ordinary shares	Dormant	100%
The Air Ambulance Service Aviation Limited	Ordinary shares	Dormant	100%
TAAS Service	Company limited by guarantee	Dormant	n/a
The Children's Air Ambulance	Company limited by guarantee	Dormant	n/a

All of the above companies are incorporated in England & Wales.

NOTES TO THE FINANCIAL STATEMENTS

11.1 Net income from trading acitivites of subsidiary

The Air Ambulance Service Trading Limited, the wholly owned subsidiary of the charity is a retail charity outlet. A summary of its trading results for the year to 31 December 2024 are shown below. Audited accounts will be filed with the Registrar of Companies.

	2024 £'000	2023 £'000
Turnover	**11,369**	**12,775**
Cost of sales	(1,590)	(1,971)
Administration expenses	(11,716)	(11,510)
Other operating income	2,656	2,218
Operating profit	**719**	**1,512**
Taxation	-	(50)
Profit after tax	**719**	**1,462**
Retained earnings at the beginning of the year	1,315	2,357
Profit for the year	718	1,462
Gift aid payment	(1,650)	(2,505)
Retained earnings at the end of the year	**383**	**1,314**

The assets and liabilities at 31 December were:		
Fixed assets	708	877
Current assets	1,847	2,705
Current liabilities	(1,477)	(1,608)
Provisions for liabilities	(695)	(660)
Total net assets	**383**	**1,314**
Aggregate share capital and reserves	**383**	**1,314**

12. Debtors

Amounts falling due within one year	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Amounts due from group undertaking	-	-	978	793
Trade debtors	105	177	15	92
Other debtors	18	16	16	15
Prepayments	1,432	884	993	735
Accrued income	3,944	2,813	3,916	2,556
VAT	-	244	-	139
	5,499	4,134	5,918	4,330

NOTES TO THE FINANCIAL STATEMENTS

13. Creditors

Amounts falling due within one year	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Trade creditors	682	895	575	516
Taxation and social security	245	242	144	131
Other creditors	75	68	47	37
Accruals and deferred income	544	569	309	274
VAT	203	-	175	-
	1,749	1,774	1,250	958

14. Provisions for liabilities

Group	Balance at 1 Jan 2024 £'000	Additions in the year £'000	Balance at 31 Dec 2024 £'000
Dilapidations	610	109	719
Deferred tax	49	-	49
	659	109	768
Charity	**Balance at 1 Jan 2024 £'000**	**Additions in the year £'000**	**Balance at 31 Dec 2024 £'000**
Dilapidations	-	73	73
Deferred tax	-	-	-
	-	73	73

15. Restricted Funds

	Balance at 1 Jan 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31 Dec 2024 £'000
CAA - Incubator	58	-	-	-	58
Children's Air Ambulance Service	-	159	(159)	-	-
DLRAA Service	-	1,371	(1,371)	-	-
WNAA Service	569	1,406	(1,975)	-	-
Lloyds Charities Trust	4	-	(2)	-	2
Various Other Trusts and Foundations	112	190	(107)	-	195
	743	3,126	(3,614)	-	255

NOTES TO THE FINANCIAL STATEMENTS

15. Restricted Funds

	Balance at 1 Jan 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31 Dec 2023 £'000
The Children's Air Ambulance - Incubator	58	-	-	-	58
CAA Helicopter lease appeal	6	-	(6)	-	-
Children's Air Ambulance Service	-	155	(155)	-	-
DLRAA Helicopter lease appeal	19	-	(19)	-	-
DLRAA Service	-	1,316	(1,316)	-	-
WNAA Helicopter lease appeal	31	-	(31)	-	-
WNAA Service	-	3,543	(2,974)	-	569
Lloyds Charities Trust	49	-	(45)	-	4
Various Other Trusts and Foundations	58	217	(57)	(106)	112
LIBOR Funding	466	-	(152)	(314)	-
	687	**5,231**	**(4,755)**	**(420)**	**743**

Purposes of restricted funds

- The Children's Air Ambulance – Incubator was an appeal launched to purchase an incubator for TCAA before it was part of TAAS.
- Children's Air Ambulance Service represents funds received specially for the service of Children's Air Ambulance.
- DLRAA Service represents funds received specially for the service of Derbyshire, Leicestershire and Rutland Air Ambulance.
- WNAA Service presents funds received specially for the service of Warwickshire and Northamptonshire Air Ambulance.
- Various other trusts and foundations have provided donations for specific restricted projects.

16. Designated Funds

	Balance at 1 Jan 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31 Dec 2024 £'000
Airbases	-	-	-	12,000	12,000
Other strategic investments	-	-	-	5,500	5,500
	-	-	-	17,500	17,500

At the year end the trustees have designated funds of £17.5m (2023: £none) for future development of airbases, rebranding and systems.

Included within the other strategic investments designated funds are amounts relating our 5-year strategic.

NOTES TO THE FINANCIAL STATEMENTS

17. Unrestricted funds (group)

	1 Jan 2024 £'000	Income £'000	Expenditure £'000	Gains on Investments £'000	Transfers £'000	31 Dec 2024 £'000
General funds	36,800	32,776	(33,971)	-	(17,500)	18,105
Investment revaluation reserve	842	-	-	395	-	1,237
	1 Jan 2023 £'000	Income £'000	Expenditure £'000	Gains on Investments £'000	Transfers £'000	31 Dec 2023 £'000
General funds	33,144	32,948	(29,712)	-	420	36,800
Investment revaluation reserve	165	-	-	677	-	842

Unrestricted funds (charity)

	1 Jan 2024 £'000	Income £'000	Expenditure £'000	Gains on Investments £'000	Transfers £'000	31 Dec 2024 £'000
General funds	35,486	21,383	(21,647)	-	(17,500)	17,722
Investment revaluation reserve	842	-	-	395	-	1,237
	1 Jan 2023 £'000	Income £'000	Expenditure £'000	Gains on Investments £'000	Transfers £'000	31 Dec 2023 £'000
General funds	30,788	20,113	(15,835)	-	420	35,486
Investment revaluation reserve	165	-	-	677	-	842

NOTES TO THE FINANCIAL STATEMENTS

18. Analysis of net assets between funds

	Fixed Assets £'000	Net Current Assets £'000	2024 Total £'000	Fixed Assets £'000	Net Current Assets £'000	2023 Total £'000
Unrestricted	15,085	4,257	19,342	14,639	23,003	37,642
Restricted	-	255	255	-	743	743
Designated	-	17,500	17,500	-	-	-
	15,085	22,012	37,097	14,639	23,746	38,385

19. Operating lease commitments

At 31 December 2024 the charitable group had future minimum lease payments under non-cancellable operating leases as set out below.

Group Operating leases which expire:	2024 Land & Buildings £'000	2024 Other items £'000	2023 Land & Buildings £'000	2023 Other items £'000
Within 1 year	1,776	6,618	1,574	6,673
Between 1 to 5 years	4,164	20,398	4,660	23,384
More than 5 years	677	467	1,017	4,149
	6,617	27,483	7,251	34,206

Charity Operating leases which expire:	2024 Land & Buildings £'000	2024 Other items £'000	2023 Land & Buildings £'000	2023 Other items £'000
Within 1 year	159	6,281	185	6,301
Between 1 to 5 years	240	19,973	494	22,585
More than 5 years	-	467	-	4,149
	399	26,721	679	33,035

NOTES TO THE FINANCIAL STATEMENTS

20. Financial commitments

As a result of group registration arrangements for value added tax (VAT), the charitable company is jointly and severally liable together with other members of the group for any VAT due by the representative member of the group.

21. Capital commitments

Contractual commitments for a store refurbishment contracted for but not provided in the financial statements amounted to £nil (2023: £84,181).

Contractual commitments for a helicopter modifications and medical equipment contracted for but not provided in the financial statements amounted to £153,488 (2023: £nil).

22. Membership

The Air Ambulance Service is incorporated under the Companies Act 2006 as a company limited by guarantee having no share capital. The liability of members to contribute towards the debts of the charity in the event of a deficit on winding up is limited to £1.

23. Controlling parties

In the opinion of the trustees, given the structure of the charity, there is no ultimate controlling party.

24. Related party transactions

Transactions with Trustees are disclosed in in note 7.

During the year the charity received a donation of a trustee for £50. (2023: none)

There were no other related party transactions in the year.(2023: none)

FOR THE YEAR ENDED 31 DECEMBER 2024

TOGETHER, we SAVE MORE LIVES

The Air Ambulance Service

(A company limited by guarantee)

your local air ambulance

Derbyshire · Leicestershire · Rutland

Warwickshire · Northamptonshire

children's air ambulance

keeping hope alive

FOR THE YEAR ENDED 31 DECEMBER 2024

Part of The Air Ambulance Service. Registered in England and Wales as a limited company by guarantee. Registered Company No. 4845905. Registered Charity No. 1098874.

Donations gratefully received enable The Air Ambulance Service to meet the clinical needs of patients by covering the operational costs to ensure all our vital services are ready to respond

THE AIR AMBULANCE SERVICE

England & Wales - Charity number 1098874

Accounts

Registered company number: 04845905
Registered charity number: 1098874

THE AIR AMBULANCE SERVICE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONTENTS

	Page
Chairman's statement	1
Chief Executive's report	2
Trustees' Annual Report	3-12
Independent Auditor's report to the members	13-16
Group Statement of Financial Activities (incorporating the income and expenditure account)	17
Group Balance Sheet	18
Charity Balance Sheet	19
Consolidated Cash flow Statement	20
Notes to the financial statements	21-37

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CHAIRMAN'S STATEMENT

In 2023 we celebrated the combined efforts and contributions of all who are or have been involved in the The Air Ambulance Service since we were founded in 2003. We celebrated 10 years of the national Children's Air Ambulance (TCAA), 15 years of the Derbyshire, Leicestershire & Rutland Air Ambulance (DLRAA) and 20 years of the Warwickshire & Northamptonshire Air Ambulance (WNAA),

Our rich history has only been made possible through the thousands and thousands of people who have supported the charity in many different ways. I would like to thank everyone who has contributed over the last two decades. It is your commitment that has enabled our front-line crews and transfer teams to respond when and where needed, in helping to save lives.

I have witnessed many significant milestones during my short time with The Air Ambulance Service but 2023 was an exceptional year. Our clinical crews have now reached 50,000 missions across our five counties since they began operation. In 2023 alone we responded to 3,803 requests for help. In addition to this, our pioneering Children's Air Ambulance service delivered more missions than ever before with 200 clinical transfers of severely ill babies and children.

In October I was delighted to welcome Peta Wilkinson, our new Chief Executive Officer, who is already having a major and positive impact on our work. Peta and her team have designed a new strategy which the Trustee Board recently approved. Peta has an exciting and clear vision for the Charity – something that we have needed for a while. Her drive and the combined efforts of Peta and other staff will be transformative.

My admiration for what we achieve continues to grow. I am in no doubt this is because of the enthusiasm and commitment of so many people in so many different ways. Everyone should be proud of their contribution and what is has helped to achieve, not just in 2023 but over the last 20 years.

We now look forward to the next exciting chapter in our development. There are exciting things to come as we focus on delivering the very best service to those that need our help the most. Thank you for your on-going contribution, which will be tremendously important to our future success.

Professor Bob Allison CBE DL
Chair of Trustees

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CHIEF EXECUTIVE'S REPORT

While 2023 was the year to recognise and reflect on the charity's wonderful history through the milestone anniversaries of our lifesaving services, it also become a year of significant change and it was with great pleasure that I joined The Air Ambulance Service (TAAS) as Chief Executive.

As we celebrated 10 years of the national Children's Air Ambulance (TCAA), 15 years of the Derbyshire, Leicestershire & Rutland Air Ambulance (DLRAA) and 20 years of local Warwickshire & Northamptonshire Air Ambulance (WNAA), we also created a vision of the future for the organisation through the delivery of new comprehensive, three-year strategy.

Our new strategy focuses on the key strategic aims of Our Services, Our People, Our Ways of Working, Our Income and Our Identity. And at its very heart is the continued priority to ensure we deliver our services to our patients when and wherever they are needed. It is a strategy that puts people first, delivers a united and inclusive culture and ensures the financial sustainability of the organisation. I look forward to working with our Board of Trustees, colleagues and volunteers in ensuring our vision becomes reality.

Since my appointment in October, the warm welcome I have received from staff, volunteers and supporters of the charity has been extraordinary. I am fortunate to witness the commitment, passion and dedication of colleagues and volunteers on a daily basis and this gives me great confidence as the charity begins a new era, with a new destination, guided by a new strategy.

While we embark on a journey of transformation, our core purpose remains and this is to provide pre-hospital emergency care to our patients and support the NHS by air and road across five counties while continuing to pioneer across paediatric and neonatal transfers through the national Children's Air Ambulance.

Our WNAA and DLRAA clinical operations received significant recognition when the independent Care Quality Commission (CQC) carried out comprehensive inspections of the lifesaving services provided. It gives the charity great pride to report that both clinical services were rated "outstanding" – the highest overall rating awarded by the regulator. Further recognition was also celebrated when our very own Dr Jake Turner was announced as Doctor of the Year at the Air Ambulances UK Awards of Excellence.

The Children's Air Ambulance responded to more urgent transfer requests than ever before in 2023. Working alongside 11 NHS Clinical Partner Teams, the lifesaving service took to the skies 200 times. The service also marked significant milestones as it undertook its first Extra Corporeal Membrane Oxygenation (ECMO) transfer while three new, bespoke incubator systems, for use on the aircraft, enhanced capabilities and helped 78 neonatal patients and their families in 2023.

Our charity receives no government funding and therefore our services are funded entirely by voluntary donations and by the trading and fundraising activities we undertake. I'd like to take this opportunity to thank everyone involved in enabling us to deliver our vital, lifesaving services - from the frontline crews to all staff, volunteers, and supporters. We now look forward to the future driven by a new strategy, enhanced leadership structure and the continued efforts of everyone involved in the charity as we make our vision a reality, to ensure children grow into adults, for adults to live longer and for families to stay together, as bereavement through trauma becomes rare.

Peta Wilkinson
Chief Executive

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary ("the Group") for the year ending 31 December 2023 which are also prepared to meet the requirements of a Directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

LEGAL AND ADMINISTRATION INFORMATION

Charity Name	The Air Ambulance Service
Charity Registration Number	1098874
Company Registration Number	04845905
Registered Office	Blue Skies House Butlers Leap Rugby Warwickshire CV21 3RQ
Independent Auditors	Crowe U.K. LLP 4th Floor, St James House St James Square Cheltenham GL50 3PR
Bankers	Barclays Bank PLC Leicester LE87 2BB
Investment Managers	Cazenove Capital 1 London Wall Place London EC27 5AU CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal Activities

The principal activities of The Air Ambulance Service ("TAAS") are the relief of sickness and injury and the protection of human life, principally (but not exclusively), by the provision of an air ambulance service.

Statement of public benefit

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Air Ambulance Services' charitable objects are stated within its memorandum and articles of association and as such the trustees ensure that the charity's activities are carried out for the public benefit through its strategic priorities. This is done primarily through the delivery of services by the provision of an emergency and children's air ambulance service. This report allows us to show how our charitable funds are spent and the impact and benefits that has on those requiring our services, as well as the wider impact on the communities we operate in.

Our fundraising standards

As a charity reliant on voluntary income we take an active and responsible approach to our fundraising. We are registered with the Fundraising Regulator and are firmly committed to ensuring we are compliant with their Code of Practice. Our fundraising activity is carefully planned and all supporter data on our fundraising database is governed by strict consent, unsubscribe and complaints processes. Oversight of these processes is carried out by an internal Data Protection Officer, ensuring we are kept up to date with new legislation as well as supporter feedback. The Charity is committed to providing an excellent service to supporters and retail customers but we recognise that occasionally things don't always go according to plan. With this in mind, we encourage complaints and suggestions to help shape the ongoing development of our services and the way in which we work with our supporters.

We received 23 complaints relating to our fundraising activities with 6 of these categorised as a high priority. All of these 23 were investigated and we responded directly to the complaint. The Executive Leadership take complaints very seriously and they are regularly reviewed to ensure a thorough investigation and feedback to our team has taken place.

Company Status

The charity is a company limited by guarantee (registration number - 04845905), and as such has no share capital. The company is governed by its Memorandum and Articles of Association which were last updated in November 2019. The liability of the members of the company, as set out in the Memorandum of Association, is limited to £1 per member.

Board of Trustees

The Trustees of the charitable company, who are directors for the purpose of company law, who served during the year and up to the date of this report are set out as follows:

Professor R J Allison CBE DL
Mr P Wells
Mr J C R Tennent
Mr P Whatmore
Mr F Jaffri (resigned 6 December 23)
Ms D Atkins (resigned 8 June 23)
Ms S Baumann
Ms C Sheppard
Mr T Boxell
Mr A Hoyle
Mr A Fradgley (appointed 11 December 23)
Ms R Grant (appointed 11 December 23)
Mrs J Walmsley (appointed 11 December 23)

Directors are selected against pre-determined skills criteria designed to ensure that the Board has the necessary knowledge with which to direct The Air Ambulance Service.

Key Management Personnel:
Senior Management Team of The Air Ambulance Service and its Subsidiary who served during the year and at the year end.

Mrs P Wilkinson	CEO (appointed 18 October 23)
Mr R Clayton	Director of Operations
Ms D Young	Director of Income Generation
Ms E Peake	Acting CEO (resigned 28 July 23)
Mr K Tailor	Director of Finance (resigned 29 September 23)

Trustee and Director induction and training

Trustees are inducted to the organisation on appointment and are briefed as appropriate. As part of ongoing training, trustees have received formal charity law updates, strategic sessions and presentations in relation to operational requirements during the year.

When recruiting new Trustees, it is based upon the skills matrix and where gaps have been identified, the full board have delegated the governance and appointment to Nominations and Appointments Committee. It is advertised externally and there is an interview process to go through.

Organisational Structure

The Air Ambulance Service Board of Trustees meets at least 4 times per year to oversee the development of the charity and the work of the Senior Management Team. The Air Ambulance Service Trading Company Board also meets at least 4 times a year, to oversee the work and development of the trading subsidiary.

Several sub-committees support the governance of the charity, including a Finance sub-Committee which considers matters of finance, for both the Charity and the Trading company, and an Audit and Risk sub-committee which considers matters of governance, audit and risk management. These committee's meet four weeks prior to the Boards so that the committee can report the discussions and actions arising from their meeting. There are also additional committees in place which consider matters of, operations, marketing and people, which provide additional reporting processes.

During the year a Project Oversight Committee was established to review governance and progress of major projects.

The Trustees are responsible for the control over all activities and authorise all major transactions of the charitable company and its subsidiaries. Day-to-day activities are overseen by the Chief Executive and the Senior Management Team on a delegated basis.

Pay policy for Senior Staff

Remuneration Committee considers pay and other benefits for senior staff and makes recommendations to the Board of Trustees for approval. The senior management team comprise the key management personnel of the Charity in charge of directing, running and operating the Charity on a day-to day-basis.

Risk Management

A robust risk management and governance process is in place in respect of clinical operations, to meet the regulatory requirements of the Care Quality Commission fundamental standards and key line of enquiry. In addition, a wider organisation focussed Risk Management process is in place and is monitored regularly by the Executive Leadership Team, Senior Management Team and Board. In line with best practice and the requirements of the Charities SORP (FRS 102), the Trustees have reviewed all major potential risks for the charity and taken appropriate measures to mitigate their impact.

OBJECTIVES AND ACTIVITIES

The objects of the charitable company have not changed and are as stated earlier under the Principal Activities.

The activities of the Charitable company continue to be:

- The delivery of Helicopter Emergency Medical Services (HEMS), a trauma service responding to road accidents, falls of many kinds, medical emergencies, injuries received in remote locations and many other scenarios. These services are based in Warwickshire, Northamptonshire, Derbyshire, Leicestershire and Rutland.
- The Delivery of the Children's Air Ambulance, a hospital-to-hospital paediatric transfer service. This is a national service and involves liaison with critical care hospitals and paediatric retrieval teams across England.

Our work makes a difference to people, to communities and to society as a whole. Our responsibility is far reaching. The obvious impact is on saving lives, improving clinical outcomes and being able to react quickly and efficiently to emergencies but our influence is also able to challenge, and when necessary, try to change Government policies on health; we are able to innovate in clinical care, challenge the boundaries that often exist in state run services and invest heavily in the development of the people who deliver that care.

Our primary purpose is healthcare and we will lead the way in our chosen fields of operation in trauma and medical emergencies via our HEMS services and in the innovation and development of the unique critical transfer and retrieval service that is The Children's Air Ambulance. However, our reach goes much further in our impact on society. We are a significant employer and contributor to our local economies; we are a socially responsible organisation that values the very communities that support us. Our expertise is made available to smaller charities, to education establishments and to organisations with similar goals. We care about our environment and we must use our abilities to change, shape or challenge the voluntary sector as a whole for genuine public benefit.

We are an organisation that engenders pride and purpose in every individual associated with us.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Helicopter Emergency Medical Services (HEMS) and Clinical Operational Report

Operating two specialist AW109 helicopters and two Rapid Response Vehicles (RRV) daily, The Air Ambulance Service (TAAS) remains one of the busiest air ambulance service providers in the country, providing critical care, lifesaving services to the NHS 24 hours a day, 365 days a year.

The Air Ambulance Service (TAAS) attended 1,853 critical care missions by helicopter, and a further 1,946 critical care missions by RRV – 3,799 critical care missions in total for 2023. TAAS has responded to 52,274 lifesaving missions since services commenced in 2003, a truly remarkable achievement.

The dedicated spare helicopter, which was introduced as part of the new helicopter fleet in March 2021, has been an asset during 2023for periods of scheduled maintenance (routine servicing) and unscheduled maintenance (repairs) of the primary helicopters. This additional resilience has ensured that our life saving services by air were maintained throughout the year.

Extended flying hours, May to August inc., were once again undertaken in 2023 following the successful trial in 2021. During extended flying hours both aircraft were utilised not only in our primary regions but also providing mutual assistance in other areas.

New Rapid Response Vehicles (RRV) were converted and operational during March 2023.A new vehicle conversion specialist (audible and visual warning devices and sirens) was selected following a competitive tendering process.

Both of The Air Ambulance Service's Helicopter Medical Services (Derbyshire, Leicestershire & Rutland Air Ambulance (DLRAA) and Warwickshire & Northamptonshire Air Ambulance (WNAA) were inspected by the Care Quality Commission (CQC) in 2023. Both were unannounced, comprehensive inspections of our lifesaving service against the CQC' key line of enquiry'. We are delighted to report the both services received an overall 'Outstanding' rating – the highest overall rating the regulator awards.

As a pre-hospital provider committed to delivering excellence in patient care we continue to provide specialist pre-hospital doctors on all four of our operational platforms (helicopters and RRVs). TAAS achieved doctor cover at an impressive 98% of occasions in 2023. To further increase resilience, a doctor recruitment and selection event took place in 2023 to recruit 12-month fixed term fellowship positions. We are delighted to report that two positions have been offered and accepted for 2023/24 term which will further enhance doctor cover.

In addition to recruiting new doctors, TAAS continues to support the West Midlands Deanery with their PHEM (Pre-Hospital Emergency Medicine) Training Programme, essentially helping to train and educate the next generation of PHEM doctors.

The Air Ambulance Service (TAAS) is extremely proud to announce winning the 'Doctor of the Year' category at the Air Ambulances UK Awards of Excellence 2023. A truly incredible achievement given the calibre of nominations.

Continuous improvement is essential in prehospital care, and a number of major advancements have been made during 2023 to how we train, educate and equip our critical care teams to support the NHS to care for the most sickest and injured patients.

2023 saw several business case proposals submitted and approved by the Clinical Governance Group. Proposals approved during 2023 included a review of our ventilators (to support a patient's breathing), cardiac monitors (to monitor a patient's heart rhythm, monitor blood gases, measure blood pressures and deliver an electric shock to restart a patient heart), and mechanical automated cardiopulmonary chest compression devices. We are pleased to report that following a thorough clinical evaluation/trial new ventilators and cardiac monitors have now been purchased, with new mechanical chest compression devices to follow in 2024.

In addition to the advanced surgical equipment introduced in 2022, new state-of-the-art surgical and advanced airway mannequins have been purchased following a very generous legacy donation. These mannequins will not only help simulate complex education scenarios for TAAS clinicians but will also be used to support external agencies such as the NHS. These two areas alone changed how we deliver certain medication to patients as well as performing invasive surgical procedures for our sickest, most severely injured patients.

TAAS has been carrying blood on board its operational platforms since 2022. From 2022 we started to carry four units to administer blood to our most critically ill and injured patients. From implementation TAAS has already delivered this additional lifesaving treatment on 146 occasions. TAAS would like to take this opportunity to acknowledge the support of both the Warwickshire & Solihull and Leicestershire & Rutland Blood Biker charities in delivering blood and blood products daily to our operational bases.

TAAS clinicians undertook ultrasound (a device to capture live images) courses with East Anglian Air Ambulance in 2022. This initial course provides the foundation to use ultrasound in the pre-hospital setting. These foundations will then be built on by a bespoke course which is to be developed within TAAS and shared across the clinical team. The aim is to have each CCP signed off to be competent in this skill as we move into 2024.

Honorary contracts are now in place with neighbouring Major Trauma Centres allowing our clinicians to undergo shifts in different departments and thus continue their professional development. This exposure will assist the clinicians with assessments and treatment in the pre-hospital setting. Having knowledge of pathways within hospitals and exemplary care before reaching hospital can only serve patients with better outcomes.

Aftercare support is an essential extension of the care TAAS provides; essentially our care to our patients, their families and loved ones extends beyond the doors of the Emergency Department. TAAS introduced a Clinical Liaison Officer (CLO) in 2020 with great success. The CLO provides the conduit between TAAS former patients and their families and has been invaluable in providing information and support to help patients piece together the patient journey to help aid their emotional recovery alongside the physical.

One of the biggest pieces of work throughout 2023, which will continue into 2024, surrounds the TAAS estates strategy. Part of this work involves locating (based on historical data) potential sites for new HEMS operational bases. TAAS has secured the assistance of a third party who has vast experience in this field and has assisted several air ambulances across the country.

Quality outcomes/audit reports continued to be reviewed monthly by the Operations Management Team and quarterly by the Clinical Governance Group. Audit assurances for anaesthesia, sedation, surgical skills and Infection, Prevention & Control for both operational bases continue to provide excellent assurance.

The Children's Air Ambulance Operational Report

Following the termination of the helicopter contract by Specialist Aviation Services (SAS) in September 2021 TAAS worked with Sloane Helicopters Limited to introduce two new AgustaWestland 169 (AW169) helicopters. The termination was in response to TCAA being asked to pay additional costs, for two aircraft, which would have doubled the monthly expenditure for the remaining four years of the contract. This would have amounted to more than £15 million additional expenditure.

In 2023 TCAA completed 200 critical missions across the country supporting 11 NHS paediatric and neonatal specialist transport teams in their lifesaving work. TCAA has completed 906 missions since services commenced. We onboarded our 11th NHS team during 2023 – KIDS (Kids Intensive Care and Decision Support team) based in Birmingham. The onboarding process is a TCAA Governance key requirement.

Just over half the missions completed during 2023 carried the patient's parent/guardian on the mission. The inclusion of a 'parent seat' was a design essential for the new helicopters.

In total TCAA saved a total of over 296.34hrs for our smallest most vulnerable patients compared to road transfer, and a total of over 694hrs of NHS clinician time compared to road transfer.

Of the 200 missions completed, 78 of those missions utilised our new incubator transport system. TCAA designed and delivered 3 incubator transport systems free-of-charge to the NHS in 2023 gaining a significant amount of media attention. TCAA is the first and only helicopter provider in England to support the NHS with a helicopter certified incubator transport system. Babies weighing less than 6kg was the largest patient category seen in 2023.

In January 2023 TCAA achieved another significant milestone by undertaking its first ECMO (Extracorporeal Membrane Oxygenation therapy) transfer to help a critically ill young child get to specialist care they urgently needed. ECMO is a relatively rare therapy, which is similar to a heart and lung bypass machine, that delivers a temporary means of providing oxygen to the body when a child's heart and/or lungs are not working effectively, and normal methods of intensive care are failing. TCAA worked closely with the 'Heart Link ECMO Centre' in Leicester to design, build and deliver ECMO capability on board its helicopters, the only operator/charity to do so in the UK. 4 patients were transferred on ECMO during 2023.

FINANCIAL REVIEW

Financial Position

We receive no government support. We rely solely on donations, legacies, sponsorship, grants, fundraising events and our retail operations. We believe this enables us to ensure that we put the needs of the patient at the top of our entire decision making.

We are in a strong and better than anticipated position, following decisions we had to make in earlier years, which allows us to move forward feeling confident in increasing our investment in our strategy to support more people through our services.

We are confident that The Air Ambulance Service remains a financially stable organisation and that we are well positioned to operate as effectively as possible.

We benefitted from an incredible response from our supporters, enabling us to perform better than anticipated, generating a total £38 million income for the year, being £3.5 million more than the previous year.

The sustainability of our income allows us to cope with increasing costs, secure the stability of the charity by moving towards our reserves policy and as always, to ensure the maximisation of funds raised in the operation and running of the Helicopter Emergency Medical Services and The Children's Air Ambulance.

Reserves policy

We have improved our reserves position in 2023 and as at 31 December 2023 the Charity held unrestricted reserves of £36 million. £0.9 million is held as fixed assets required to provide the Charities services. The Trustees have determined that the Charity should hold between 9 and 18 months operating costs to secure the stability of the Charity. At the end of the year 12 months operational costs were held which are approximately £16 million. The remaining £19m will be used to invest in new equipment, infrastructure, digital investments, and provision for airbase as it becomes available.

Investment policy

The charities investment policy requires that investments are approved and monitored by the Finance and Investment Committee. Investments are matched to the Charities risk profile and future plans. Investments are chosen with consideration to the social and environmental impact. As a result we invest in specific charity funds that meet these objectives. Funds are invested in two funds (1) CCLA Charities Investment Fund and (2) Cazenove Charity Sustainable fund with both funds having a target benchmark. The return in 2023 was 12.4% for funds managed by CCLA and 7% for funds managed by Cazenove.

Going concern

The financial statements have been prepared on a going concern basis as the trustees consider that adequate reserves continue to be available to fund the activities of the charity and group for the foreseeable future and believe no material uncertainties exist. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Streamlined Energy and Carbon Reporting (SECR)

The Charitable group is reporting energy and carbon emissions in compliance with Companies (Trustees Report) and Energy and Carbon Report Regulations 2019.

UK Greenhouse and gas emissions and energy use data for the period	**2023**	**2022**
Energy consumption used to calculate emissions (kWh)	1,667,258	1,429,372
Emissions in metric tonnes CO2e		
Gas consumption	51.19	34.98
Owned transport	36.93	33.06
Purchased electricity	21.93	18.47
Business travel in employee owned vehicles	53.75	61.07
Total emissions in metric tonnes CO2e	163.80	147.58
Intensity ratio	0.37	0.35

The chosen intensity measurement ratio is total gross emissions in CO2e per no. of employees.

Financial Instruments

The charity does not use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk and manages this through credit control procedures. The trustees do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or performance.

The Companies (Miscellaneous Reporting) Regulations 2018 requires large companies to include detail in their annual report describing how the Trustees have had regard to matters set out in section 172 (1) of the Companies Act 2006. The Trustees statement is set out below.

Section 172 (1) statement Companies Act 2006

The trustees have acted in the way which they consider, in good faith, promotes the success of the charitable group for the benefit of its members and stakeholders as a whole, and in doing so have given regard to (amongst other matters):

Business relationships

With a highly committed and dedicated workforce, the charitable group takes great pride in listening to what our beneficiaries and stakeholders want and continues to provide the level of service they have come to expect, leading to continued increases in the awareness of the charitable group's activities and operations.

Our relationship with the community

As a charity, public benefit is at the heart of all we do. The Chief Excecutive's report together with the Objectives & Activities and Achievements & Performance section of the Trustees' Annual Report gives full details of the impact of our operations.

Maintaining a reputation for high standards

As a fundraising charity, we are compliant with the Code of Conduct issued by the Fundraising Regulator and take our responsibilities for exemplary clinical care very seriously. Further detail can be found in the Clinical and Operational Report included within the Trustees' Report.

Our people

At the end of 2023, we employed 445 members of staff and it is only through the combined effort of our whole workforce – our employees, supporters and volunteers that we can change the lives of so many. The charity encourages the involvement of employees by means of regular employee meetings and engagement in decision making processes that impact on them directly. Further details regarding key management personnel can be found in the Structure, Governance & Management section of the Trustees' Annual Report.

Volunteers provide essential support to the Charity. The roles volunteers play include working in our trading subsidiary shops, running community events, raising funds, and performing administrative roles.

Employee involvement and employment of the disabled

Staff communication meetings are held on a quarterly basis for presentations and discussion of key areas including business updates and projects.

The Air Ambulance Service has a number of policies and procedures in relation to all personnel matters, including:

- Equal opportunities; and
- Health & Safety

The recruitment and training of staff is undertaken in accordance with the charity's equal opportunities policy and in line with the Equality Act 2010.

Funds held as Custodian Trustees

The Charity has access to and control over the funds held for The Children's Air Ambulance Service lottery. These funds are held in a separate bank account from the funds of the charity. The Charity is registered with the Gambling Commission to run this lottery with day-to-day operations being under the control of a third party. Funds are released to the Charity in accordance with accounts submitted by the third party.

Principal Risks and Uncertainties

The Board and Senior Management Team have established a risk register which identifies the current perceived risks and which is reviewed at all monthly Senior Management Team and quarterly Trustee meetings.

We have a formal process in place whereby all types of risks faced by the Charity have been considered as to their probability and impact, measures and strategies have been documented and implemented to deal with the identified risks on both an individual and overall basis. All activity is reviewed in the context of these risks and our principal risks are noted.

Principal risks	What the risks mean to The Air Ambulance Service	How we manage the risks
Maintaining financial stability	The risk is that we don't have sufficient income to operate.	We have regular cash flow forecasts and a robust budgeting process. We also have different income streams to avoid dependence on any one income stream.
Governance and strategy	The risk is that we don't have the right governance structures in place to drive our strategy.	We regularly review our performance and governance structures. There are processes in place to lead strategic change.
People capability and capacity	The risk is that talented staff are not attracted, developed and retained in a competitive labour market.	Recruitment, appraisal and training processes are regularly reviewed. We benchmark our pay and benefits across the sector.
External influence and perception	There is a risk of loss of public trust and confidence and people do not understand our purpose because our messaging is not clear.	We are transparent in the delivery of our services and have a strategy to develop our brand.

PLANS FOR THE FUTURE

The Trustees agreed the 3 year strategic plan between 2024-2026 This document included a review of our Vision, Mission, Core Values and Core Principles.

Our Vision is that we want children to grow into adults and adults to live longer, making bereavement through trauma rare.

Our Mission Statement "Our rapid response services work tirelessly to save lives and alleviate pain and suffering, wherever and whenever needed" is reflected in our core values which are Compassion, Courage and Creativity.

As an organisation we are clear on three things, our ultimate aim (The Vision), the impact we make on Society (The Mission) and the way we go about achieving this important work (The Values). Every individual in every part of the organisation holds these three things dear to them, for we are not here to do a job: we are here for a purpose driven by passion, commitment and humanity.

Our current strategic aims, as noted below are:

- Continuously advance rapid response critical care services to patients
- Be recognised as a leading authority on pre-hospital emergency care and paediatric transfer services
- Raise awareness, understanding and engagement with our charity across the country
- Unite people in the common purpose of our charity and create advocates who will enhance reputation and reach of the charity
- Be the organisation of choice and opportunity for the most talented and driven from diverse backgrounds
- Drive best practice across all areas of the organisation in a sustainable, responsible and ethical manner, to ensure a positive impact on the communities and environments in which we operate
- Grow income to £30 million in a diverse and sustainable manner to continue and develop our services.

Each of these will be reviewed and a detailed plan prepared which involves the whole of the Charity and measures to check and report our progress towards these aims.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of The Air Ambulance Service for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepting Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of information to auditor

So far as each of the Trustees is aware at the time this report is approved:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on 13 June 2024 and signed on its behalf by:

Robert J. Allison

Robert J Allison
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AIR AMBULANCE SERVICE FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of The Air Ambulance Service ('the charitable company') and its subsidiaries ('the group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charitable Company Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including 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 the charitable company's affairs as at 31 December 2023 and of the group's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), anti-fraud, bribery and corruption legislation, health and safety legislation, taxation legislation and employment legislation.

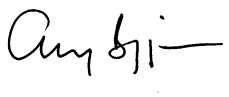
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income, grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, reading minutes of meetings of those charged with governance and performing testing over legacies and grant income recognised in the period.

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.

Use of our report

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



Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4th Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 17 July 2024

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

For the year ended 31 December 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2023 Total £'000	2022 Total £'000
Income					
Incoming resources from generated funds					
Donations and legacies	2	7,917	5,231	13,148	10,091
Other trading activities	2	24,265	-	24,265	23,057
Investment income	4	766	-	766	435
Total income		32,948	5,231	38,179	33,583
Expenditure					
Costs of raising funds					
Costs of generating voluntary income		5,528	-	5,528	5,152
Commercial trading operations and other costs		16,189	-	16,189	14,182
Charitable activities					
Operation of Air Ambulances		7,946	4,755	12,701	8,009
Total expenditure	5	29,663	4,755	34,418	27,343
Net income before gains on investments		**3,285**	476	3,761	6,240
Net gain/(loss) on fixed asset investments		677	-	677	(1,438)
Transfer between funds		420	(420)	-	-
Net income before taxation		**4,382**	**56**	**4,438**	**4,802**
Taxation		(49)	-	(49)	-
Net movement in funds		**4,333**	**56**	**4,389**	**4,802**
Reconciliation of funds					
Total Funds brought forward at 1 January 2023		33,309	687	33,996	29,194
Total Funds carried forward at 31 December 2023		37,642	743	38,385	33,996

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenses are derived from continuing activities.

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET
Company number: 04845905

As at 31 December 2023

	Note	2023		Restated 2022	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		1,797		1,952
Investments	11		12,842		12,165
			14,639		14,117
Current assets					
Debtors	12	4,134		4,203	
Stocks		519		477	
Cash at bank and in hand		21,526		18,030	
		26,179		22,710	
Creditors: amounts falling due within one year	13	(1,774)		(2,291)	
Net current assets			24,405		20,419
Total assets less current liabilities			**39,044**		**34,536**
Provisions for liabilities	14		(659)		(540)
Net assets			38,385		33,996
Funds					
Unrestricted funds					
General funds	16		36,800		33,144
Investment revaluation reserve	16		842		165
Restricted funds	15		743		687
			38,385		33,996

The notes on pages 21 to 37 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 13 June 2024.

Robert J. Allison

Robert J Allison
Chair of Trustees

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CHARITABLE COMPANY BALANCE SHEET
Company number: 04845905

As at 31 December 2023

	Note	2023		2022	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		920		993
Investments	11		12,842		12,166
			13,762		13,159
Current assets					
Stocks		-		-	
Debtors	12	4,330		4,236	
Cash at bank and in hand		19,937		15,768	
		24,267		20,004	
Creditors: amounts falling due within one year	13	(958)		(1,523)	
Net current assets			23,309		18,481
Net assets			37,071		31,640
Funds					
Unrestricted funds					
General funds	16		35,486		30,788
Investment revaluation reserve	16		842		165
Restricted funds	15		743		687
			37,071		31,640

The company's net movement in funds for the year was a surplus of £5.43m (2022: surplus of £3.93m).

The notes on pages 21 to 37 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 13 June 2024.

Robert J Allison
Chair of Trustees

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOW YEAR ENDED 31 DECEMBER 2023

	2023 £'000	2022 £'000
Reconciliation of net incoming resources to net cash flow from operating activities		
Net income	4,389	4,802
Depreciation	713	582
Loss on disposal of tangible fixed assets	77	-
Net (gain)/loss on fixed asset investments	(677)	1,438
Increase/(decrease) in stock	(40)	26
Decrease/(increase) in debtors	69	(251)
(Decrease)/Increase in creditors	(400)	480
Investment income received	(766)	(435)
Net cash inflow from operating activities	3,365	6,642
Cash Flow Statement		
Net cash inflow from operating activities	3,365	6,642
Cash flows from investing activities	766	435
Purchase of intangible fixed assets	-	-
Purchase of tangible fixed assets	(635)	(1,054)
Increase in cash and cash equivalents in the year	3,496	**6,023**

Analysis of changes in net cash

	At 1 January 2023 £'000	Cash flow £'000	At 31 December 2023 £'000
Cash at bank and in hand	18,030	3,496	21,526

Reconciliation of Movement in Cash	2023 £'000	2022 £'000
Net increase in cash and cash equivalents for the year	3,496	6,023
Cash and cash equivalents as at 1 January 2023	18,030	12,007
Cash and cash equivalents as at 31 December 2023	21,526	18,030

Cash flows from investing activities

	2023 £'000	2022 £'000
Investment income received	766	435

1. Accounting policies

The following accounting policies have been applied in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

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 (FRS 102) (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 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 note(s).

The consolidated accounts incorporate the accounts of the parent charitable company and all group undertakings. Consolidation has been undertaken on a line by line basis. A separate statement of financial activities for the parent charitable company is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charitable group is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Gifts in kind

i) Assets given for distribution by the charity are included in the Statement of Financial Activities only when distributed.
ii) Assets given for use by the charity (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources when receivable.
iii) Gifts made in kind but on trust for conversion into cash and subsequent application are included in the accounting period in which the gift is sold.

In all cases, the amount at which gifts in kind are brought into the accounts is either a reasonable estimate of their value to the charitable group or the amount actually realised.

Donated services and facilities

Donated services and facilities are included at the value to the charitable group where this can be quantified. In accordance with the Charities SORP (FRS 102), the value of services provided by volunteers has not been included in these accounts.

Legacies

Legacies are credited to the Statement of financial activities when either the estate accounts or monies have been received. This uses the three recognition criteria of probability of receipt, ability to estimate with sufficient accuracy and entitlement in accordance with the charities SORP FRS102.

1. **Accounting policies – continued**

Trading outlets
Retail sales are included in the period in which the sale is initiated.

Structure of funds
Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the trustees have chosen to earmark for set purposes are designated funds.

Resources expended

All expenditure is accounted for on an accruals basis. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. Expenditure is matched against the restricted or unrestricted funds to which it relates. Support costs directly attributable to an activity are allocated to that activity. Other costs that cannot be directly attributed are allocated against the categories based on management's estimate of usage of those services.

a) **Costs of raising funds**
The costs of generating funds are the costs associated with generating income through fundraising and other activities, including the costs of the commercial trading operations.

b) **Charitable activities**
The trustees consider that there is only one charitable activity, that of the provision of an air ambulance service.

c) **Governance costs**
These are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. The costs include external audit and costs associated with constitutional and statutory requirements e.g. the cost of trustee meetings and preparing statutory accounts.

1. **Accounting policies – continued**

Fixed assets

Capitalisation

All assets falling into the following categories are capitalised.

i) Tangible assets which are capable of being used for more than one year and have a cost equal to or greater than £500, (£200 for The Air Ambulance Service Trading Limited)
ii) Groups of tangible fixed assets which are interdependent or would normally be provided or replaced as a group with a total value in excess of £5,000 and an individual value of £500 or more, (£200 for The Air Ambulance Service Trading Limited)
iii) Computer software licenses are capitalised as intangible assets where they are capable of being used for more than one year and have a cost, individually or as a group, equal to or greater than £500, (£200 for The Air Ambulance Service Trading Limited)

Tangible Fixed Assets and Depreciation

Fixed assets are recorded at cost or, in the case of assets where assets have been donated to the group, at valuation at the time of acquisition. Depreciation is provided on all tangible fixed assets excluding freehold land, at rates calculated to write off the cost, less estimated residual value, based on values prevailing at the date of acquisition, of each asset, on a straight line basis, over its expected useful life, as follows:

Buildings	7%
Fixtures and fittings	20%
Medical equipment	20%
Office equipment	20%
Motor vehicles	25%
Computer equipment	33%

The holding value of assets is regularly reviewed for impairment and where deemed appropriate assets are written down.

Fixed Asset investments

Investments are a form of basic financial instrument, are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market value. Gains and losses arising on disposals and revaluation throughout the year are included in the statement of financial activities All investment income is treated as unrestricted.

Stock

Stock consists of purchased goods for resale and items to be given to volunteers and people who participate in fundraising events. Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The value of goods donated for sale in the group's charity shops is not included in stock. Instead, they are accounted for as income in the period in which the goods are sold.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of any transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible into known amounts of cash with insignificant risk of change in value.

1. **Accounting policies – continued**

Financial instruments
The charitable company enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. 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.

Creditors and provisions
Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

Operating leases
Operating lease rentals are charged to the statement of financial activities on a straight-line basis over the lease term. Lease incentives are charged on a straight-line basis over the term of the lease.

Gift aid payments receivable
The parent charity receives income from its trading subsidiary under the gift aid scheme, which are recognised as distributions to owners in equity within retained earnings of that company.

At the reporting date there was no legal obligation in place for the charity to receive this gift aid payment, although prior to the reporting date the trading subsidiary board had indicated its intention to pay the taxable profits to the parent charity in respect of the reporting date.

There is no tax charge in the year due to the exception under 29.14A of FRS 102. Relief is allowed as the gift aid payment will made by the trading subsidiary to the parent company within 9 months of the year end.

1. **Accounting policies – continued**

Judgements in applying accounting policies and key sources of estimation uncertainty

The charitable company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the charitable company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the trustees have made the following judgements:

- Determine whether leases entered into by the charitable company either as a lessor or a lessee are operating leases or finance leases. The decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor or lessee on a lease-by-lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

- Provisions. A provision is recognised when the charitable company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability. The group has estimated the anticipated costs of dilapidations across its retail operations based on the age of the lease and fit out costs.

  Whether a present obligation is probable or not requires judgment. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

- Depreciation and residual values. The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

  The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

2. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£'000	£'000	£'000	£'000
Donations	5,008	108	5,116	5,439
Legacies	2,868	4,706	7,574	4,209
Grants receivable (see note 3)	41	417	458	443
	7,917	5,231	13,148	10,091
Other trading activities				
Charity shop income	15,143	-	15,143	13,743
Lottery income	8,522	-	8,522	8,719
Event income	600	-	600	595
Government grants receivable	-	-	-	-
Other	-	-	-	-
	24,265	-	24,265	23,057

Income from donations and legacies in 2022 was £10m of which £7m was attributable to unrestricted funds and £3m to restricted funds. Income from other trading activities in 2022 was £23.057m all of which was attributable to unrestricted funds.

3. Material grants received by category

Sources of material grants:	2023 £'000	2022 £'000
General Charities of the City of Coventry	90	90
The Margaret Giffen Charitable Trust	10	20
Rooney Family Foundation	-	26
Association of Air Ambulances	31	-
The Saintbury Trust	10	20
O'Brien Charitable Trust	10	10
The Leaf Charitable Trust	-	15
David Wilson Foundation	15	-
The L&D Seccombe Charitable Trust	11	-
The EBM Charitable Trust	10	10
The John Salmon Trust	10	-
Groundworks (Tesco Bags of Help)	15	10
County Air Ambulance	-	10
Anonymous	-	10
National Philanthropic Trust UK	10	-
The Haramead Trust	10	-
Other < £10,000	226	222
Total	458	443

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

4. Investment income

	2023 £'000	2022 £'000
Bank interest	318	15
Investment income	448	420
Other	-	-
	766	435

5. Resources expended by activity

	Basis of Allocation	*Generating Voluntary* costs £'000	Trading *Charitable activities* costs £'000	Governance costs £'000	Costs of Fundraising £'000	2023 £'000	2022 £'000
Costs directly allocated to activities							
Fundraising Costs	Direct	2,411	-	-	-	2,411	1,895
Operations	Direct	-	-	11,642	-	11,642	7,063
Marketing and PR	Direct	2,215	-	-	-	2,215	2,337
Trading costs	Direct	-	15,735	-	-	15,735	13,735
Depreciation	Direct	-	352	361	-	713	582
Support costs allocated to activities							
Support Services	Hours	902	-	698	102	1,702	1,731
		5,528	16,087	12,701	102	34,418	27,343

Operational and fundraising staff are allocated directly, management and administration are allocated on a time apportioned basis.

The expenditure in 2022 was £27.343m of which £24.506m was attributable to unrestricted funds and £2.837m to restricted funds.

6. Staff costs

	2023 £'000	2022 £'000
Wages and salaries	10,238	8,656
Social security costs	874	747
Pension costs	335	260
Redundancy and termination payments	30	7
	11,477	9,670

The average number of employees during the year was as follows:

	2023 No.	2022 No.
Aviation Operations	34	31
Fundraising	32	29
Trading	326	320
Administration	53	41
	445	421

Pensions contributions
The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Annual contributions amounting to £334,571 (2022: £259,984) were charged to the Statement of Financial Activities during the year. At the balance sheet date, there were £66,175 outstanding contributions (2022: £48,588).

Key Management Personnel remuneration
There were five (2022: five) members of the senior management team and their aggregate remuneration in respect of qualifying services for the Group was:

	2023 £'000	2022 £'000
Remuneration receivable	385	485
Termination payments	0	34
Social security costs	43	66
Pension contributions	30	29
	458	614

The number of senior management personnel whose remuneration (excluding pension contributions) for the year fell within the following bands were:

	2023 No.	2022 No.
£160,000 to £169,999	-	1
£140,000 to £149,999	-	-
£110,000 to £119,999	1	-
£100,000 to £109,999	-	1
£90,000 to £99,999	-	-
£80,000 to £89,999	2	2
£70,000 to £79,999	4	2
£60,000 to £69,999	5	3

No other employees (outside of key management personnel) earned more than £60,000 in 2023. (2022: none).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

7. Trustees and connected persons' transactions

Trustees' expenses reimbursed
During the year expenses of £10,804 (2022: £2,661) were reimbursed to Trustees and related to travel costs.

Trustees' remuneration
No trustees received remuneration during the year (2022: Nil).

The Charity pays an insurance premium in respect of Trustees' and Individuals' liability cover at a cost of £926 (2022: £1,785).

8. Net incoming resources

	2023 £'000	2022 £'000
This is stated after charging:		
Auditors' remuneration - audit services	33	31
Depreciation – owned assets	713	582
Loss on disposal of tangible fixed assets	77	-
Operating Lease Costs	8,321	5,389

9. Taxation and Deferred taxation

The charitable company, as a registered charity, is exempt from tax on income and gains falling within section 478 of the Taxes Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

The tax expense for the period is deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits and
- Any deferred tax balances are reversed if and when all the conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

10. Tangible fixed assets

GROUP

	Leasehold Property £'000	Fixtures & fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2023	134	1,887	3,300	224	5,545
Additions	16	221	396	2	635
Disposals	-	(68)	(49)	-	(117)
At 31 December 2023	150	2,040	3,647	226	6,063
Depreciation					
At 1 January 2022	101	1,215	2,152	125	3,593
Charge for the year	9	233	436	35	713
Disposals	-	(34)	(6)	-	(40)
At 31 December 2023	110	1,414	2,582	160	4,266
Net book value					
At 31 December 2023	40	626	1,065	66	1,797
At 31 December 2022	33	672	1,148	99	1,952

CHARITY

	Leasehold Property £'000	Fixtures & fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2023	134	348	2,416	220	3,118
Additions	16	100	214	2	332
Disposals	-	-	(47)	-	(47)
At 31 December 2023	150	448	2,583	222	3,403
Depreciation					
At 1 January 2023	101	290	1,610	124	2,125
Charge for the year	9	27	292	35	363
Disposals	-	-	(5)	-	(5)
At 31 December 2023	110	317	1,897	159	2,483
Net book value					
At 31 December 2023	40	131	686	63	920
At 31 December 2022	33	58	806	96	993

11. Investments

Group	Managed Funds £'000	Total £'000
Cost or Valuation		
At 1 January 2023	12,165	12,165
Net gains on investment	677	677
At 31 December 2023	12,842	12,842

Charity	Investments in Subsidiaries £'000	Managed Funds £'000	Total £'000
Cost or Valuation			
At 1 January 2023	1	12,165	12,166
Net gains on investments	-	677	677
At 31 December 2023	1	12,842	12,843

Our portfolio of funds is managed equally by Cazenove Capital and CCLA. Their mandate is to maximise the overall growth of these funds through investment in various different asset classes while ensuring that the risks taken are carefully monitored, managed and controlled, whilst bearing in mind liquidity needs.

The following are subsidiary undertakings at 31 December 2023:

Name	Holding	Principal activity	Proportion held by the charity
The Air Ambulance Service Trading Limited	Ordinary shares	Retail charity outlet	100%
The Air Ambulance Service Events Limited	Ordinary shares	Dormant	100%
The Air Ambulance Service Recycling Limited	Ordinary shares	Dormant	100%
The Air Ambulance Service Aviation Limited	Ordinary shares	Dormant	100%
TAA Service	Company limited by guarantee	Dormant	n/a
The Children's Air Ambulance	Company limited by guarantee	Dormant	n/a

All of the above companies are incorporated in England & Wales.

11.1 Net income from trading activities of subsidiary

The Air Ambulance Service Trading Limited, the wholly owned subsidiary of the charity is a retail charity outlet. A summary of its trading results for the year to 31 December 2023 are shown below. Audited accounts will be filed with the Registrar of Companies.

	2023 £'000	Restated 2022 £'000
Turnover	12,775	13,712
Cost of sales	(1,971)	(1,301)
Administration expenses	(11,511)	(10,008)
Other operating income	2,218	31
Operating profit	1,511	2,434
Taxation	(49)	-
Profit after tax	1,462	2,434
Retained earnings at the beginning of the year	2,357	1,483
Profit for the year	1,462	2,434
Gift aid payment	(2,505)	(1,560)
Retained earnings at the end of the year	1,314	2,357
The assets and liabilities at 31 December were:		
Fixed assets	877	958
Current assets	2,705	3,390
Current liabilities	(1,608)	(1,451)
Provisions for liabilities	(660)	(540)
Total net assets	1,314	2,357
Aggregate share capital and reserves	1,314	2,357

12. Debtors

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts falling due within one year				
Amounts due from group undertaking	-	-	793	683
Trade debtors	177	136	92	29
Other debtors	16	24	15	22
Prepayments	884	985	735	595
Accrued income	2,813	2,724	2,556	2,724
VAT	244	334	139	183
	4,134	4,203	4,330	4,236

13. Creditors

	Group		Company	
	2023 £'000	Restated 2022 £'000	2023 £'000	2022 £'000
Amounts falling due within one year				
Trade creditors	895	1,439	516	1,047
Taxation and social security	242	208	131	134
Other creditors	68	57	37	32
Accruals and deferred income	569	587	274	310
	1,774	2,291	958	1,523

14. Provisions for liabilities

	Balance at 1 Jan 2023 £'000	Additions in the year £'000	Balance at 31 Dec 2023 £'000
Dilapidations	540	70	610
Deferred tax	-	49	49
	540	119	659

15. Restricted funds

	Balance at 1 Jan 2023 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Balance at 31 Dec 2023 £'000
The Children's Air Ambulance – Incubator	58	-	-	-	58
CAA Helicopter lease appeal	6		(6)	-	-
DLRAA Helicopter lease appeal	19		(19)	-	-
WNAA Helicopter lease appeal	31		(31)	-	-
Children's Air Ambulance Service	-	155	(155)	-	-
DLRAA Service	-	1,316	(1,316)	-	-
WNAA Service	-	3,543	(2,974)		569
Lloyds Charities Trust	49	-	(45)	-	4
Various Other Trusts and Foundations	58	217	(57)	(106)	112
LIBOR Funding	466	-	(152)	(314)	-
	687	5,231	(4,755)	(420)	743

15. Restricted funds - continued

	Balance at 1 Jan 2022	Incoming Resources	Outgoing Resources	Transfers	Balance at 31 Dec 2022
	£'000	£'000	£'000	£'000	£'000
The Children's Air Ambulance – Incubator	58	-	-	-	58
CAA Helicopter lease appeal	-	229	(223)	-	6
DLRAA Helicopter lease appeal	-	782	(763)	-	19
WNAA Helicopter lease appeal	-	1,849	(1,818)	-	31
Lloyds Charities Trust	49	-	-	-	49
Various Other Trusts and Foundations	58	-	-	-	58
LIBOR Funding	499	-	(33)	-	466
	664	2,860	(2,837)	-	687

Purposes of restricted funds

The Children's Air Ambulance – Incubator was an appeal launched to purchase an incubator for TCAA before it was part of TAAS.

Children's Air Ambulance Service represents funds received specially for the service of Children's Air Ambulance.

DLRAA Service represents funds received specially for the service of Derbyshire, Leicestershire and Rutland Air Ambulance.

WNAA Service presents funds received specially for the service of Warwickshire and Northamptonshire Air Ambulance.

The Lloyds Charities Trust donated a grant to purchase a new detachable stretcher for one of our clinical partners (Evelina Children's Hospital or Great Ormond Street Hospital). The stretcher was purchased and remaining funds are for ongoing maintenance costs.

The LIBOR funding was awarded to meet the capital costs associated with the two new Children's helicopters.

Various other trusts and foundations have provided donations for specific restricted projects.

During the year management conducted a review of Restricted funds, conditions were satisfied on £420,000 (2023: None) relating to capital expenditure, as such the restrictions were met and transferred to Unrestricted funds.

16. Unrestricted funds (group)

	1 Jan 2023 £'000	Incoming £'000	Outgoing £'000	Gains on Invest-ments £'000	Transfers £'000	31 Dec 2023 £'000
General funds	33,144	32,948	29,712	-	420	36,800
Investment revaluation reserve	165	-	-	677	-	842

	1 Jan 2022 £'000	Incoming £'000	Outgoing £'000	Losses on Invest-ments £'000	Transfers £'000	31 Dec 2022 £'000
General funds	26,927	30,723	24,506	-	-	33,144
Investment revaluation reserve	1,603	-	-	(1,438)	-	165

Unrestricted funds (charity)

	1 Jan 2023 £'000	Incoming £'000	Outgoing £'000	Losses on Invest-ments £'000	Transfers £'000	31 Dec 2023 £'000
General funds	30,788	20,113	15,835	-	420	35,486
Investment revaluation reserve	165	-	-	677	-	842

	1 Jan 2022 £'000	Incoming £'000	Outgoing £'000	Gains on Invest-ments £'000	Transfers £'000	31 Dec 2022 £'000
General funds	25,445	18,541	13,198	-	-	30,788
Investment revaluation reserve	1,603	-	-	(1,438)	-	165

17. Analysis of net assets between funds

	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	14,639	-	14,639	13,819	298	14,117
Net current assets	23,003	743	23,746	19,490	389	19,879
	37,642	743	38,385	33,309	687	33,996

18. Operating lease commitments

At 31 December 2023 the charitable group had future minimum lease payments under non-cancellable operating leases as set out below.

Group

	2023		2022	
	Land and Buildings £'000	Other items £'000	Land and buildings £'000	Other items £'000
Operating leases which expire:				
Within 1 year	1,574	6,673	1,159	6,554
Between 1 to 5 years	4,660	23,384	4,572	24,493
More than 5 years	1,017	4,149	1,547	7,636
	7,251	34,206	7,278	38,683

Charity

	2023		2022	
	Land and Buildings £'000	Other items £'000	Land and buildings £'000	Other items £'000
Operating leases which expire				
Within 1 year	185	6,301	93	6,475
Between 1 to 5 years	494	22,585	347	24,400
More than 5 years	-	4,149	-	7,636
	679	33,035	440	38,511

19. Financial commitments

As a result of group registration arrangements for value added tax (VAT), the charitable company is jointly and severally liable together with other members of the group for any VAT due by the representative member of the group.

20. Capital commitments

Contractual commitments for a store refurbishment contracted for but not provided in the financial statements amounted to £84,181 (2022: £nil).

21. Membership

The Air Ambulance Service is incorporated under the Companies Act 2006 as a company limited by guarantee having no share capital. The liability of members to contribute towards the debts of the charity in the event of a deficit on winding up is limited to £1.

22. Controlling parties

In the opinion of the trustees, given the structure of the charity, there is no ultimate controlling party.

23. Related party transactions

Transactions with Trustees are disclosed in in note 7.

There were no other related party transactions in the year (2022: none)

As stated in note 1 to the financial statements, the charity has a wholly owned subsidiary The Air Ambulance Service Trading Limited. The results are consolidated into these accounts.

THE AIR AMBULANCE SERVICE

England & Wales - Charity number 1098874

Accounts

Registered company number: 04845905
Registered charity number: 1098874

THE AIR AMBULANCE SERVICE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONTENTS

	Page
Chairman's statement	1
Chief Executive's report	2
Trustees' Annual Report	3-17
Independent Auditor's report to the members	18-21
Group Statement of Financial Activities (incorporating the income and expenditure account)	22
Group Balance Sheet	23
Charity Balance Sheet	24
Consolidated Cash flow Statement	25
Notes to the financial statements	26-42

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CHAIRMAN'S STATEMENT

Since I joined The Air Ambulance Service my admiration for all that we achieve has grown immeasurably. Our community of donors, volunteers and staff lie at the heart of what we do. Without the enthusiasm and commitment of so many people in so many different ways, our medical and flight teams would not be able to operate our lifesaving services.

In 2022 we responded to 3,119 urgent requests for help. Since the Warwickshire & Northamptonshire Air Ambulance (WNAA), and Derbyshire, Leicestershire & Rutland Air Ambulance (DLRAA) were established we have exceeded an incredible 48,000 missions!

A major clinical development in the last 12 months is that we now carry blood and plasma on board our helicopters and critical care cars. Our highly trained crews can provide pre-hospital emergency blood transfusions to patients who have severe injuries involving life-threatening blood loss.

The Children's Air Ambulance (TCAA), our national Paediatric Intensive Care Transfer and Retrieval Service, has entered into a new era. We have commissioned the first of two brand new aircraft, G-NICU, which is fully operational from our Oxford airbase. TCAA continues to work in close partnership with eleven NHS Clinical Partners across the country, providing transfers for the country's most seriously ill babies and infants. Our AgustaWestland AW169 aircraft provides specialist support for both young patients and their families. The new TCCA aircraft are fitted with state-of-the art equipment. In short, there is no other emergency response service like it in the country: something we can all be proud of.

The enduring commitment shown by all of our stakeholders ensures that the charity continues to adapt and maintain the highest possible standards of clinical care. This is all the more important with the additional pressures experienced by those working in the NHS and the challenges brought on by the cost-of-living crisis.

As you might expect, our costs have increased significantly, from the fuel required to run our clinical service to the electricity needed to maintain our shops and retail network. Once again, those that support us financially have responded to these challenges in the most extraordinary way. I constantly remind myself that all of our income comes from either charitable support or trading and I am hugely grateful to many thousands of people for their contributions. Be in no doubt that every donation saves lives because we are able to provide the best possible emergency medical services.

This year, 2023, sees the Warwickshire & Northamptonshire Air Ambulance, and Derbyshire, Leicestershire & Rutland Air Ambulance celebrate 20 and 15 years of service respectively. Our Children's Air Ambulance will celebrate 10 years since we safely delivered our first infant patient transfer. We can all look back on 20, 15 and 10 years with pride.

We also look forward to the next exciting chapter in our history. We have recently recruited a group of new Trustees and a new Chair of our Trading Company Board. They are already having a positive impact on our activities and I am grateful to all of them for their support. As I write this report, we are well advanced in recruiting a new Chief Executive and I am confident that we shall be able to make an excellent appointment. We are in the final stages of developing our next strategic plan which will provide the roadmap for our future activities.

In my brief time as Chair of Trustees I have come to fully understand and appreciate the significance of what we do and all that we achieve. Whatever your role in our charity, a most sincere thank you. Your contribution is an essential part of our success and I do hope that you are as proud as I am of all that we achieve together.

Professor Bob Allison CBE DL
Chair of Trustees

CHIEF EXECUTIVE'S REPORT

As Acting CEO of The Air Ambulance Service (TAAS) it gives me great pleasure to reflect on the fantastic hard work and accomplishments made across the charity in 2022, as well as looking forward to leading the charity this year as we celebrate significant milestones across our lifesaving services - 10 years of the national Children's Air Ambulance (TCAA), 15 years of the local Derbyshire, Leicestershire & Rutland Air Ambulance (DLRAA) and 20 years of the local Warwickshire & Northamptonshire Air Ambulance (WNAA).

At the beginning of last year, we welcomed Professor Bob Allison CBE, as TAAS' Chair of the Board of Trustees, and he has since brought a wealth of knowledge and professional experience, helping to lead the charity in this next phase of development and growth.

Despite the economic difficulties people faced with the cost-of-living-crisis, 2022 saw many significant developments across the charity, especially enhancements to our clinical services, all made possible by the continued generous support from our loyal supporters and donors, as well as our dedicated staff and volunteers.

Our 24/7 frontline HEMS (Helicopter Emergency Medicine Service) services enhanced as we made clinical developments through bringing blood products onboard our helicopters and Critical Care Cars and we trained our critical care paramedics in the use of ultrasound equipment.

Following this, we joined forces with West Midlands Police on a collaborative campaign in a bid to tackle the rising and potentially tragic issue of knife crime - with plans to join more forces to help educate and prevent this key topic, hoping to make a positive impact and save more lives.

Not only did we continue to provide leading pre-hospital emergency care to our patients and support the NHS by air and road, but we also made strides across other areas of the charity – vital in raising the funds needed to keep our crucial services operational.

As we receive no government funding, our services are funded entirely by voluntary donations and by the trading and fundraising activities we undertake, and last year we added to our portfolio of retail shops with the opening of a homeware store in Stratford-upon-Avon, and we celebrated income from incredible donors such as East Midlands DHL team whose support reached £100k and received over £300k worth of Gifts in Kind.

The Children's Air Ambulance continues to pioneer across paediatric and neonatal transfers and has integrated three new bespoke incubators - England's first incubator on a rotary-wing aircraft – into service which have further assisted the Clinical Partner Teams we work alongside during lifesaving flights.

I'd like to take this opportunity to thank everyone involved in enabling us to keep enhancing our charity, and to deliver such fantastic clinical services, from the frontline crews to all staff, volunteers, and supporters. It's the shared passion and commitment that has made 2022 a success on so many levels as we achieved great things together - we truly are all lifesavers.

We now look forward to a fantastic 2023, a future of continued achievement as we make our vision a reality, to ensure children grow into adults, for adults to live longer and for families to stay together, as bereavement through trauma becomes rare.

Emma Peake
Acting Chief Executive

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary ("the Group") for the year ending 31 December 2022 which are also prepared to meet the requirements of a Directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

LEGAL AND ADMINISTRATION INFORMATION

Charity Name	The Air Ambulance Service
Charity Registration Number	1098874
Company Registration Number	04845905
Registered Office	Blue Skies House Butlers Leap Rugby Warwickshire CV21 3RQ
Independent Auditors	Crowe U.K. LLP 4th Floor, St James House St James Square Cheltenham GL50 3PR
Bankers	Barclays Bank PLC Meridian Business Park Leicester LE19 1RP
Investment Managers	Cazenove Capital 1 London Wall Place London EC27 5AU CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal Activities

The principal activities of The Air Ambulance Service ("TAAS") are the relief of sickness and injury and the protection of human life, principally (but not exclusively), by the provision of an air ambulance service.

Statement of public benefit

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Air Ambulance Services' charitable objects are stated within its memorandum and articles of association and as such the trustees ensure that the charity's activities are carried out for the public benefit through its strategic priorities. This is done primarily through the delivery of services by the provision of an emergency and children's air ambulance service. This report allows us to show how our charitable funds are spent and the impact and benefits that has on those requiring our services, as well as the wider impact on the communities we operate in.

Our fundraising standards

As a charity reliant on voluntary income we take an active and responsible approach to our fundraising. We are registered with the Fundraising Regulator and are firmly committed to ensuring we are compliant with their Code of Practice.

Our fundraising activity is carefully planned and all supporter data on our fundraising database is governed by strict consent, unsubscribe and complaints processes. Oversight of these processes is carried out by an internal Data Protection Officer, ensuring we are kept up to date with new legislation as well as supporter feedback.

The Charity is committed to providing an excellent service to supporters and retail customers but we recognise that occasionally things don't always go according to plan. With this in mind, we encourage complaints and suggestions to help shape the ongoing development of our services and the way in which we work with our supporters.

Company Status

The charity is a company limited by guarantee (registration number - 04845905), and as such has no share capital. The company is governed by its Memorandum and Articles of Association which were last updated in November 2019. The liability of the members of the company, as set out in the Memorandum of Association, is limited to £1 per member.

Board of Trustees

The Trustees of the charitable company, who are directors for the purpose of company law, who served during the year and up to the date of this report are set out as follows:

Professor R J Allison CBE DL (appointed 2nd February 2022 and co-opted as Chair on 1st March 2022)
Mr C M Faircliffe (Outgoing Chair – resigned 17th May 2022)
Mr P Wells (appointed 14th March 2022)
Mr J C R Tennent (appointed 14th March 2022)
Mr P Holdcroft (resigned 1st March 2023)
Mr N Bandtock (resigned 1st March 2023)
Mr P Whatmore
Mrs M Bradley (resigned 21st October 2022)
Mr F Jaffri
Mr A Majithia (resigned 7th September 2022)
Ms D Atkins
Mr A Newman (resigned 7th September 2022)
Ms S Baumann (appointed 21st December 2022)
Ms C Sheppard (appointed 21st December 2022)
Mr T Boxell (appointed 21st December 2022)
Mr A Hoyle (appointed 21st December 2022)

Directors are selected against pre-determined skills criteria designed to ensure that the Board has the necessary knowledge with which to direct The Air Ambulance Service.

Key Management Personnel:
Senior Management Team of The Air Ambulance Service and its Subsidiary at the year end

Ms E Peake	Acting CEO
Mr K Tailor	Director of Finance
Mr R Clayton	Director of Operations
Ms D Young	Director of Income Generation

Trustee and Director induction and training
Trustees are inducted to the organisation on appointment and are briefed as appropriate. As part of ongoing training, trustees have received formal charity law updates, strategic sessions and presentations in relation to operational requirements during the year.

Organisational Structure

The Air Ambulance Service Board of Trustees meets at least 4 times per year to oversee the development of the charity and the work of the Senior Management Team.

The Air Ambulance Service Trading Company Board also meets at least 4 times a year, to oversee the work and development of the trading subsidiary.

There is a Finance Committee which considers matters of finance, audit and control for both the Charity and the Trading company. The Finance Committee meets four weeks prior to the Boards so that the committee can report the discussions and actions arising from their meeting. There are also additional committees in place which consider matters of governance, operations, marketing and human resources, which provide additional reporting processes.

During the year an Audit & Risk Committee was established to consider matters of compliance and a Nominations Committee which has responsibility for senior staff and Trustee appointments, to ensure the Board aims to attract a diverse range of candidates who have the skills the Charity needs.

The Trustees are responsible for the control over all activities and authorise all major transactions of the charitable company and its subsidiaries. Day to day activities are overseen by the Chief Executive and the Senior Management Team on a delegated basis.

Pay policy for Senior Staff

Remuneration Committee considers pay and other benefits for senior staff and makes recommendations to the Board of Trustees for approval. The senior management team comprise the key management personnel of the Charity in charge of directing, running and operating the Charity on a day-to day-basis.

Risk Management

A detailed risk management process is in place in respect of clinical operations, which is in accordance with the Care Quality Commission guidelines and advice. In addition a wider organisation focussed Risk Management process is in place and is monitored regularly by the Senior Management Team and Board.

In line with best practice and the requirements of the Charities SORP (FRS 102), the Trustees have reviewed all major potential risks for the charity and taken appropriate measures to mitigate their impact.

OBJECTIVES AND ACTIVITIES

The objects of the charitable company have not changed and are as stated earlier under the Principal Activities.

The activities of the Charitable company continue to be:

- The delivery of Helicopter Emergency Medical Services (HEMS), a trauma service responding to road accidents, falls of many kinds, medical emergencies, injuries received in remote locations and many other scenarios. These services are based in Warwickshire, Northamptonshire, Derbyshire, Leicestershire and Rutland.
- The Delivery of the Children's Air Ambulance, a hospital-to-hospital paediatric transfer service. This is a national service and involves liaison with critical care hospitals and paediatric retrieval teams across England.

Our work makes a difference to people, to communities and to society as a whole. Our responsibility is far reaching. The obvious impact is on saving lives, improving clinical outcomes and being able to react quickly and efficiently to emergencies but our influence is also able to challenge, and when necessary, try to change Government policies on health; we are able to innovate in clinical care, challenge the boundaries that often exist in state run services and invest heavily in the development of the people who deliver that care.

Our primary purpose is healthcare and we will lead the way in our chosen fields of operation in trauma and medical emergencies via our HEMS services and in the innovation and development of the unique critical transfer and retrieval service that is The Children's Air Ambulance. However our reach goes much further in our impact on society. We are a significant employer and contributor to our local economies; we are a socially responsible organisation that values the very communities that support us. Our expertise is made available to smaller charities, to education establishments and to organisations with similar goals. We care about our environment and we must use our abilities to change, shape or challenge the voluntary sector as a whole for genuine public benefit.

We are an organisation that engenders pride and purpose in every individual associated with us.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Helicopter Emergency Medical Services (HEMS) and Clinical Operational Report

Operating two specialist AW109 helicopters and two Rapid Response Vehicles (RRV) daily, The Air Ambulance Service (TAAS) remains one of the busiest air ambulance service providers in the country, providing critical care, lifesaving services to the NHS 24 hours a day, 365 days a year.

The Air Ambulance Service (TAAS) attended 1,586 critical care missions by helicopter, and a further 1,538 critical care missions by RRV – 3,124 critical care missions in total for 2022. TAAS has responded to 48,475 lifesaving missions since services commenced in 2003, a truly remarkable achievement.

The dedicated spare helicopter, which was introduced as part of the new helicopter fleet in March 2021, has been an asset during 2022 for periods of scheduled maintenance (routine servicing) and unscheduled maintenance (repairs) of the primary helicopters. This additional resilience has ensured that our life saving services by air were maintained throughout the year. The spare helicopter was also converted and used as the Children's Air Ambulance (TCAA) during 2022 for an extended period whilst awaiting delivery of the new TCAA fleet.

Extended flying hours, May to August inc., were once again undertaken in 2022 following the successful trial in 2021. During extended flying hours both aircraft were utilised not only in our primary regions but also providing mutual assistance in other areas. The DLRAA team who are based at Nottingham Heliport and have been since December 2021 were further supported by the 'Helipad Appeal' following a successful application. This application facilitated the funding of a night landing light system to ensure safety is maintained when returning to base during the hours of darkness.

New Rapid Response Vehicles (RRV) were delivered in December 2022, this is a far better position than previously anticipated as the new vehicles had been delayed till May 2023 due to the global semiconductor shortage. A new vehicle conversion specialist (audible and visual warning devices and sirens) was selected following a competitive tendering process. It is expected to take six weeks to convert both vehicles, and the clinical operations team look forward to receiving the new vehicles early 2023 where the old fleet will be retained to provide much needed resilience during periods of servicing and maintenance.

As a pre-hospital provider committed to delivering excellence in patient care we continue to provide specialist pre-hospital doctors on all four of our operational platforms (helicopters and RRVs). TAAS achieved doctor cover at an impressive 97% of occasions in 2022. To further increase resilience, a doctor recruitment and selection event took place in 2022 to recruit 12-month fixed term fellowship positions. We are delighted to report that two positions have been offered and accepted for 2022/23 term which will further enhance doctor cover.

In addition to recruiting new doctors, TAAS continues to support the West Midlands Deanery with their PHEM (Pre-Hospital Emergency Medicine) Training Programme, essentially helping to train and educate the next generation of PHEM doctors. TAAS has also been contacted by the East Midlands deanery regarding supporting this region with 'PHEM training. Early discussions with the Deanery look positive and will continue into 2023.

There was also some movement within the Critical Care Paramedic team in 2022, whether moving on to new ventures, stepping down, or advancing their own career within TAAS. I am delighted to report that we have appointed a new Derbyshire Leicestershire & Rutland Air Ambulance Airbase Manager in 2022, and following a very successful recruitment campaign, selected 3 trainee HEMS paramedics. All three trainee HEMS have completed their 'technical crew member' (aviation awareness) course with Sloane Helicopters Limited before joining TAAS operationally and will now commence their clinical competency sign off phase which is scheduled to conclude early 2023.

Following a productive Clinical Quality Manager secondment, the role has now been made substantive. This new role to the management structure has already proven to be of great benefit by providing much needed capacity to drive the clinical effectiveness and quality of our services as well as supporting the Head of Operations to progress the clinical strategy.

TAAS achieved its strategic aim to have blood on board its operational platforms in 2022. From February we started to carry four units to administer blood to our most critically ill patients. From implementation TAAS has already delivered this additional treatment on average once a week. Along with this we have started to work with the East Midlands networks and other pre-hospital providers to develop and implement a 'blood to scene' process involving hospitals across the East Midlands regions. The 'blood to scene' initiative are for occasions where further blood products are required at scene due to own products being exhausted such as prolonged entrapments at road traffic collisions.

2022 had several business case proposals submitted and approved by the Clinical Governance Group. Proposals approved during 2022 included new devices such as syringe drivers (used to administer drugs over specified periods) and advanced surgical equipment. These two areas alone changed how we deliver certain medication to patients as well as performing invasive surgical procedures for our sickest, most severely injured patients.

TAAS clinicians undertook ultrasound (a device to capture live images) courses with East Anglian Air Ambulance. This initial course provides the foundation to use ultrasound in the pre-hospital setting. A bespoke training course is being developed by TAAS with the objective of each Critical Care Paramedic signed off as competent as we move into 2023.

Honorary contracts are now in place with neighbouring Major Trauma Centres allowing our clinicians to undergo shifts in different departments and thus continue their professional development. This exposure will assist the clinicians with assessments and treatment in the pre-hospital setting. Having knowledge of pathways within hospitals and exemplary care before reaching hospital can only serve patients with better outcomes.

Learning and reflection from missions is an integral part of continuous improvement and we have been actively progressing Data Sharing Agreements with Major Trauma Centres, Trauma Units and Specialist Hospitals. The Clinical Liaison Officer has been developing agreements to allow the safe and secure sharing of patient information between the Hospital Trusts and TAAS. Sharing patient information and their recovery etc. will provide TAAS clinicians with invaluable insight into the treatment they provided; what went well and what could be improved to further enhance our services. Feedback will also provide a mechanism for patients and relatives to provide feedback to the Clinical Liaison Officer and ask questions about their treatment to aid their emotional recovery and rehabilitation.

One of the biggest pieces of work throughout 2022, which will continue into 2023, surrounds the TAAS estates strategy. Part of this work involves locating (based on historical data) potential sites for new HEMS operational bases. TAAS has secured the assistance of a third party who has vast experience in this field and has assisted several air ambulances across the country.

2023 will see the implementation of an updated clinical mission database. Version 2 will see the development of an electronic patient report form system (ePRF) which will negate the need to use and share paper copies.

Quality outcomes/audit reports continued to be reviewed monthly by the Operations Management Team and quarterly by the Clinical Governance Group. Audit assurances for anaesthesia, sedation, surgical skills and Infection, Prevention & Control for both operational bases continue to provide excellent assurance.

The Children's Air Ambulance Operational Report

Following the termination of the helicopter contract by Specialist Aviation Services (SAS) in September 2021 TAAS has been working with Sloane Helicopters Limited to introduce two new AgustaWestland 169 (AW169) helicopters. The termination was in response to TCAA being asked to pay additional costs, for two aircraft, which would have doubled the monthly expenditure for the remaining four years of the contract. This would have amounted to more than £15 million additional expenditure.

In the interim, an AgustaWestland 109 (AW109) was introduced in 2022 to ensure continuity of services and minimise downtime caused by SAS's termination. I am pleased to report the first new AW169 helicopter finished its clinical conversion and entered service in December 2022, with the second scheduled for early 2023.

As described above, the termination did impact on mission numbers for 2022 due to the limitations with the interim service (single, smaller helicopter). TCAA completed 30 critical missions across the country in 2022 supporting 11 NHS paediatric and neonatal specialist transport teams in their lifesaving work. TCAA has completed 706 missions since services commenced.

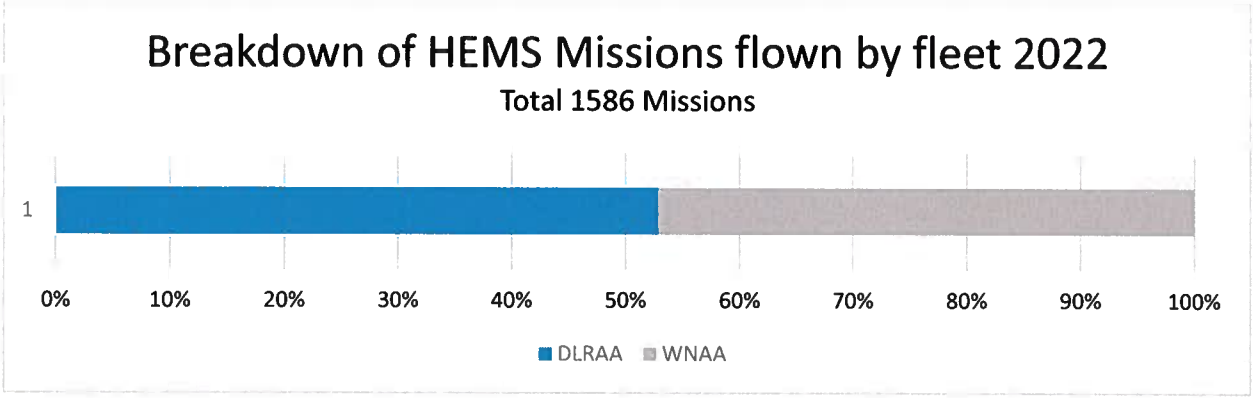
TCAA has been historically serviced from two operational bases, one north and one south. Unfortunately, the base in the north at Doncaster Sheffield Airport experienced several operational challenges due to poor support services at the airport causing delays to missions. As such TCAA team explored alternative locations whilst looking at an amicable exit from the airport. I am pleased to report that Gamston Airport has been chosen as the new north base location and work continues with the airport management team to relocate the operation early 2023.

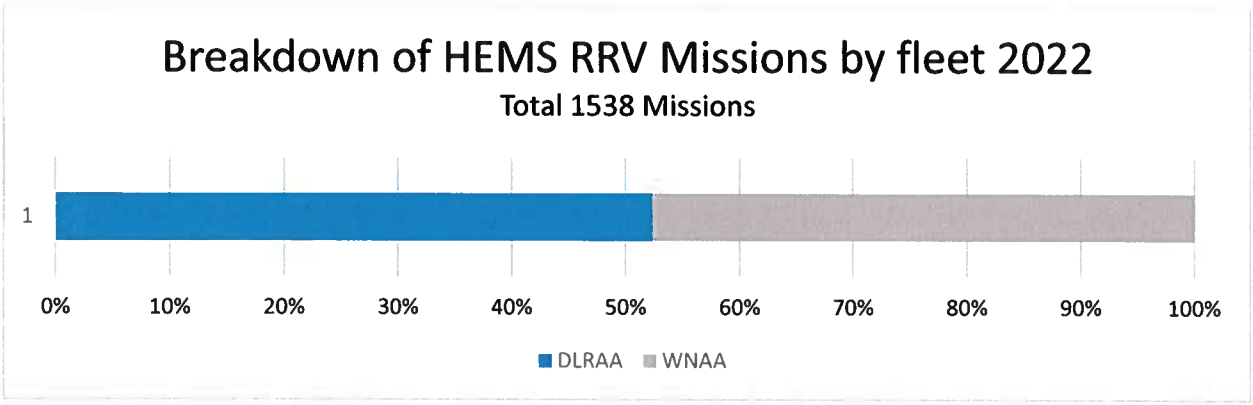
Following contact by the Birmingham Women's and Children's NHS Foundation Trust specialist transport team 'KIDS' (Kids Intensive Care and Decision Support) work began onboarding KIDS as a new Clinical Partner Team. The onboarding process concentrates on understanding and compliance to the Children's Air Ambulance Governance Framework. KIDS currently undertakes missions as a Level 2 (Team Moves Only) whilst work is underway to provide KIDS with a patient transfer stretcher early 2023.

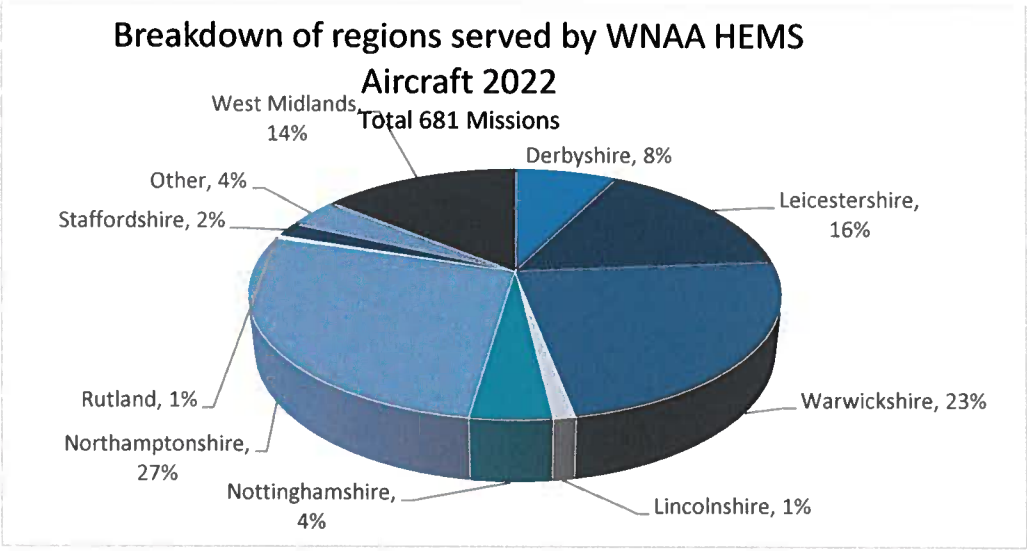
In readiness for the new helicopters/service TCAA continued to innovate, working closely with NHS neonatal specialist transport teams to design and develop an incubator transport system for the new helicopters. Project management worked extremely well, and I am delighted to report 3x incubator transport systems were delivered free-of-charge to the NHS in November 2022 gaining a significant amount of media attention. TCAA is the first and only helicopter provider in England to support the NHS with a helicopter certified incubator transport system.

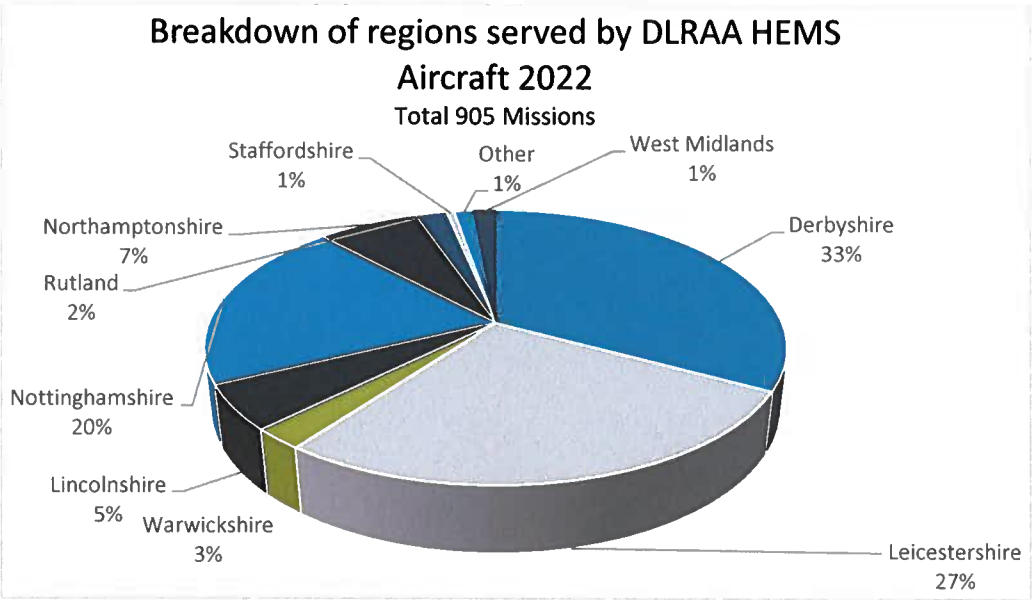
Also, in readiness for the new service, a 'TCAA Crew Member' was trialled during 2022. The TCAA Crew Member acts as the technical expert for the clinical interior equipment, the interface between the pilots and clinicians, and non-clinical problem solver. Introduction of the TCAA Crew Member has also eliminated the need for NHS clinicians to attend annual aviation environmental training, saving the NHS a significant amount of training hours with compromising safety. Due to the overwhelmingly positive feedback following the trial the new role has been permanently introduced.

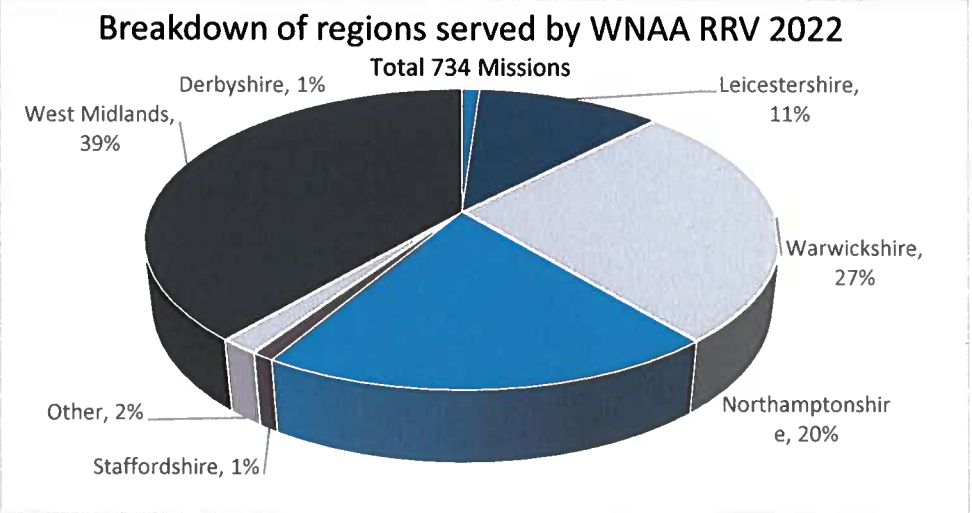
The following charts illustrate the number, type, and spread of missions in 2022.

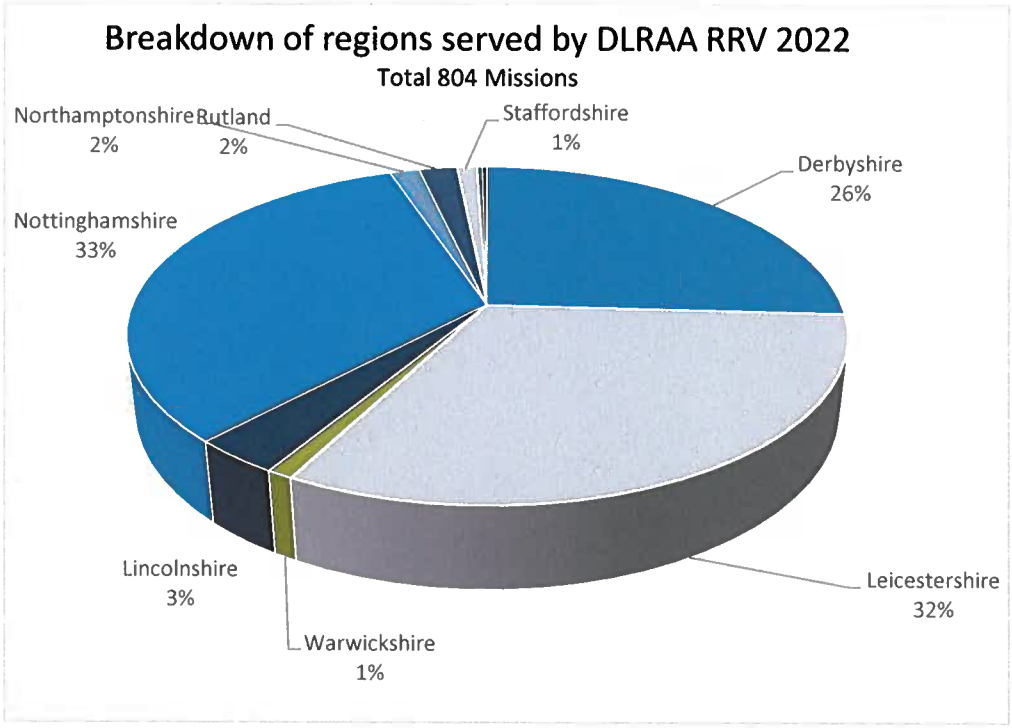

Breakdown of HEMS Missions flown by fleet 2022
Total 1586 Missions
1
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
DLRAA
WNAA

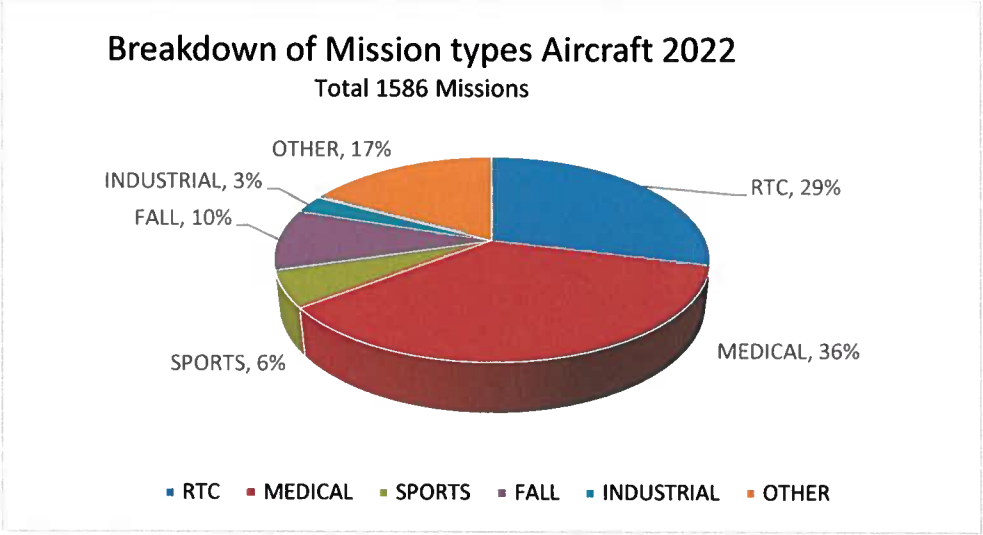

Breakdown of HEMS RRV Missions by fleet 2022
Total 1538 Missions
1
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
DLRAA
WNAA

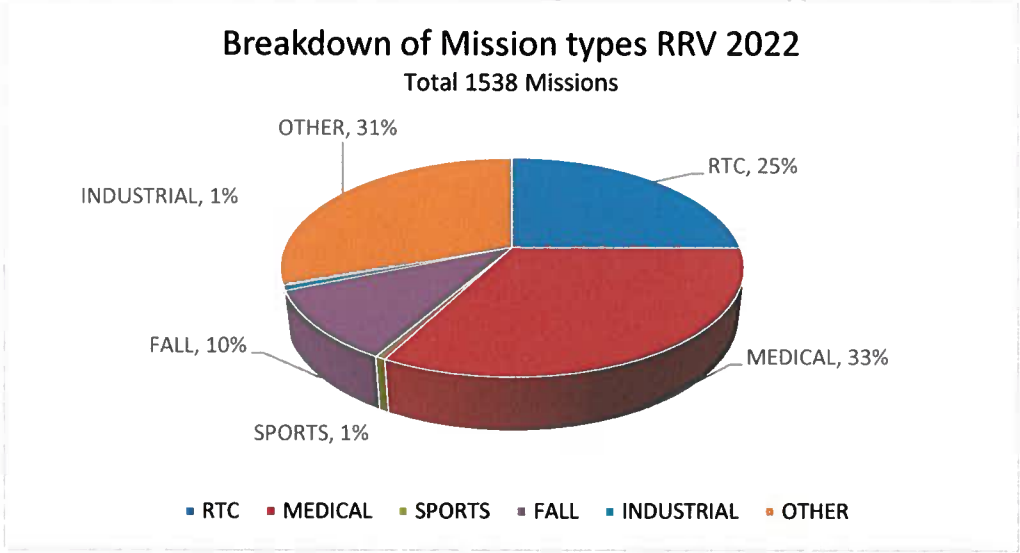

Breakdown of regions served by WNAA HEMS Aircraft 2022
Total 681 Missions
West Midlands, 14%
Derbyshire, 8%
Other, 4%
Staffordshire, 2%
Leicestershire, 16%
Rutland, 1%
Warwickshire, 23%
Northamptonshire, 27%
Nottinghamshire, 4%
Lincolnshire, 1%

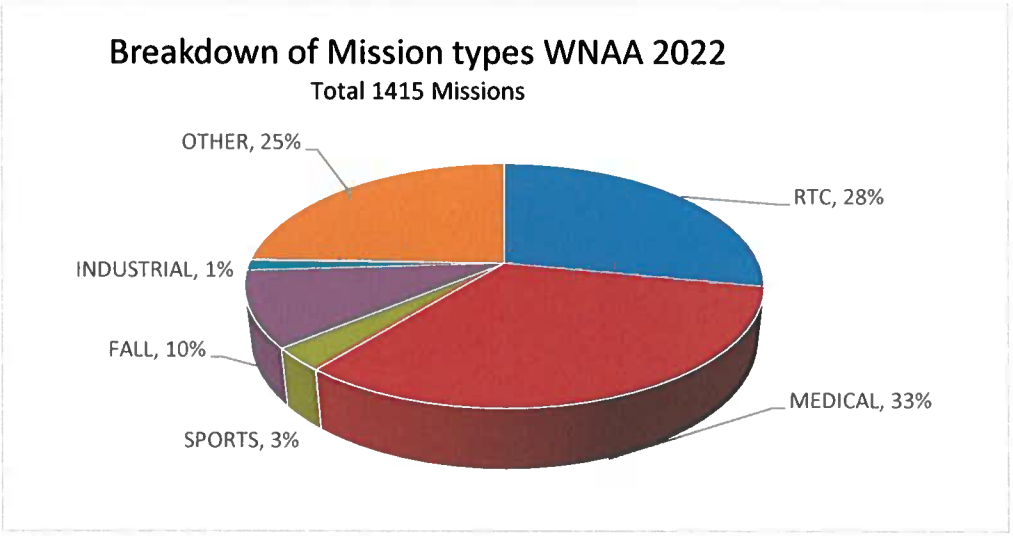

Breakdown of regions served by DLRAA HEMS Aircraft 2022
Total 905 Missions
Staffordshire 1%
Other 1%
West Midlands 1%
Northamptonshire 7%
Derbyshire 33%
Rutland 2%
Nottinghamshire 20%
Lincolnshire 5%
Warwickshire 3%
Leicestershire 27%

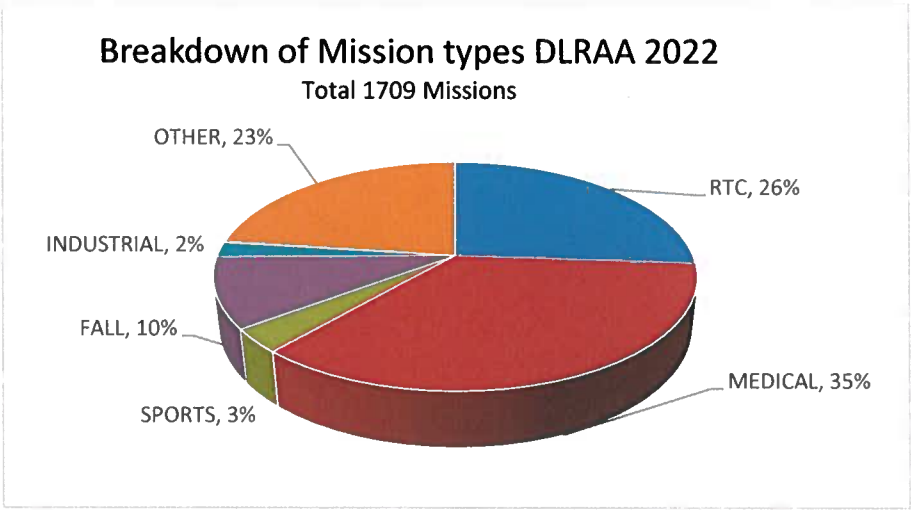

Breakdown of regions served by WNAA RRV 2022
Total 734 Missions
Derbyshire, 1%
Leicestershire, 11%
West Midlands, 39%
Warwickshire, 27%
Other, 2%
Northamptonshire, 20%
Staffordshire, 1%

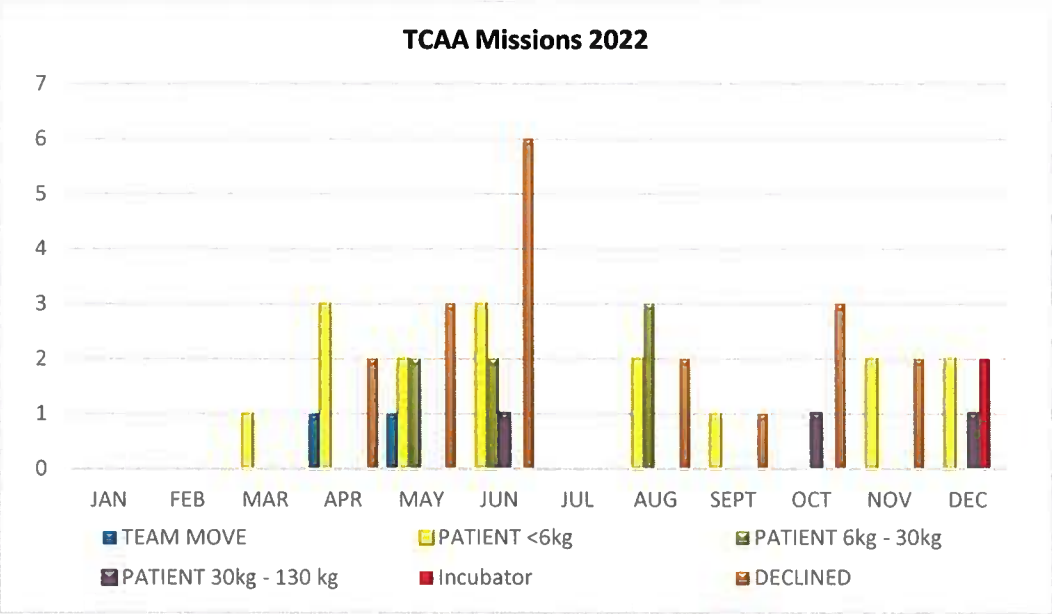

Breakdown of regions served by DLRAA RRV 2022
Total 804 Missions
Northamptonshire 2%
Rutland 2%
Staffordshire 1%
Derbyshire 26%
Nottinghamshire 33%
Lincolnshire 3%
Warwickshire 1%
Leicestershire 32%


Breakdown of Mission types Aircraft 2022
Total 1586 Missions
OTHER, 17%
INDUSTRIAL, 3%
FALL, 10%
RTC, 29%
SPORTS, 6%
MEDICAL, 36%
RTC
MEDICAL
SPORTS
FALL
INDUSTRIAL
OTHER


Breakdown of Mission types RRV 2022
Total 1538 Missions
OTHER, 31%
RTC, 25%
INDUSTRIAL, 1%
FALL, 10%
MEDICAL, 33%
SPORTS, 1%
RTC
MEDICAL
SPORTS
FALL
INDUSTRIAL
OTHER


Breakdown of Mission types WNAA 2022
Total 1415 Missions
OTHER, 25%
RTC, 28%
INDUSTRIAL, 1%
FALL, 10%
MEDICAL, 33%
SPORTS, 3%


Breakdown of Mission types DLRAA 2022
Total 1709 Missions
OTHER, 23%
RTC, 26%
INDUSTRIAL, 2%
FALL, 10%
MEDICAL, 35%
SPORTS, 3%


TCAA Missions 2022
7
6
5
4
3
2
1
0
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEPT
OCT
NOV
DEC
TEAM MOVE
PATIENT <6kg
PATIENT 6kg - 30kg
PATIENT 30kg - 130 kg
Incubator
DECLINED

Compliments 2022
Teamwork
Professionalism
Speed of Service
Quality of Care
Thanks

FINANCIAL REVIEW

Financial Position

We receive no government support. We rely solely on donations, legacies, sponsorship, grants, fundraising events and our retail operations. We believe this enables us to ensure that we put the needs of the patient at the top of our entire decision making.

We are in a strong and better than anticipated position, following decisions we had to make in earlier years, which allows us to move forward feeling confident in increasing our investment in our strategy to support more people through our services.

We are confident that The Air Ambulance Service remains a financially stable organisation and that we are well positioned to operate as effectively as possible.

We benefitted from an incredible response from our supporters, enabling us to perform better than anticipated, generating a total £34 million income for the year, being £3 million more than the previous year.

The sustainability of our income allows us to cope with increasing costs, secure the stability of the charity by moving towards our reserves policy and as always, to ensure the maximisation of funds raised in the operation and running of the Helicopter Emergency Medical Services and The Children's Air Ambulance.

Reserves policy

We have improved our reserves position in 2022, in line with the desire to secure the stability of the Charity by holding 12 months operational costs, which are approximately £13 million. As at 31 December 2022 the Charity held unrestricted free reserves of £31 million. This provides us with the necessary fall-back position to maintain our operational capabilities in periods of downturn and invest in new equipment as it becomes available.

Going concern

The financial statements have been prepared on a going concern basis as the trustees consider that adequate reserves continue to be available to fund the activities of the charity and group for the foreseeable future and believe no material uncertainties exist. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Streamlined Energy and Carbon Reporting (SECR)

The Charitable group is reporting energy and carbon emissions in compliance with Companies (Trustees Report) and Energy and Carbon Report Regulations 2019.

UK Greenhouse and gas emissions and energy use data for the period	**2022**	**2021**
Energy consumption used to calculate emissions (kWh)	1,429,372	1,475,597
Emissions in metric tonnes CO2e		
Gas consumption	34.98	31.79
Owned transport	33.06	34.42
Purchased electricity	18.47	20.72
Business travel in employee owned vehicles	61.07	48.77
Total emissions in metric tonnes CO2e	147.58	135.7
Intensity ratio	0.35	0.36

The chosen intensity measurement ratio is total gross emissions in CO2e per no. of employees.

Financial Instruments

The charity does not use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk and manages this through credit control procedures. The trustees do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or performance.

The Companies (Miscellaneous Reporting) Regulations 2018 requires large companies to include detail in their annual report describing how the Trustees have had regard to matters set out in section 172 (1) of the Companies Act 2006. The Trustees statement is set out below.

Section 172 (1) statement Companies Act 2006

The trustees have acted in the way which they consider, in good faith, promotes the success of the charitable group for the benefit of its members and stakeholders as a whole, and in doing so have given regard to (amongst other matters):

Business relationships

With a highly committed and dedicated workforce, the charitable group takes great pride in listening to what our beneficiaries and stakeholders want and continues to provide the level of service they have come to expect, leading to continued increases in the awareness of the charitable group's activities and operations.

Our relationship with the community

As a charity, public benefit is at the heart of all we do. The Chief Excecutive's report together with the Objectives & Activities and Achievements & Performance section of the Trustees' Annual Report gives full details of the impact of our operations.

Maintaining a reputation for high standards

As a fundraising charity, we are compliant with the Code of Conduct issued by the Fundraising Regulator and take our responsibilities for exemplary clinical care very seriously. Further detail can be found in the Clinical and Operational Report included within the Trustees' Report.

Our people

At the end of 2022, we employed 421 members of staff and it is only through the combined effort of our whole workforce – our employees, supporters and volunteers that we can change the lives of so many. The charity encourages the involvement of employees by means of regular employee meetings and engagement in decision making processes that impact on them directly. Further details regarding key management personnel can be found in the Structure, Governance & Management section of the Trustees' Annual Report.

Employee involvement and employment of the disabled

Staff communication meetings are held on a quarterly basis for presentations and discussion of key areas including business updates and projects.

The Air Ambulance Service has a number of policies and procedures in relation to all personnel matters, including:

- Equal opportunities; and
- Health & Safety

The recruitment and training of staff is undertaken in accordance with the charity's equal opportunities policy and in line with the Disability Discrimination Act (1995).

Funds held as Custodian Trustees

The Charity has access to and control over the funds held for The Children's Air Ambulance Service lottery. These funds are held in a separate bank account from the funds of the charity. The Charity is registered with the Gambling Commission to run this lottery with day-to-day operations being under the control of a third party. Funds are released to the Charity in accordance with accounts submitted by the third party.

Principal Risks and Uncertainties
The Board and Senior Management Team have established a risk register which identifies the current perceived risks and which is reviewed at all monthly Senior Management Team and quarterly Trustee meetings.

We have a formal process in place whereby all types of risks faced by the Charity have been considered as to their probability and impact, measures and strategies have been documented and implemented to deal with the identified risks on both an individual and overall basis. All activity is reviewed in the context of these risks and our principal risks are noted.

Principal risks	What the risks mean to The Air Ambulance Service	How we manage the risks
Maintaining financial stability	The risk is that we don't have sufficient income to operate.	We have regular cash flow forecasts and a robust budgeting process. We also have different income streams to avoid dependence on any one income stream.
Governance and strategy	The risk is that we don't have the right governance structures in place to drive our strategy.	We regularly review our performance and governance structures. There are processes in place to lead strategic change.
People capability and capacity	The risk is that talented staff are not attracted, developed and retained in a competitive labour market.	Recruitment, appraisal and training processes are regularly reviewed. We benchmark our pay and benefits across the sector.
External influence and perception	There is a risk of loss of public trust and confidence and people do not understand our purpose because our messaging is not clear.	We are transparent in the delivery of our services and have a strategy to develop our brand.

PLANS FOR THE FUTURE

The Trustees are currently progressing work on the strategic, tactical and implementation plan for 2023-2025 and it is expected this will be completed towards the end of 2023. This document will include a review of our Vision, Mission, Core Values and Core Principles.

Our Vision is that we want children to grow into adults and adults to live longer, making bereavement through trauma rare.

Our Mission Statement "Our rapid response services work tirelessly to save lives and alleviate pain and suffering, wherever and whenever needed" is reflected in our core values which are Compassion, Courage and Creativity.

As an organisation we are clear on three things, our ultimate aim (The Vision), the impact we make on Society (The Mission) and the way we go about achieving this important work (The Values). Every individual in every part of the organisation holds these three things dear to them, for we are not here to do a job: we are here for a purpose driven by passion, commitment and humanity.

Our current strategic aims, as noted below are:

- Continuously advance rapid response critical care services to patients
- Be recognised as a leading authority on pre-hospital emergency care and paediatric transfer services
- Raise awareness, understanding and engagement with our charity across the country
- Unite people in the common purpose of our charity and create advocates who will enhance reputation and reach of the charity
- Be the organisation of choice and opportunity for the most talented and driven from diverse backgrounds
- Drive best practice across all areas of the organisation in a sustainable, responsible and ethical manner, to ensure a positive impact on the communities and environments in which we operate
- Grow income to £30 million in a diverse and sustainable manner to continue and develop our services.

Each of these will be reviewed and a detailed plan prepared which involves the whole of the Charity and measures to check and report our progress towards these aims.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of The Air Ambulance Service for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepting Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of information to auditor

So far as each of the Trustees is aware at the time this report is approved:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on 8 June 2023 and signed on its behalf by:

Robert J Allison
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AIR AMBULANCE SERVICE FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of The Air Ambulance Service ('the charitable company') and its subsidiaries ('the group') for the year ended31 December 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charitable Company Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including 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 the charitable company's affairs as at 31 December 2022 and of the group's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), anti-fraud, bribery and corruption legislation, health and safety legislation, taxation legislation and employment legislation.

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.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income, grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

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.

Use of our report

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

Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

4th Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 15 August 2023

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

For the year ended 31 December 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2022 Total £'000	2021 Total £'000
Income					
Incoming resources from generated funds					
Donations and legacies	2	7,231	2,860	10,091	10,974
Other trading activities	2	23,057	-	23,057	19,072
Investment income	4	435	-	435	319
Total income		30,723	2,860	33,583	30,365
Expenditure					
Costs of raising funds					
Costs of generating voluntary income		5,152	-	5,152	4,349
Commercial trading operations and other costs		14,182	-	14,182	11,593
Charitable activities					
Operation of Air Ambulances		5,172	2,837	8,009	9,019
Total expenditure	5	24,506	2,837	27,343	24,961
Net income before gains on investments		6,217	23	6,240	5,404
Net (loss)/gain on fixed asset investments		(1,438)	-	(1,438)	1,143
Net movement in funds		4,779	23	4,802	6,547
Reconciliation of funds					
Total Funds brought forward at 1 January 2022		28,530	664	29,194	22,647
Total Funds carried forward at 31 December 2022		33,309	687	33,996	29,194

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenses are derived from continuing activities.

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET
Company number: 04845905

As at 31 December 2022

	Note	2022		2021	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		1,952		1,480
Investments	11		12,165		13,603
			14,117		15,083
Current assets					
Debtors	12	4,203		3,952	
Stocks		477		503	
Cash at bank and in hand		18,030		12,007	
		22,710		16,462	
Creditors: amounts falling due within one year	13	(2,831)		(2,351)	
Net current assets			19,879		14,111
Net assets			33,996		29,194
Funds					
Unrestricted funds					
General funds	15		33,144		26,927
Investment revaluation reserve	15		165		1,603
Restricted funds	14		687		664
			33,996		29,194

The notes on pages 26 to 42 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 8 June 2023.

Robert J Allison
Chair of Trustees

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CHARITABLE COMPANY BALANCE SHEET
Company number: 04845905

As at 31 December 2022

	Note	2022		2021	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		993		620
Investments	11		12,166		13,604
			13,159		14,224
Current assets					
Stocks		-		15	
Debtors	12	4,236		3,912	
Cash at bank and in hand		15,768		10,648	
		20,004		14,575	
Creditors: amounts falling due within one year	13	(1,523)		(1,087)	
Net current assets			18,481		13,488
Net assets			31,640		27,712
Funds					
Unrestricted funds					
General funds	15		30,788		25,445
Investment revaluation reserve	15		165		1,603
Restricted funds	14		687		664
			31,640		27,712

The notes on pages 26 to 42 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 8 June 2023.

Robert J. Allison.

Robert J Allison
Chair of Trustees

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOW YEAR ENDED 31 DECEMBER 2022

	2022 £'000	2021 £'000
Reconciliation of net incoming resources to net cash flow from operating activities		
Net income	4,802	6,547
Depreciation	582	525
Loss on disposal of tangible fixed assets	-	-
Net loss/(gain) on fixed asset investments	1,438	(1,143)
Decrease/(increase) in stock	26	(176)
Increase in debtors	(251)	(708)
Increase in creditors	480	506
Investment income received	(435)	(319)
Net cash inflow from operating activities	6,642	5,232
Cash Flow Statement		
Net cash inflow from operating activities	6,642	5,232
Cash flows from investing activities	435	319
Purchase of intangible fixed assets	-	(3,000)
Purchase of tangible fixed assets	(1,054)	(805)
Increase in cash and cash equivalents in the year	6,023	1,746

Analysis of changes in net cash

	At 1 January 2022 £'000	Cash flow £'000	At 31 December 2022 £'000
Cash at bank and in hand	12,007	6,023	18,030

Reconciliation of Movement in Cash	2022 £'000	2021 £'000
Net increase in cash and cash equivalents for the year	6,023	1,746
Cash and cash equivalents as at 1 January 2022	12,007	10,261
Cash and cash equivalents as at 31 December 2022	18,030	12,007

Cash flows from investing activities

	2022 £'000	2021 £'000
Investment income received	435	319

1. Accounting policies

The following accounting policies have been applied in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

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 (FRS 102) (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 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 note(s).

The consolidated accounts incorporate the accounts of the parent charitable company and all group undertakings. Consolidation has been undertaken on a line by line basis. A separate statement of financial activities for the parent charitable company is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charitable group is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Gifts in kind

i) Assets given for distribution by the charity are included in the Statement of Financial Activities only when distributed.
ii) Assets given for use by the charity (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources when receivable.
iii) Gifts made in kind but on trust for conversion into cash and subsequent application are included in the accounting period in which the gift is sold.

In all cases, the amount at which gifts in kind are brought into the accounts is either a reasonable estimate of their value to the charitable group or the amount actually realised.

Donated services and facilities

Donated services and facilities are included at the value to the charitable group where this can be quantified. In accordance with the Charities SORP (FRS 102), the value of services provided by volunteers has not been included in these accounts.

Legacies

Legacies are recognised at the earlier of the date that probate was granted or the legacy was received. Other legacies notified are not accrued due to uncertainty of value and timing.

1. **Accounting policies – continued**

Trading outlets
Retail sales are included in the period in which the sale is initiated.

Structure of funds
Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the trustees have chosen to earmark for set purposes are designated funds.

Resources expended

All expenditure is accounted for on an accruals basis. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. Expenditure is matched against the restricted or unrestricted funds to which it relates. Support costs directly attributable to an activity are allocated to that activity. Other costs that cannot be directly attributed are allocated against the categories based on management's estimate of usage of those services.

a) **Costs of raising funds**
The costs of generating funds are the costs associated with generating income through fundraising and other activities, including the costs of the commercial trading operations.

b) **Charitable activities**
The trustees consider that there is only one charitable activity, that of the provision of an air ambulance service.

c) **Governance costs**
These are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. The costs include external audit and costs associated with constitutional and statutory requirements e.g. the cost of trustee meetings and preparing statutory accounts.

1. **Accounting policies – continued**

Fixed assets

Capitalisation

All assets falling into the following categories are capitalised.

i) Tangible assets which are capable of being used for more than one year and have a cost equal to or greater than £500, (£200 for The Air Ambulance Service Trading Limited)
ii) Groups of tangible fixed assets which are interdependent or would normally be provided or replaced as a group with a total value in excess of £5,000 and an individual value of £500 or more, (£200 for The Air Ambulance Service Trading Limited)
iii) Computer software licenses are capitalised as intangible assets where they are capable of being used for more than one year and have a cost, individually or as a group, equal to or greater than £500, (£200 for The Air Ambulance Service Trading Limited)

Tangible Fixed Assets and Depreciation

Fixed assets are recorded at cost or, in the case of assets where assets have been donated to the group, at valuation at the time of acquisition. Depreciation is provided on all tangible fixed assets excluding freehold land, at rates calculated to write off the cost, less estimated residual value, based on values prevailing at the date of acquisition, of each asset, on a straight line basis, over its expected useful life, as follows:

Buildings	7%
Fixtures and fittings	20%
Medical equipment	20%
Office equipment	20%
Motor vehicles	25%
Computer equipment	33%

The holding value of assets is regularly reviewed for impairment and where deemed appropriate assets are written down.

Fixed Asset investments

Investments are a form of basic financial instrument, are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market value. Gains and losses arising on disposals and revaluation throughout the year are included in the statement of financial activities All investment income is treated as unrestricted.

Stock

Stock consists of purchased goods for resale and items to be given to volunteers and people who participate in fundraising events. Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The value of goods donated for sale in the group's charity shops is not included in stock. Instead, they are accounted for as income in the period in which the goods are sold.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of any transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible into known amounts of cash with insignificant risk of change in value.

1. Accounting policies – continued

Financial instruments
The charitable company enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. 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.

Creditors and provisions
Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

Operating leases
Operating lease rentals are charged to the statement of financial activities on a straight-line basis over the lease term. Lease incentives are charged on a straight-line basis over the term of the lease.

Gift aid payments receivable
The parent charity receives income from its trading subsidiary under the gift aid scheme, which are recognised as distributions to owners in equity within retained earnings of that company.

At the reporting date there was no legal obligation in place for the charity to receive this gift aid payment, although prior to the reporting date the trading subsidiary board had indicated its intention to pay the taxable profits to the parent charity in respect of the reporting date.

There is no tax charge in the year due to the exception under 29.14A of FRS 102. Relief is allowed as the gift aid payment will made by the trading subsidiary to the parent company within 9 months of the year end.

1. **Accounting policies – continued**

Judgements in applying accounting policies and key sources of estimation uncertainty

The charitable company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the charitable company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the trustees have made the following judgements:

- Determine whether leases entered into by the charitable company either as a lessor or a lessee are operating leases or finance leases. The decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor or lessee on a lease-by-lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

- Provisions. A provision is recognised when the charitable company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

  Whether a present obligation is probable or not requires judgment. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

- Depreciation and residual values. The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

  The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

2. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£'000	£'000	£'000	£'000
Donations	5,439	-	5,439	4,982
Legacies	1,792	2,417	4,209	5,627
Grants receivable (see note 3)	-	443	443	365
	7,231	2,860	10,091	10,974
Other trading activities				
Charity shop income (see note 11.1)	13,743	-	13,743	9,083
Lottery income	8,719	-	8,719	7,683
Event income	595	-	595	380
Government grants receivable	-	-	-	1,552
Other	-	-	-	374
	23,057	-	23,057	19,072

Included within government grants receivable is £Nil (2021:£0.98m) claimed under the Small Business Grant Fund and £Nil (2021:£0.572m) claimed under the Coronavirus Job Retention Scheme.

Income from donations and legacies in 2021 was £11m of which £8m was attributable to unrestricted funds and £3m to restricted funds. Income from other trading activities in 2021 was £19.072m all of which was attributable to unrestricted funds.

3. Material grants received by category

Sources of material grants:	2022 £'000	2021 £'000
General Charities of the City of Coventry	90	90
The Margaret Giffen Charitable Trust	20	20
Rooney Family Foundation	25	-
The Bernard Sunley Trust	-	20
The Saintbury Trust	20	-
O'Brien Charitable Trust	10	10
The Leaf Charitable Trust	15	-
Lions Club International Foundation	-	11
Dignity	-	10
The EBM Charitable Trust	10	10
Mahoro Charitable Trust	-	10
Groundworks (Tesco Bags of Help)	10	-
County Air Ambulance	10	-
Anonymous	10	-
Other < £10,000	223	184
Total	443	365

4. Investment income

	2022 £'000	2021 £'000
Bank interest	15	3
Investment income	420	315
Other	-	1
	435	319

5. Resources expended by activity

	Basis of Allocation	Costs of Fundraising *Voluntary* £'000	Trading costs £'000	*Charitable activities* £'000	Governance costs £'000	2022 £'000	2021 £'000
Costs directly allocated to activities							
Fundraising Costs	Direct	1,895	-	-	-	1,895	1,383
Operations	Direct	-	-	7,063	-	7,063	8,124
Marketing and PR	Direct	2,337	-	-	-	2,337	2,098
Trading costs	Direct	-	13,735	-	-	13,735	11,185
Depreciation	Direct	-	342	240	-	582	525
Support costs allocated to activities							
Support Services	Hours	920	-	706	105	1,731	1,646
		5,152	14,077	8,009	105	27,343	24,961

Operational and fundraising staff are allocated directly, management and administration are allocated on a time apportioned basis.

The expenditure in 2021 was £24.961m of which £21.945m was attributable to unrestricted funds and £3.016m to restricted funds.

6. Staff costs

	2022 £'000	2021 £'000
Wages and salaries	8,656	7,293
Social security costs	747	595
Pension costs	260	209
Redundancy and termination payments	7	6
	9,670	8,103

The average number of employees during the year was as follows:

	2022 No.	2021 No.
Aviation Operations	31	31
Fundraising	29	29
Trading	320	275
Administration	41	43
	421	378

Pensions contributions
The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Annual contributions amounting to £259,984 (2021: £209,127) were charged to the Statement of Financial Activities during the year. At the balance sheet date, there were £48,588 outstanding contributions (2021: £39,539).

Key Management Personnel remuneration
There were five (2021: five) members of the senior management team and their aggregate remuneration in respect of qualifying services for the Group was:

	2022 £'000	2021 £'000
Remuneration receivable	485	437
Termination payments	34	-
Social security costs	66	52
Pension contributions	29	13
	614	502

The number of senior management personnel whose remuneration (excluding pension contributions) for the year fell within the following bands were:

	2022 No.	2021 No.
£160,000 to £169,999	1	-
£140,000 to £149,999	-	1
£100,000 to £109,999	1	1
£90,000 to £99,999	-	2
£80,000 to £89,999	2	-
£70,000 to £79,999	2	-
£60,000 to £69,999	3	-

No other employees (outside of key management personnel) earned more than £60,000 in 2021.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

7. Trustees and connected persons' transactions

Trustees' expenses reimbursed
During the year expenses of £2,661 (2021: £Nil) were reimbursed to Trustees and related to travel costs.

Trustees' remuneration
No trustees received remuneration during the year (2021: Nil).

The Charity pays an insurance premium in respect of Trustees' and Individuals' liability cover at a cost of £1,785 (2021: £878).

8. Net incoming resources

	2022 £'000	2021 £'000
This is stated after charging:		
Auditors' remuneration - audit services	31	17
Depreciation – owned assets	582	525
Loss on disposal of tangible fixed assets	-	-
Operating Lease Costs	5,389	6,439

9. Taxation
The charitable company, as a registered charity, is exempt from tax on income and gains falling within section 478 of the Taxes Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

10. Tangible fixed assets

GROUP

	Leasehold Property £'000	Fixtures & fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2022	134	1,571	2,647	139	4,491
Additions	-	316	653	85	1,054
Disposals	-	-	-	-	-
At 31 December 2022	134	1,887	3,300	224	5,545
Depreciation					
At 1 January 2022	92	1,007	1,807	105	3,011
Charge for the year	9	208	345	20	582
Disposals	-	-	-	-	-
At 31 December 2022	101	1,215	2,152	125	3,593
Net book value					
At 31 December 2022	33	672	1,148	99	1,952
At 31 December 2021	42	564	840	34	1,480

CHARITY

	Leasehold Property £'000	Fixtures & fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2022	134	290	1,946	135	2,505
Additions	-	58	470	85	613
Disposals	-	-	-	-	-
At 31 December 2022	134	348	2,416	220	3,118
Depreciation					
At 1 January 2022	92	288	1,401	104	1,885
Charge for the year	9	2	209	20	240
Disposals	-	-	-	-	-
At 31 December 2022	101	290	1,610	124	2,125
Net book value					
At 31 December 2022	33	58	806	96	993
At 31 December 2021	42	2	545	31	620

11. Investments

Group	Managed Funds £'000	Total £'000
Cost or Valuation		
At 1 January 2022	13,603	13,603
Net losses on investment	(1,438)	(1,438)
At 31 December 2022	12,165	12,165

Charity	Investments in Subsidiaries £'000	Managed Funds £'000	Total £'000
Cost or Valuation			
At 1 January 2022	1	13,603	13,604
Net losses on investments	-	(1,438)	(1,438)
At 31 December 2022	1	12,165	12,166

Our portfolio of funds is managed equally by Cazenove Capital and CCLA. Their mandate is to maximise the overall growth of these funds through investment in various different asset classes while ensuring that the risks taken are carefully monitored, managed and controlled, whilst bearing in mind liquidity needs.

The following are subsidiary undertakings at 31 December 2022:

Name	Holding	Principal activity	Proportion held by the charity
The Air Ambulance Service Trading Limited	Ordinary shares	Retail charity outlet	100%
The Air Ambulance Service Events Limited	Ordinary shares	Dormant	100%
The Air Ambulance Service Recycling Limited	Ordinary shares	Dormant	100%
The Air Ambulance Service Aviation Limited	Ordinary shares	Dormant	100%
TAA Service	Company limited by guarantee	Dormant	n/a
The Children's Air Ambulance	Company limited by guarantee	Dormant	n/a

All of the above companies are incorporated in England & Wales.

11.1 Net income from trading activities of subsidiary

The Air Ambulance Service Trading Limited, the wholly owned subsidiary of the charity is a retail charity outlet. A summary of its trading results for the year to 31 December 2022 are shown below. Audited accounts will be filed with the Registrar of Companies.

	2022 £'000	2021 £'000
Turnover	13,712	9,083
Cost of sales	(1,301)	(924)
Administration expenses	(10,008)	(8,023)
Other operating income	31	1,652
Operating profit	2,434	1,788
Profit after tax	2,434	1,788
Retained earnings at the beginning of the year	1,483	299
Profit for the year	2,434	1,788
Gift aid payment	(1,560)	(604)
Retained earnings at the end of the year	2,357	1,483
The assets and liabilities at 31 December were:		
Fixed assets	958	861
Current assets	3,390	2,469
Current liabilities	(1,991)	(1,847)
Total net assets	2,357	1,483
Aggregate share capital and reserves	2,357	1,483

12. Debtors

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due within one year				
Amounts due from group undertaking	-	-	683	581
Trade debtors	136	106	29	32
Other debtors	24	1	22	1
Prepayments	985	983	595	610
Accrued income	2,724	2,513	2,724	2,513
VAT	334	349	183	175
	4,203	3,952	4,236	3,912

13. Creditors

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due within one year				
Trade creditors	1,439	700	1,047	304
Taxation and social security	208	168	134	94
Other creditors	57	43	32	24
Accruals and deferred income	1,127	1,440	310	665
	2,831	2,351	1,523	1,087

Included within accruals and deferred income is an amount of £Nil (2021 £0.5m) received from Libor banking fines.

14. Restricted funds

	Balance at 1 Jan 2022 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Balance at 31 Dec 2022 £'000
The Children's Air Ambulance – Incubator	58	-	-	-	58
CAA Helicopter lease appeal	-	229	223	-	6
DLRAA Helicopter lease appeal	-	782	763	-	19
WNAA Helicopter lease appeal	-	1,849	1,818	-	31
Lloyds Charities Trust	49	-	-	-	49
Various Other Trusts and Foundations	58	-	-	-	58
LIBOR Funding	499	-	33	-	466
	664	2,860	2,837	-	687

	Balance at 1 Jan 2021 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Balance at 31 Dec 2021 £'000
The Children's Air Ambulance – Incubator	58	-	-	-	58
CAA Helicopter lease appeal	-	349	349	-	-
DLRAA Helicopter lease appeal	-	902	902	-	-
WNAA Helicopter lease appeal	-	1,349	1,349	-	-
Lloyds Charities Trust	49	-	-	-	49
Various Other Trusts and Foundations	54	420	416	-	58
LIBOR Funding	499	-	-	-	499
	660	3,020	3,016	-	664

14. Restricted funds - continued

Purposes of restricted funds

The Children's Air Ambulance – Incubator was an appeal launched to purchase an incubator for TCAA before it was part of TAAS.

The CAA helicopter lease appeal represents funds received specifically towards CAA lease costs.

The DLRAA helicopter lease appeal represents funds received specifically towards DLRAA lease costs.

The WNAA helicopter lease appeal represents funds received specifically towards WNAA lease costs.

The Lloyds Charities Trust donated a grant to purchase a new detachable stretcher for one of our clinical partners (Evelina Children's Hospital or Great Ormond Street Hospital).

Various other trusts and foundations have provided donations for specific restricted projects.

The LIBOR funding was awarded to meet the capital costs associated with the two new Children's helicopters.

15. Unrestricted funds (group)

	1 Jan 2022 £'000	Incoming £'000	Outgoing £'000	Losses on Invest-ments £'000	Transfers £'000	31 Dec 2022 £'000
General funds	26,927	30,723	24,506	-	-	33,144
Investment revaluation reserve	1,603	-	-	(1,438)	-	165

	1 Jan 2021 £'000	Incoming £'000	Outgoing £'000	Gains on Invest-ments £'000	Transfers £'000	31 Dec 2021 £'000
General funds	21,527	27,345	21,945	-	-	26,927
Investment revaluation reserve	460	-	-	1,143	-	1,603

Unrestricted funds (charity)

	1 Jan 2021 £'000	Incoming £'000	Outgoing £'000	Losses on Invest-ments £'000	Transfers £'000	31 Dec 2021 £'000
General funds	25,445	18,541	13,198	-	-	30,788
Investment revaluation reserve	1,603	-	-	(1,438)	-	165

	1 Jan 2021 £'000	Incoming £'000	Outgoing £'000	Gains on Invest-ments £'000	Transfers £'000	31 Dec 2021 £'000
General funds	21,229	17,215	12,999	-	-	25,445
Investment revaluation reserve	460	-	-	1,143	-	1,603

16. Analysis of net assets between funds

	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	13,819	298	14,117	14,709	374	15,083
Net current assets	19,490	389	19,879	13,821	290	14,111
	33,309	687	33,996	28,530	664	29,194

17. Operating lease commitments

At 31 December 2022 the charitable group had future minimum lease payments under non-cancellable operating leases as set out below.

Group

	2022		2021	
	Land and Buildings £'000	Other items £'000	Land and buildings £'000	Other items £'000
Operating leases which expire:				
Within 1 year	1,159	6,554	1,421	5,582
Between 1 to 5 years	4,572	24,493	3,500	31,342
More than 5 years	1,547	7,636	1,242	5,040
	7,278	38,683	6,163	41,964

Charity

	2022		2021	
	Land and Buildings £'000	Other items £'000	Land and buildings £'000	Other items £'000
Operating leases which expire				
Within 1 year	93	6,475	93	5,542
Between 1 to 5 years	347	24,400	347	31,285
More than 5 years	-	7,636	-	5,040
	440	38,511	440	41,867

18. Financial Commitments

As a result of group registration arrangements for value added tax (VAT), the charitable company is jointly and severally liable together with other members of the group for any VAT due by the representative member of the group.

19. Membership

The Air Ambulance Service is incorporated under the Companies Act 2006 as a company limited by guarantee having no share capital. The liability of members to contribute towards the debts of the charity in the event of a deficit on winding up is limited to £1.

20. Controlling parties

In the opinion of the trustees, given the structure of the charity, there is no ultimate controlling party.

21. Related party transactions

Transactions with Trustees are disclosed in in note 7.

There were no other related party transactions in the year (2021: none)

THE AIR AMBULANCE SERVICE

England & Wales - Charity number 1098874

Accounts

Registered company number: 04845905
Registered charity number: 1098874

THE AIR AMBULANCE SERVICE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONTENTS

	Page
Chairman's statement	1
Chief Executive's report	2-15
Trustees' Annual Report	16-30
Independent Auditor's report to the members	31-34
Group Statement of Financial Activities (incorporating the income and expenditure account)	35
Group Balance Sheet	36
Charity Balance Sheet	37
Consolidated Cash flow Statement	38
Notes to the financial statements	39-55

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CHAIRMAN'S STATEMENT

As a newly appointed Trustee and Chair of The Air Ambulance Service (TAAS), I am delighted to be joining the charity at such an important moment in its history. We are approaching the 20th anniversary of our local air ambulance services and the 10th anniversary of our children's transfer service. It is timely to reflect and acknowledge the dedication and hard work of so many within our community: staff, volunteers, those working in our shops and offices, fundraisers and, of course, the people that crew our helicopters and operate our vehicles. Our success depends on many different people and I am grateful to each and every individual for their contribution.

I must acknowledge the commitment of my predecessor, Chris Faircliffe. Chris has worked with the charity for over ten years as both a Trustee and Chair. I am personally grateful to Chris for his guidance and advice since I joined the charity.

It is often the most challenging of circumstances that brings communities together. The continued impact of Covid-19 in 2021 demonstrated just that. Our wonderful supporters, across our Warwickshire & Northamptonshire Air Ambulance, and Derbyshire, Leicestershire & Rutland Air Ambulance (WNDLRAA) counties, as well as nationally for the Children's Air Ambulance (TCAA), continued to show unwavering support. In no small part, it was their efforts that enabled us to deliver our critical services. Maintaining lifesaving, critical care and inter-hospital transfers throughout the pandemic is a remarkable achievement.

The Air Ambulance Service continues to advance rapid response and critical care services to patients. In 2021 the charity launched two new HEMS (Helicopter Emergency Medical Service) aircraft to ensure critical care is delivered urgently and at the highest possible level to where it is needed most. At the same time Children's Air Ambulance welcomed on board its 11th NHS Clinical Partner Team: KIDS/NTS based at Birmingham Children's Hospital.

I am extremely proud of what the charity has achieved, just as I am excited about the future as we embark on developing a new strategy. Our approaching anniversaries provide us with the perfect opportunity both to celebrate the past and also to think about what we aspire to achieve over the coming years, at a time where our support to the NHS has never been more important.

Above all, I know that we shall work tirelessly together, to ensure more children have the chance to grow into adults, adults live long, fulfilled lives, and their families and friends will be able to stay together because of what we do.

Thank you for your contribution to our continuing success.

Professor Bob Allison CBE
Chair of Trustees

CHIEF EXECUTIVE'S REPORT

As it was for many people across the country, 2021 was another challenging year. The continued threat of the covid pandemic meant that many working days were lost during the various lockdowns which hit our retail and fundraising efforts very hard. Before I report on the year for each area of the charity, I would like to begin by paying tribute to our incredible staff and volunteers and the amazing donors and supporters we have. All of those with a true and passionate commitment to the work we do really did step up and shine like beacons. This resulted in us being able to withstand the financial setbacks the covid crisis caused and maintain the things that were most important to us, namely, we kept our front-line services operating, we kept all of our workforce in jobs and we maintained financial stability. To achieve all three of those things under the pressures we had is a testament to the commitment and resilience we have as a charity that is led by and lives by its values.

Throughout 2021 both of our HEMS services (the local air ambulances for Derbyshire, Leicestershire and Rutland and for Warwickshire and Northamptonshire) maintained full service with both helicopter and rapid car response. Our Children's Air Ambulance maintained full service until the end of September when the contract was terminated by the aircraft supplier. Unreasonably so in our opinion but this is now a legal matter and therefore no further comment can be made on this other than to say, we have kept our clinical partners and all of our stakeholders fully informed, and we are pleased to report that the service will be back up and running in 2022 under a new aircraft supplier contract. The break in service was not ideal, but fully understood by partners and donors who maintained their full support for the charity.

Our purpose is to save lives and we do that by providing the best emergency medical services with rapid response capability by air and land. We respond to trauma and medical emergencies with our local air ambulances, and we respond to critical care transfer and retrieval needs for seriously ill children across the UK with our Children's Air Ambulance service.

All of our services are funded entirely by voluntary donations and by the trading and fundraising activities we undertake. This ethos remains at our core, we are there to work alongside and help the NHS and do so without the need for using their available funds. This year, as it was the previous year, it was essential that we did not take away any funding from the NHS and we continued to make our services and resources available to our NHS colleagues whenever it was needed.

The impact we make with our services is to keep people alive, keep families together, to let children grow and to enable the NHS to carry out more work than they would have been able to. We also impact on our communities by creating jobs, taking actions to improve the environment, bringing people together as volunteers and creating worthwhile training and experience opportunities.

We take our responsibilities for sustainability very seriously and undertake numerous activities to reduce our carbon footprint. We have strong policies on Equality, Diversity and Inclusion and ensure all steps are taken to put those policies into practice.

We are highly regulated as an organisation, and I am pleased to report that all inspections and audits were passed. We are registered with the Care Quality Commission who due to the pandemic, had to suspend routine inspections due to risk. However, they introduced 'Transitional Regulatory Monitoring Approach' in 2021. Whilst no CQC rating was applied, I am pleased to report no concerns were raised regarding TAAS clinical services.

We successfully achieved ISO 9001 and 14001 Certifications in January 2022. There were no issues involving The Charity Commission or The Fundraising Regulator or The Gambling Commission and no issues with data protection.

CHIEF EXECUTIVE'S REPORT (CONTINUED)

Our charity vision is

We want children to grow into adults and adults to live longer, making bereavement through trauma rare.

Our mission is

Our rapid response services work tirelessly to save lives and alleviate pain and suffering, wherever and whenever needed.

Our values are:

Compassion

We succeed because we care. We care about our patients, our supporters, our partners and our colleagues. We act with dignity, humility, integrity and respect.

Courage

We succeed because we dare. We are bold, pioneering and brave enough to ask questions of ourselves and others while actions are taken with responsibility.

Creativity

We succeed because we innovate. We recognise that new ideas, big and small, are essential for future growth. We are curious, we embrace change, and we rise to the challenge.

Our existing strategic priorities are as follows:

1. Continuously advance rapid response and critical care services to patients.

2. Be recognised as the leading authority on pre-hospital emergency care and paediatric and neonatal transfer services.

3. Raise awareness, understanding and engagement with our charity across the country.

4. Unite people in our common purpose and create advocates who will enhance reputation and reach of the charity.

5. Be the organisation of choice and opportunity for the most talented and driven from diverse backgrounds.

6. Drive best practice across all areas of the organisation, in a sustainable, responsible and ethical manner, to ensure a positive impact on the communities and environments in which we operate.

7. Grow income to £40 million in a diverse and sustainable manner to continue and develop our services.

This is how we performed against that strategy in 2021:

1. Advance Clinical Services

Our clinical services, two regional air ambulances and our national children's air ambulance, continued throughout the pandemic.

Warwickshire & Northamptonshire Air Ambulance
These two counties are served by an Agusta 109 Grand helicopter and a rapid response land vehicle that respond to requests by our NHS Ambulance Trust partner WMAS to assist with major trauma and medical emergencies. Both the helicopter and the car will be crewed with a doctor and paramedic of the highest clinical standards and dedication. The helicopter is leased from Sloane Helicopters based in Northamptonshire who also provide the pilots.

In 2021 WNAA were tasked to 1372 missions, 686 by helicopter and 686 by our critical care cars. Of these 342 were road traffic collisions.

WNAA	TOTAL
RTC	342
MEDICAL	473
SPORTS	42
FALL	151
INDUSTRIAL	29
OTHER	335

Our work of course is not about statistics but of real people. Here is an example of how our work makes a positive impact on people's lives:

The medical interventions performed by the local air ambulance critical care crew at the scene of the incidents they attend make a significant difference to the long-term outcome of the patient.
When Nuneaton warehouse operative James Davies (43) was knocked off his bicycle in a road traffic collision on his way to work he suffered multiple injuries – including bleeding on the brain and a lacerated skull - and it wasn't until six weeks after the accident that his family knew he was going to recover.
He spent 108 days in hospital and is now hoping to return to work at the end of October.
"I am very grateful for what the air ambulance crew did for me. Without them I might not be here today to tell the tale," he says.

It was 6.15am on 2nd February when James was hit from behind by a heavy goods vehicle. Within 19 minutes the Warwickshire & Northamptonshire Air Ambulance critical care car attended the scene of the accident on the A444.

The air ambulance crew were concerned that James – who was unconscious – might have a serious head injury so he was anesthetised and given drugs to stabilise his condition. These early interventions were crucial to his long-term recovery and helped prevent secondary brain injuries which can occur after such accidents.

James's other injuries included a fractured eye socket, fractured scapular, broken ribs, bleeding on the lungs, lacerations to his liver, kidney and spleen, four fractured vertebrae and a broken pelvis.

He was taken by land ambulance to University Hospital Coventry & Warwickshire. The air ambulance doctor who accompanied him on the nine-minute journey had informed waiting medical staff in the Accident & Emergency Department that James had lost a lot of blood, so they had some ready to give him an infusion as soon as he arrived.

James' sister Rachel James had to go to the hospital to identify him. She says:

"Even if he hadn't made the miraculous recovery he has, the care he received at the scene of the accident would have bought me time to say a final goodbye. If nothing else, we would have had that chance."

"Death was never the worst-case scenario though as he could have been trapped in a body, he couldn't use, so to see him walking around and standing up now brings tears of joy to my eyes."

James spent five weeks in intensive care and another two weeks in a major trauma ward at Coventry before he was transferred to the Central England Rehabilitation Unit, Leamington Spa – from where he was discharged on 20 May.

Rachel is so grateful to the local air ambulance for the part they played in her brother's "miraculous recovery" she is now fundraising for the charity.

She says: "There isn't enough money in the world to show how grateful we are for the care that James received that has meant he is still here with us today and able to enjoy his life, but every penny we can raise will go towards keeping the air ambulance flying and giving others the chance to survive."

Derbyshire, Leicestershire and Rutland Air Ambulance

These three counties are served by an Agusta 109 Grand helicopter and a rapid response land vehicle that respond to requests by our NHS Ambulance Trust partner EMAS to assist with major trauma and medical emergencies. Both the helicopter and the car are crewed with a doctor and a critical care paramedic of the highest clinical standards and dedication. The helicopter is leased from Sloane Helicopters, based in Northamptonshire, who also provide the pilots.

CHIEF EXECUTIVE'S REPORT (CONTINUED)

In 2021 DLR we were tasked to 2014 missions, 875 by helicopter and 1139 by our critical care cars. Of these 500 were road traffic collisions.

DLRAA	TOTAL
RTC	500
MEDICAL	728
SPORTS	92
FALL	199
INDUSTRIAL	29
OTHER	466

Patient Story – Jael Rowles

Jael Rowles from Old Brampton near Chesterfield and her family credit the critical care crew from Derbyshire, Leicestershire & Rutland Air Ambulance with saving her life after the car she was a passenger in collided with an oncoming vehicle that lost control.

Following the impact, Jael was immediately knocked unconscious and sustained serious head injuries.

The accident happened in August 2019 when Jael and two cousins were travelling in a car driven by her uncle.

Miraculously just 15 months later she has recovered enough to cycle 10km, run 2.5km and swim 400m to complete her fundraising triathlon.

"I wanted to thank the air ambulance by raising enough money for at least one mission to help other people who might find themselves in a frightening emergency like I did. The fact I was able to raise enough money to pay for nearly five missions – over £8,000- is amazing," she says.

Training for the triathlon helped Jael with her rehabilitation.

"The physical challenge was not easy for her and she had to train hard, but it gave her something to aim for," says her dad Adrian.

He recalls the awful moment when he and his wife Priscilla heard that their daughter and relatives had been involved in the crash.

They were phoned by a passing motorist who knew the family and recognised the people who had been injured.

"When we arrived at the scene the road was blocked and there were at least four ambulances there," he says.

Due to the time of day – it was beginning to get dark – the air ambulance crew attended the accident in the critical care car instead of the helicopter. It took them under 30 minutes to travel from their base at East Midlands Airport to the scene.

The critical care team were able to give emergency anaesthetic treatment to Jael at the scene that is usually only performed in a hospital environment.

Jael was initially sedated, before being intubated, and ventilated. This allowed the critical care team to control her body's oxygen and carbon dioxide levels so that her brain received the maximum amount of protection, and help prevent any further injury before reaching hospital

The air ambulance team accompanied Jael in a land ambulance to Sheffield Children's Hospital to continue her treatment during the journey and optimise her care further.

"The air ambulance doctor briefed the hospital staff about Jael's condition and then updated and reassured us about what was happening – for which we were very grateful," explains Adrian.

Jael was in intensive care for two weeks and the neurological ward for three months. During this time, she underwent an intensive rehabilitation programme with a team of specialists in physiotherapy, occupational therapy, speech and language therapy and neuropsychology.

Her parents were by her side all this time and lived at the hospital in a room provided by a charity that supports children with brain injuries.

In mid-November Jael returned home to continue her physiotherapy and by April 2020 she was able to take part in online lessons organised by her school. She went back to the classroom with a support worker in September but since the third lockdown has been doing online learning at home again.

It is testament to Jael's determination that not only did she complete her triathlon, but she did so during the Covid-19 pandemic – which meant it had to be delayed several times.

She says:

"'I would like to thank again the local air ambulance, to whom I am ever grateful, for acting the way they did on that day. I think their helicopter enthused me on as it always seemed to fly over our heads when we were training. I am thankful to all the people who donated to this worthy cause."

The Children's Air Ambulance

This is a national service covering all of the UK as and when required. It works in partnership with all the major specialist paediatric intensive care teams based in all the best-known children's hospitals.

The role of the Children's Air Ambulance is to ensure the quickest, safest transfer and retrieval of critically ill babies and children and to ensure the doctors and nurses attending them have available the best equipment to meet all the clinical need.

We operate two Agusta 169 helicopters for this service based in the North and South of the country in Doncaster and Oxford. This enables us to respond to all parts of the UK in rapid time.

The Children's Air Ambulance (TCAA) attended 71 missions in 2021 (65 Patient moves / 6 Team moves) as the pandemic significantly affected this number as hospitals had to cope with additional demands placed upon them by Covid-19. NHS paediatric and neonatal teams also reported a significant drop-in activity throughout 2021 especially over the historical busy winter/spring period.

Patient Story - Harry Younge

An 11-year-old boy with a potentially life-threatening heart condition was flown on the Children's Air Ambulance twice in 4 weeks at the height of the Covid-19 crisis.

On both occasions, Harry Younge – from the Norfolk village, Wiggenhall St Germans – could have gone into cardiac arrest or had an arrythmia (abnormality of the heart's rhythm) during the transfer between Queen Elizabeth Hospital, Kings Lynn and Great Ormond Street Hospital, London.

Doctors decided it was safer for him to make the journey by air as his heart wasn't stable.

The Children's Air Ambulance was mobilised from its base in Oxford to pick up a specialist paediatric retrieval team from London-based Children's Acute Transport Service (CATS), fly them to King's Lynn to prepare Harry for the flight and then accompany him on the helicopter back to London.

It took just 39 and 40 minutes to transfer Harry from King's Lynn to Regents Park in London, where a land ambulance was waiting to take him to hospital. This is compared to a road journey of 102 miles which would take approximately two hours 20 minutes depending on traffic conditions at the time.

"If you are in a life-threatening situation with your child, the Children's Air Ambulance and the CATS team are who you want with you at that moment. We are very lucky to have the Children's Air Ambulance. The pilots were fabulous and the CATS team amazing. Thank God we have got them both," says Harry's mum Nina.

As there is an allocated parent seat on the helicopter, she was able to travel with her son on both flights.

She says: "I knew he was in safe hands, but I was worried that he would have these arrythmias, the defibrillator implanted in him would shock or he would go into cardiac arrest in the air. It was so nerve wracking, I kept thinking hurry up and get us to London. He had been prepped so he could be quickly put to sleep and externally defibrillated if necessary. I was thinking please don't let that happen, no parent wants to see their child being defibrillated especially not whilst up in the air."

"His team had said he wasn't stable enough for him to be moved by land ambulance. He was in the helicopter because his situation could have been life threatening. Despite the fact he was getting to Great Ormond Street Hospital as quickly as possible with a team of highly skilled people it was still a very traumatic situation to be in and I was terrified."

But thankfully, since the two transfers on May 3rd and June 2nd, Harry (now 12) has had a heart transplant and is back at home.

"Since the operation he's been thriving – putting on weight, has warm hands and feet and his finger and toenails are pink again. I hadn't realised how sick he looked before the operation."

"Harry can't believe the difference either and keeps running up and down the stairs at home because he can do it now without getting out of breath. He also panicked the first time he noticed his pulse as he hadn't felt it so strong before now. It was much slower before transplant, "says Nina.

Harry was nine years old when he collapsed after a family holiday. It was discovered that he had a heart murmur and an echocardiogram showed he had Hypertrophic Cardio Myopathy. For two and a half years he was regularly seen at Great Ormond Street Hospital where his condition was monitored.*

He was conscious both times he was on the Children's Air Ambulance and having experienced being a patient on the helicopter he now wants to tell other children about it.

Harry says:

"I was really afraid when I knew I was going to have to go in the Children's Air Ambulance, but everyone told me I would be safe and that I would get to Great Ormond Street Hospital much quicker, which was better for me."

"I had some ear defenders with a microphone and the pilot, and the CATS team talked to me and told me I would be ok. It wasn't as bad as I thought. I think I liked it better than my mum! When we got to London lots of people were in the park watching the helicopter land. I said I felt like a celebrity, there were so many people there. It was just a shame I was in my pyjamas!"

Having benefitted from the service provided by the Children's Air Ambulance Nina is keen to promote the vital work it does.

"How can it be that such a vital service is operated by a charity and has no Government funding? I think it is such an important charity and I would urge people to support it. We all think that these things happen to someone else, you don't imagine your child needing to be air lifted to hospital, but when suddenly you are in that situation, and time is of the utmost importance, you quickly realise how important it is that we have the Children's Air Ambulance. We will forever be grateful to them," she says.

2. Be recognised as the leading authority on pre-hospital emergency care and paediatric and neonatal transfer services.

We have a strong belief and core ethos that charities like ours can and should support the work of the NHS as much as we can. We are about patients and helping people, not just helicopters. Over the years we have built an expertise in Pre-Hospital Emergency Care (PHEC) and Pre-Hospital Emergency Medicine (PHEM) and we want this to be used in the best proactive way. Similarly, we have developed substantial resources to be able to assist in national strategies.

The recognition we seek from Government and NHS is all about how we can help more. This is why we engage with NHS leaders and Government representatives as well as senior figures in the clinical world. We have very strong relationships with the clinical partner teams for our Children's Air Ambulance with all of the major children's hospitals and their paediatric intensive care teams.

For our HEMS services we work closely with both West Midlands Ambulance Service and East Midlands Ambulance Service.

Over the last year it has been difficult to advance these relationships with future thinking simply because of the pandemic and the priorities of NHS management being focussed in that area. However, all relationships are stable and will advance further in 2022.

3. Raise awareness, understanding and engagement with our charity across the country.

In 2021 we undertook a series of campaigns to continue to raise awareness of the work we do. These take the form of direct mail to homes across the regions we serve as well as social media, written and broadcast media and specific news campaigns to keep all our supporters informed and involved.

Mailing Appeals

Overall, the combined income for Individual and Regular Giving appeals achieved £3.36m which is 115% of target at an additional £450k. It also represents a £850k increase on 2020.

Total income for the Individual Giving element, which includes Warm, Cold and Raffle appeals, achieved £2.46m compared to an annual target of £1.9m. Regular Giving achieved 94% of target at £895k versus £951k. (Net income is £2.2m).

Performance has been achieved through very high responses to our appeals, which is a clear indicator that our approach and tone is providing the cut through required. This saw close to a quarter-of-a-million responses to all appeals and a 300% increase YOY.

PR and Communications

Over the course of the year the total number of press releases issued to media print, broadcast and online year numbered 321.

There were many emotive, human-interest stories that perfectly showcased the tireless work of our vital, front-line lifesaving services but one of the biggest drivers of awareness in 2021 was the launch of our two new HEMS aircraft across our counties of Warwickshire & Northamptonshire, Derbyshire, Leicestershire & Rutland. The two-month campaign achieved 55 print, broadcast and online hits. Importantly it gave the charity an opportunity to reaffirm its core messaging and shine a light on the critical services provided, the fact the charity is funded entirely through voluntary donations and the fact it supports the NHS at no cost to the NHS.

Across The Children's Air Ambulance our fantastic former patients provided wonderful, engaging case studies across England, Scotland, and Wales. This was highlighted in a piece delivered across ITV Southwest where a four-minute news piece gave a detailed account of the Children's Air Ambulance. They also interviewed a patient family.

CHIEF EXECUTIVE'S REPORT (CONTINUED)

In December the charity highlighted the amazing story and fundraising exploits of former patient Pip Peacock and this generated significant national and regional coverage – including Songs of Praise. Pip suffered horrific injuries when she was trampled by a herd of cows, suffering 34 broken bones, but amazingly she finished a challenge to walk 1,000 miles for the charity and this was covered across the BBC, ITV and most national newspapers.

Social Media

December saw our strongest ever ad campaign performance across social media. A Christmas campaign with a specially designed, animated pop out achieved over 1 million impressions for the two-week campaign across Facebook. The aim was to increase engagement through impressions and to drive donations through the website. It performed phenomenally well achieving more than 1million impressions and a combined reach of nearly three-quarters of a million people. This generated over 10k click throughs to our website with the link directing to our donation page. This contributed to the website's most profitable month ever.

2021 saw a 20% growth in engaged social media followers across our channels. These now stand at 211k up from 174k in 2020.

Website

A strong end of year performance saw annual revenue across the website exceed target with income of £408,105 - an increase of £78k year-on-year.

The charity also launched its new In Memory platform which generated £16k of online donations in its first four months. This represented a substantial increase over the performance of its predecessor.

Continued growth across the charity's web shop saw a 90% increase year-on-year for pageviews on the web shop and the site was voted in the top 25 Charity websites by Priority Pixel where it featured amongst sites such as RNLI, Macmillan, and Oxfam for a second year running.

The performance of our Google rankings for certain content pieces continue to contribute to the strong national exposure of our services. These specifically supported reuse and retail campaigns. This directly contributed to the website receiving three national awards over the past 12 months.

Our community fundraising teams, though curtailed for some parts of the year, continued to build relationships at local level with businesses, organisations, and schools.

In our communities, we also had some real success. Impulse Decisions a company based in Harrogate. We won a Charity of the year pitch and have recently received a donation of £57,000 with a promise of further donations in December 2022.

Our chain of 58 retail outlets across the country are there primarily to sell donated goods and generate funds, the impact on raising the awareness of the work we do, as an organisation, in stores and across their own communities should not be underestimated.

Due to the pandemic and continued restrictions placed on retail and hospitality during some periods, trade was limited. However, we successfully opened 2 'Hanger' superstores, in Beaumont Leys and Melton Mowbray. The latter includes our first drive through donation station. In addition, to the superstores we pushed into a new territory, heading northwest to Salford where a large format store was opened. Complimenting the store portfolio, we have three 'Landing Pad' coffee shops trading inside our superstores. These will be an integral part of our superstore concept, creating that community environment where our customers can engage more with us and be involved in our fundraising activities. Our stores contributed towards fundraising through collection tins, donations, events, and campaigns.

Website Analysis

Description	Metric	2021	2020
Total number of pages viewed	Page views	1,180,866	1,102,354
Number of sessions the page was viewed at least once	Unique page views	946,203	865,166
The average value of the page	Page Value	£2.40	£2.49
	Time on Page	1.11mins	1.06mins
	Revenue	£408,105	£329,676
	AOV	£56	£42
New vs Returning Visitors	**New**	**Returning**	**New / Returning**
	436,247	67,652	New: 350,237 Returning: 68,803
Page Data		**Pageviews**	**Pageviews**
Signs ups are 74 (217 in 2020)	#TheCrew	4,508	8,758
	Local Lottery	13,437	16,651
	TCAA Lottery	2,843	3,571

4. Unite people in our common purpose and create advocates who will enhance reputation and reach of the charity.

A particular highlight for the charity in 2021 was the staging of our first ever national showcase and awards event in Birmingham where we were able to bring together all of our stakeholders under the same roof in one evening. Thanks to our sponsors generosity we saw staff, volunteers, clinical partners, NHS management, Ambulance services, Government, donors, supporters, Ambassadors, suppliers and even our young #thecrew members come together and enjoy an evening of celebration of the charity and the outstanding individual and team achievements from the year.

Though the pandemic had many negative effects on the charity, one very strong positive was how everyone already involved with us really stepped up to the plate and went above and beyond to keep us flying. In my 18 years at the charity, this is the most unified it has been showing our resilience and togetherness when it really mattered.

5. Be the organisation of choice and opportunity for the most talented and driven from diverse backgrounds.

With the pandemic hitting hard in 2021 recruitment slowed down a great deal and the charity took the position of consolidation rather than growth for most of the year. Instead, our focus shifted to looking after our people with strong wellness programmes instituted.

Keeping staff in their jobs was a big achievement for us and we are very proud to say that not one job was lost through covid. As with many companies and organisations, we adapted to working from home, invested in the technology needed to ensure our staff remained effective and diverted skills when we could to other areas such as online trading.

6. Drive best practice across all areas of the organisation, in a sustainable, responsible and ethical manner, to ensure a positive impact on the communities and environments in which we operate.

I am proud to say that the charity achieved a clean audit in 2021 and passed all external inspections and regulatory requirements. We achieved re accreditation of ISO 9001 and 14001 Certifications in January 2022 and was pleased to pass with flying colours!

Over the last 12 months we have successfully diverted over 2 million tonnes of textiles from landfill. To further this achievement in the future and to ensure that we stay at the forefront of the textiles revolution, TAAS has signed a commitment and formed an association with Wrap 2030. Whilst electric vehicles are not yet a viable option for us, the charity has procured and are phasing in a more sustainable fleet of vans expected to deliver a reduction of emissions of between 17 - 20%. To further reduce emissions, we have implemented the use of bespoke software which minimises van journeys based on route planning

7. Grow income to £30 million in a diverse and sustainable manner to continue and develop our services.

The existing strategy had us achieving an income of £30m by the end of 2022 and despite the pandemic, we remain on course to achieve this in that timescale.

Our income generation strategy remains centred around core regular giving and enterprise. It has always been central to our fundraising that we have a wide and diverse set of income streams that will generate income despite social and economic variances. The figures listed in item 3 show the correlation between awareness and income and the impressive results achieved through campaigns and media, but there are also other areas of income generation that are hugely important to the charity.

CHIEF EXECUTIVE'S REPORT (CONTINUED)

In 2021 our lottery produced £7.7million of income. *It started as two lotteries in 2008: one for DLR and the other for WN. In September 2015, they were combined into a single lottery with 51,000 paying members, and after six and a half years, the lottery has now doubled in size. It is a tribute to our canvassers who have enlisted support in amazing numbers and continue to do so.*

Legacies – we were gifted £1 million from a legacy in December 2021 from a supporter from Derbyshire. This brought our legacy total in 2021 to a very impressive £5.6m.

Although most events were curtailed through the pandemic we dd manage to encourage 36 intrepid souls to brave the elements and tackle the Channel Swim relay challenge. Teams covered the 22 miles between Dover and Calais in teams of six and took it in turns to swim the channel in rotation. This challenge was a physical and mental challenge that can only be achieved with support, willpower, and the right preparation. We offered all we could to help spur our swimmers to complete a lifetime achievement and focus all their energy on preparing for this incredible feat. Each swimmer had a fundraising target of £1,800.

We had National Media exposure, and our swimmers came from Wales, Midlands, London, Bristol, Manchester, Southampton. There was high engagement from our Children's Air Ambulance clinical teams amongst the many others – teams from our partner hospitals at Evelina Children's Hospital in London, Bristol Children's Hospital, Leicester Royal Infirmary helped raise the profile of the event and donor support quite considerably. The whole effort raised a net profit to the charity of just under £46,000.

Overall, despite the pandemic, the charity performed very well indeed against its stated strategy in 2021. The challenge of the pandemic with the economic restrictions and uncertainty it brought, coupled with the effect it had on staff, volunteers, and supporters, provided our leadership team with the biggest challenge yet. I am delighted to say that we rose to it with aplomb. The finances stayed strong and stable, our staff retention was excellent and most of all, our services continued to deliver the life saving medical care that our charity is all about.

My sincere thanks to everyone involved for seeing us through 2021 successfully. We now look forward to an even better 2022 and a future of continued achievement.

Andy Williamson
Chief Executive

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary ("the Group") for the year ending 31 December 2021 which are also prepared to meet the requirements of a Directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

LEGAL AND ADMINISTRATION INFORMATION

Charity Name	The Air Ambulance Service
Charity Registration Number	1098874
Company Registration Number	04845905
Registered Office	Blue Skies House Butlers Leap Rugby Warwickshire CV21 3RQ
Independent Auditors	Cooper Parry Group Limited Sky View Argosy Road East Midlands Airport Castle Donnington Derby DE74 2SA
Bankers	Barclays Bank PLC Meridian Business Park Leicester LE19 1RP
Investment Managers	Cazenove Capital 1 London Wall Place London EC27 5AU CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal Activities

The principal activities of The Air Ambulance Service ("TAAS") are the relief of sickness and injury and the protection of human life, principally (but not exclusively), by the provision of an air ambulance service.

Statement of public benefit

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Air Ambulance Services' charitable objects are stated within its memorandum and articles of association and as such the trustees ensure that the charity's activities are carried out for the public benefit through its strategic priorities. This is done primarily through the delivery of services by the provision of an emergency and children's air ambulance service. This report allows us to show how our charitable funds are spent and the impact and benefits that has on those requiring our services, as well as the wider impact on the communities we operate in.

Our fundraising standards

As a charity reliant on voluntary income we take an active and responsible approach to our fundraising. We are registered with the Fundraising Regulator and are firmly committed to ensuring we are compliant with their Code of Practice.

Our fundraising activity is carefully planned and all supporter data on our fundraising database is governed by strict consent, unsubscribe and complaints processes. Oversight of these processes is carried out by an internal Data Protection Officer, ensuring we are kept up to date with new legislation as well as supporter feedback.

The Charity is committed to providing an excellent service to supporters and retail customers but we recognise that occasionally things don't always go according to plan. With this in mind, we encourage complaints and suggestions to help shape the ongoing development of our services and the way in which we work with our supporters.

Company Status

The charity is a company limited by guarantee (registration number - 04845905), and as such has no share capital. The company is governed by its Memorandum and Articles of Association which were last updated in November 2019. The liability of the members of the company, as set out in the Memorandum of Association, is limited to £1 per member.

Board of Trustees

The Trustees of the charitable company, who are directors for the purpose of company law, who served during the year and up to the date of this report are set out as follows:

Mr R J Allison (appointed 2nd February 2022 and co-opted as Chair on 1st March 2022)
Mr C M Faircliffe (Outgoing Chair)
Mr J L Williams (resigned 2nd June 2021)
Mr P Wells (appointed 14th March 2022)
Mr J C R Tennent (appointed 14th March 2022)
Mr P Holdcroft
Mr N Bandtock
Mr P Whatmore
Mrs M Bradley
Mr F Jaffri
Mr A Majithia
Ms D Atkins
Mr A Newman

Directors are selected against pre-determined skills criteria designed to ensure that the Board has the necessary knowledge with which to direct The Air Ambulance Service.

Key Management Personnel:
Senior Management Team of The Air Ambulance Service and its Subsidiary at the year end

A Williamson	Chief Executive Officer (CEO)
E Peake	Deputy CEO
K Tailor	Director of Finance
R Clayton	Director of Operations
D Young	Director of Income Generation

Trustee and Director induction and training
Trustees are inducted to the organisation on appointment and are briefed as appropriate. As part of ongoing training, trustees have received formal charity law updates, strategic sessions and presentations in relation to operational requirements during the year.

Organisational Structure

The Air Ambulance Service Board of Trustees meets at least 4 times per year to oversee the development of the charity and the work of the Senior Management Team.

The Air Ambulance Service Trading Company Board also meets at least 4 times a year, to oversee the work and development of the trading subsidiary.

There is a Finance Committee which considers matters of finance, audit and control for both the Charity and the Trading company. The Finance Committee meets four weeks prior to the Boards so that the committee can report the discussions and actions arising from their meeting. There are also additional committees in place which consider matters of governance, operations, marketing and human resources, which provide additional reporting processes.

The Trustees are responsible for the control over all activities and authorise all major transactions of the charitable company and its subsidiaries. Day to day activities are overseen by the Chief Executive and the Senior Management Team on a delegated basis.

Pay policy for Senior Staff

The Trustees consider the senior management team comprise the key management personnel of the Charity in charge of directing, running and operating the Charity on a day to day basis. The pay of the senior staff is reviewed annually by the Finance Committee, who also act as the remuneration committee and is reviewed based on performance and average earnings across the sector.

Risk Management

A detailed risk management process is in place in respect of clinical operations, which is in accordance with the Care Quality Commission guidelines and advice. In addition a wider organisation focussed Risk Management process is in place and is monitored regularly by the Senior Management Team and Board.

In line with best practice and the requirements of the Charities SORP (FRS 102), the Trustees have reviewed all major potential risks for the charity and taken appropriate measures to mitigate their impact.

OBJECTIVES AND ACTIVITIES

The objects of the charitable company have not changed and are as stated earlier under the Principal Activities.

The activities of the Charitable company continue to be:

- The delivery of Helicopter Emergency Medical Services (HEMS), a trauma service responding to road accidents, falls of many kinds, medical emergencies, injuries received in remote locations and many other scenarios. These services are based in Warwickshire, Northamptonshire, Derbyshire, Leicestershire and Rutland.
- The Delivery of the Children's Air Ambulance, a hospital to hospital paediatric transfer service. This is a national service and involves liaison with critical care hospitals and paediatric retrieval teams across England.

Our work makes a difference to people, to communities and to society as a whole. Our responsibility is far reaching. The obvious impact is on saving lives, improving clinical outcomes and being able to react quickly and efficiently to emergencies but our influence is also able to challenge, and when necessary, try to change Government policies on health; we are able to innovate in clinical care, challenge the boundaries that often exist in state run services and invest heavily in the development of the people who deliver that care.

Our primary purpose is healthcare and we will lead the way in our chosen fields of operation in trauma and medical emergencies via our HEMS services and in the innovation and development of the unique critical transfer and retrieval service that is The Children's Air Ambulance. However our reach goes much further in our impact on society. We are a significant employer and contributor to our local economies; we are a socially responsible organisation that values the very communities that support us. Our expertise is made available to smaller charities, to education establishments and to organisations with similar goals. We care about our environment and we must use our abilities to change, shape or challenge the voluntary sector as a whole for genuine public benefit.

We are an organisation that engenders pride and purpose in every individual associated with us.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Helicopter Emergency Medical Services (HEMS) and Clinical Operational Report

Operating two specialist AW109 helicopters and two Rapid Response Vehicles (RRV) daily, The Air Ambulance Service (TAAS) remains one of the busiest air ambulance service providers in the country, providing critical care, lifesaving services to the NHS 24 hours a day, 365 days a year.

Like all health and social care providers, the global pandemic remained a significant pressure on services and capacity throughout 2021. Our lifesaving Helicopter Emergency Medical Services continued throughout the pandemic with very little impact to operational delivery. I would like to record my sincere thanks to the clinical operations team and pilots for their support over the past 12 months, and their commitment to patient care.

Despite the challenges TAAS attended 1,559 critical care missions by helicopter, and a further 1,824 critical care missions by RRV – an incredible 3,383 critical care missions in total for 2021. TAAS has responded to an astonishing 45,351 lifesaving missions since services commenced in 2003, a truly remarkable achievement.

Two new AgustaWestland 109 GrandNew helicopters entered service in March 2021 following a successful helicopter selection and tendering process. Sloane Helicopters Limited (SHL) were awarded the contract to provide the helicopters, maintenance, pilots, and regulatory approvals in 2019 for a further seven years. The complexity of introducing new helicopters (manufactured in Italy) during a pandemic and the added complexity of restrictions caused by Brexit, should not be underestimated. As part of the new seven-year contract, a dedicated spare helicopter has been introduced for the first time to ensure helicopter availability is maintained during periods of maintenance and servicing.

A trial commenced in May 2021 to evaluate the effectiveness of operating extended helicopter shifts from May to August to take advantage of Daylight-Saving Time. A qualitative and quantitative evaluation of extended flying time in September 2021 proved to be very successful. Following agreement and support from both the East and West Midlands Ambulance Services, extended flying hours will again be budgeted for 2022.

Work has started to evaluate the next generation of Rapid Response Vehicles in readiness for replacement in 2022. Critical Care Paramedics will be involved in the vehicle selection/evaluation process. A number of electric vehicles will be evaluated as part of the process, but concerns remain regarding battery resilience in respect of prehospital response work.

As a pre-hospital provider committed to delivering excellence in patient care we continue to provide specialist pre-hospital doctors on all four of our operational platforms (helicopters and RRVs). TAAS achieved doctor cover at an impressive 95% of occasions in 2021. A notable achievement given the challenges associated with the ongoing pandemic. To further increase resilience, a doctor recruitment and selection event took place in 2021 to recruit 12-month fixed term fellowship positions. We are delighted to report that three positions have been offered and accepted for 2022 which will further enhance doctor cover.
As part of our ongoing commitment to training and education TAAS also continues to support the West Midlands Deanery with their PHEM (Pre-Hospital Emergency Medicine) Training Programme, essentially helping to train and educate the next generation of PHEM doctors.

Following conclusion of the RePHILL trial (randomised trial of pre-hospital blood and blood product administration) in December 2020, TAAS has begun to develop its 'blood onboard' project. Due to TAAS' geography this will be a significant, multiagency stakeholder project involving NHS blood banks, NHS ambulance services and blood biker organisations. TAAS is aiming to have blood on board all operational assets early 2022.

Quality outcomes/audit reports continued to be reviewed monthly by the Operations Management Team and quarterly by the Clinical Governance Group. Audit assurances for anaesthesia, sedation, surgical skills and Infection, Prevention & Control for both operational bases continue to provide excellent assurance. Due to the pandemic routine inspections by the Care Quality Commission (CQC) were suspended due to risk. In the absence of on-site inspections, the CQC introduced a 'Transitional Regulatory Monitoring Approach' in 2021. This consisted of a virtual meeting between the Registered Manager (Director of Operations) and CQC Relationship Manager using a framework to seek assurance that TAAS services continued to remain safe, and patient focused throughout the pandemic. Whilst no CQC rating was applied, we are pleased to report no concerns were raised regarding TAAS clinical services.

The Children's Air Ambulance Operational Report

As with TAAS HEMS operations, The Children's Air Ambulance (TCAA) experienced similar challenges with the pandemic which regrettably continued to affect activity.

TCAA completed 66 critical missions across the country in 2021 supporting 10 NHS paediatric and neonatal specialist transport teams in their lifesaving work. TCAA has completed 650 missions since services commenced in 2012.

In addition to the pandemic, our aircraft operator Specialist Aviation Services (SAS) continued to experience considerable issues with aircraft availability due to maintenance, pilot training/vacancies, non-night rated pilots, and delayed landing site surveys all of which have affected mission numbers.

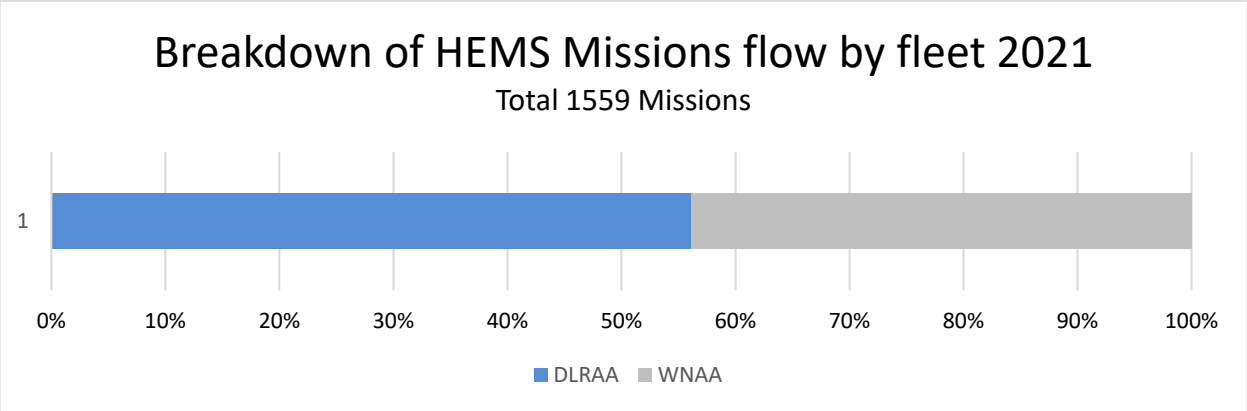
Towards the end of 2021, a termination notice was served by SAS to terminate the seven-year aircraft fleet and services contract with TCAA. The termination was in response to TCAA being asked to pay additional costs, for two aircraft, which would have doubled the monthly expenditure for the remaining four years of the contract. This would have amounted to more than £15million additional expenditure. TCAA worked hard to find a solution but unfortunately the contract with SAS concluded on 29 September 2021.

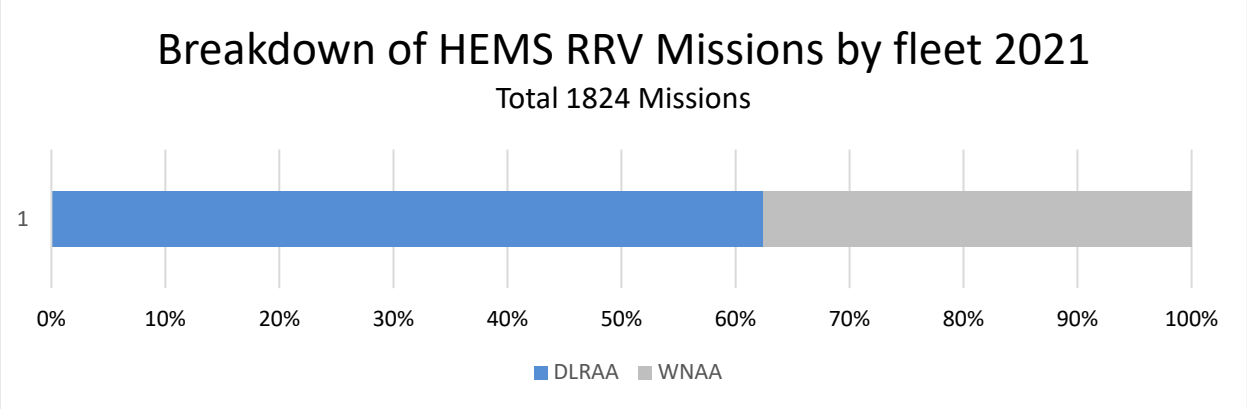
While working towards a solution with SAS, the charity developed robust contingency plans and announced that Sloane Helicopters Limited (SHL) would provide TCAA services moving forward. Working in partnership with SHL, a replacement AW169 was ordered and built at manufacturer Leonardo's factory in Italy and is scheduled to arrive in the UK early 2022 where it will have its specialist clinical interior fitted, which will be used by the charity's 11 NHS Clinical Partner Teams (CPTs).

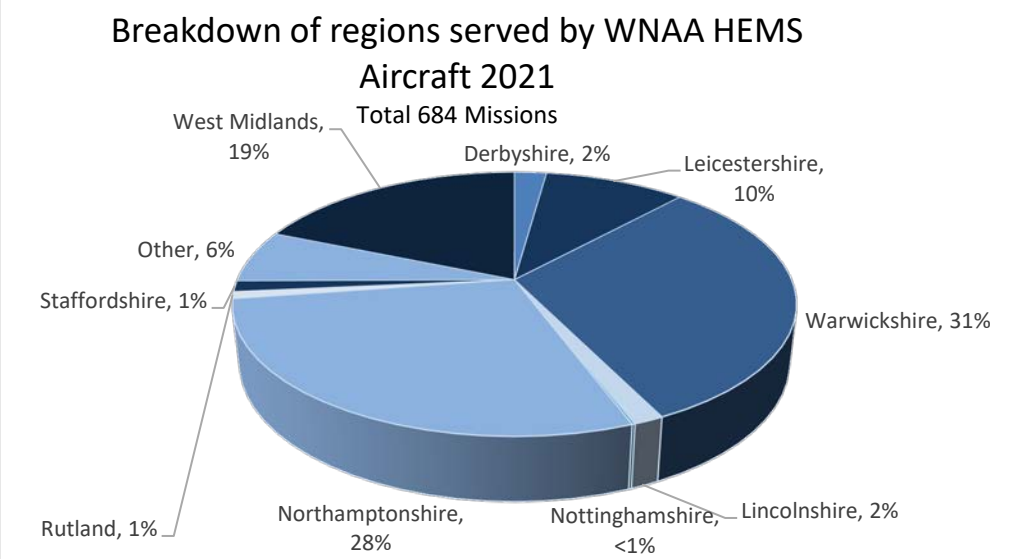
Before the new helicopter was completed, TCAA continued to develop contingency plans with SHL to minimise any break in service and bring the fleet up to full capacity as quickly as possible in order to minimise the impact on NHS partners.

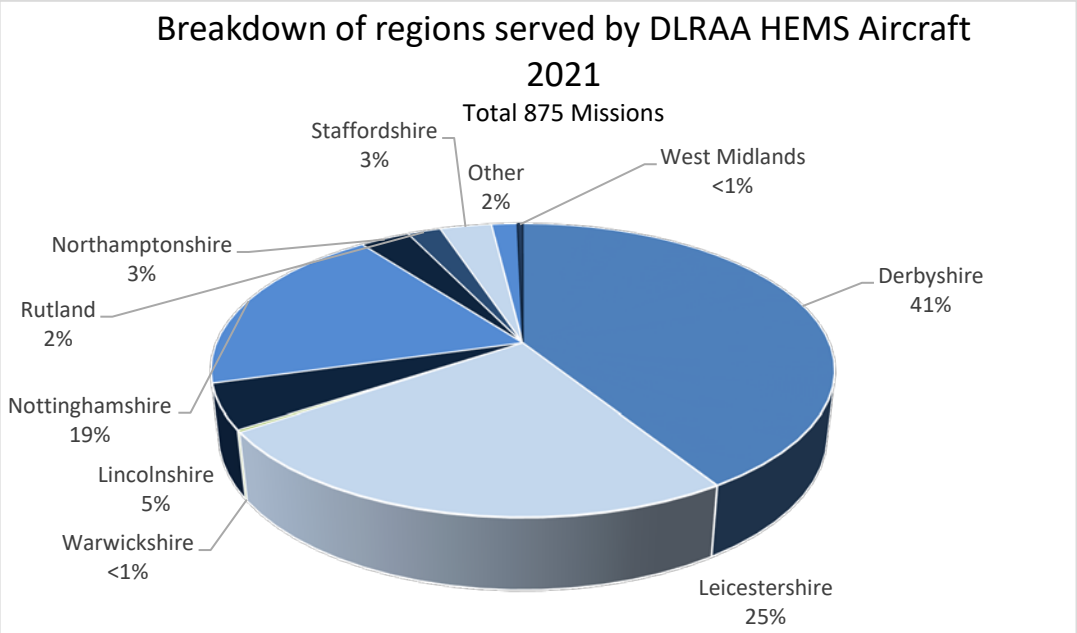
Despite the significant challenges with our former aircraft provider, we have continued to develop and innovate the services we provide in readiness for our new operation with Sloane Helicopters Limited for early 2022. We are therefore delighted to report that we have selected our incubator provider to design and build three incubator transport systems. We are currently working with NHS stakeholders to finalise the clinical requirements and design. TCAA will be the first and only helicopter provider in England to support the NHS with a helicopter certified incubator. We expect the equipment build phase to be completed by the end of 2021, and aviation certification in 2022.

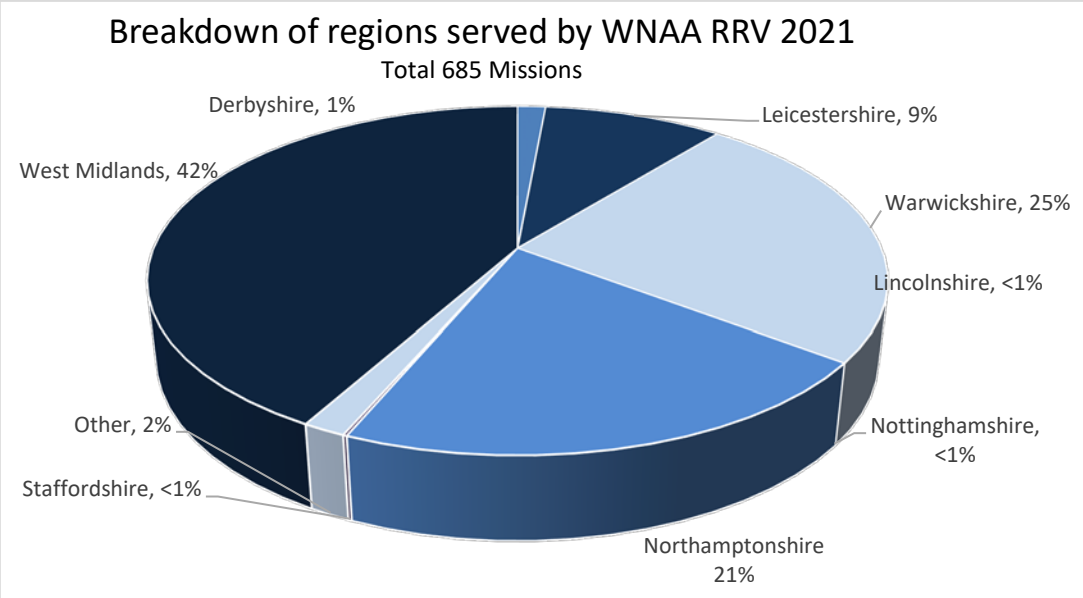
The following charts illustrate the number, type and spread of missions in 2021.

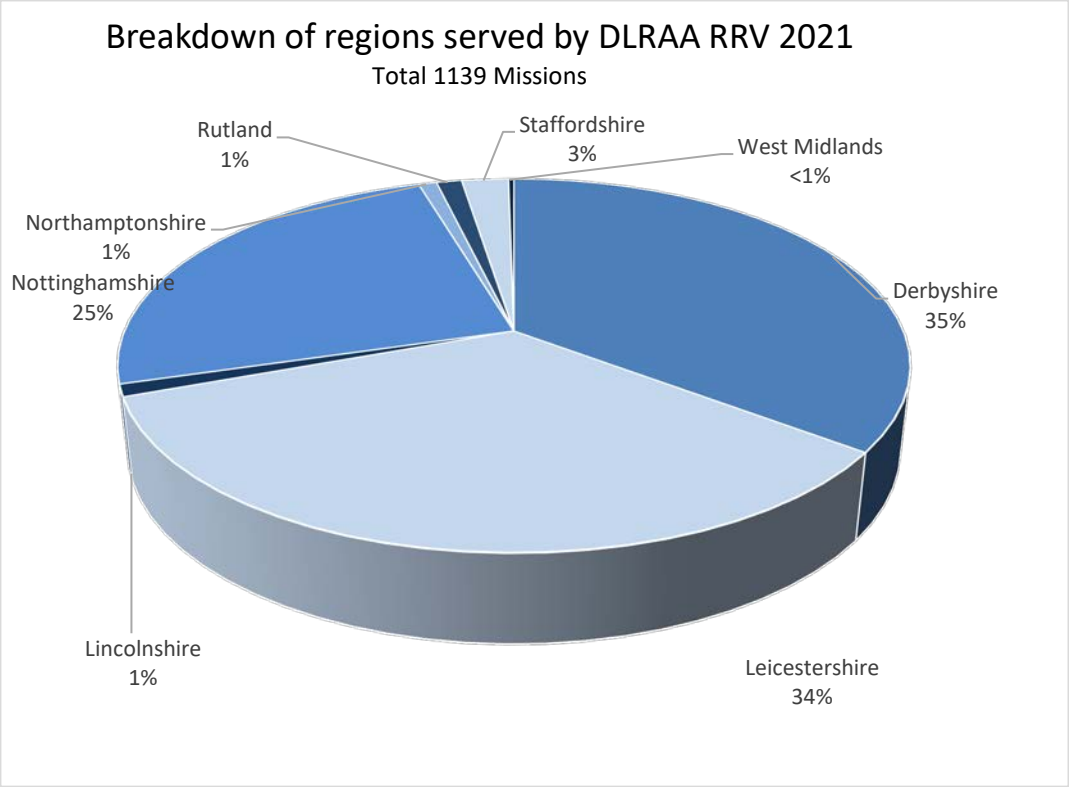

Breakdown of HEMS Missions flow by fleet 2021
Total 1559 Missions
1
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
DLRAA
WNAA

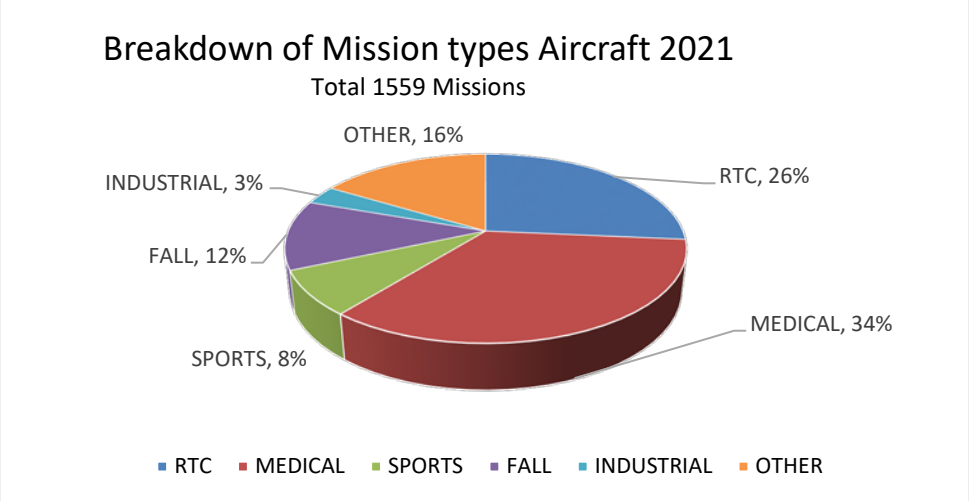

Breakdown of HEMS RRV Missions by fleet 2021
Total 1824 Missions
1
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
DLRAA
WNAA

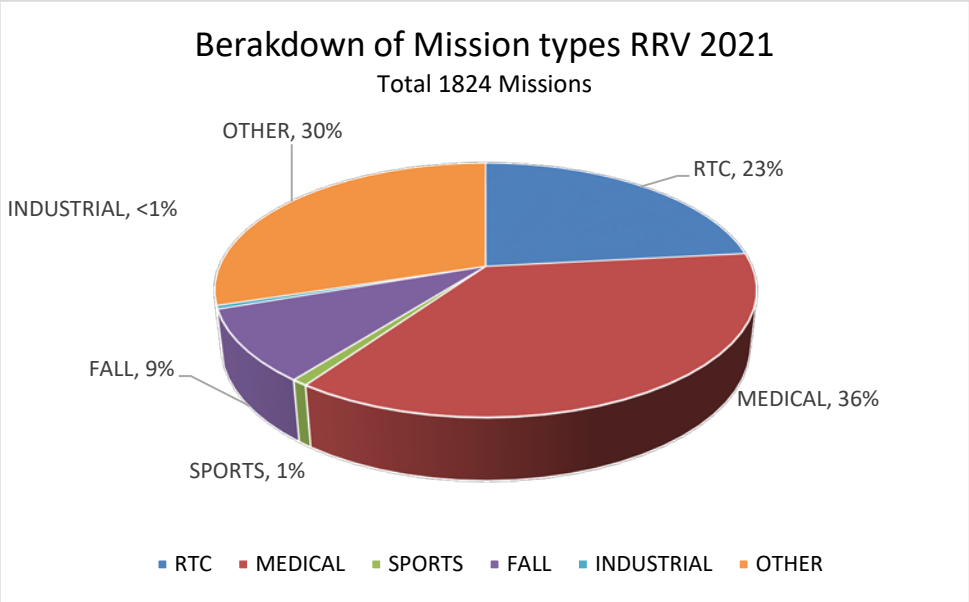

Breakdown of regions served by WNAA HEMS Aircraft 2021
Total 684 Missions
West Midlands, 19%
Derbyshire, 2%
Leicestershire, 10%
Other, 6%
Staffordshire, 1%
Warwickshire, 31%
Rutland, 1%
Northamptonshire, 28%
Nottinghamshire, <1%
Lincolnshire, 2%

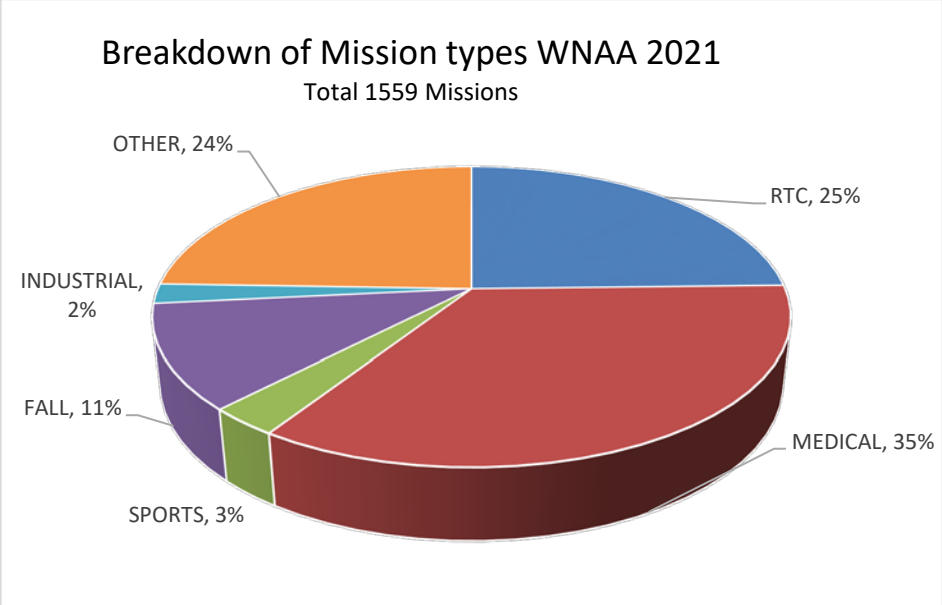

Breakdown of regions served by DLRAA HEMS Aircraft 2021
Total 875 Missions
Staffordshire 3%
Other 2%
West Midlands <1%
Northamptonshire 3%
Rutland 2%
Derbyshire 41%
Nottinghamshire 19%
Lincolnshire 5%
Warwickshire <1%
Leicestershire 25%

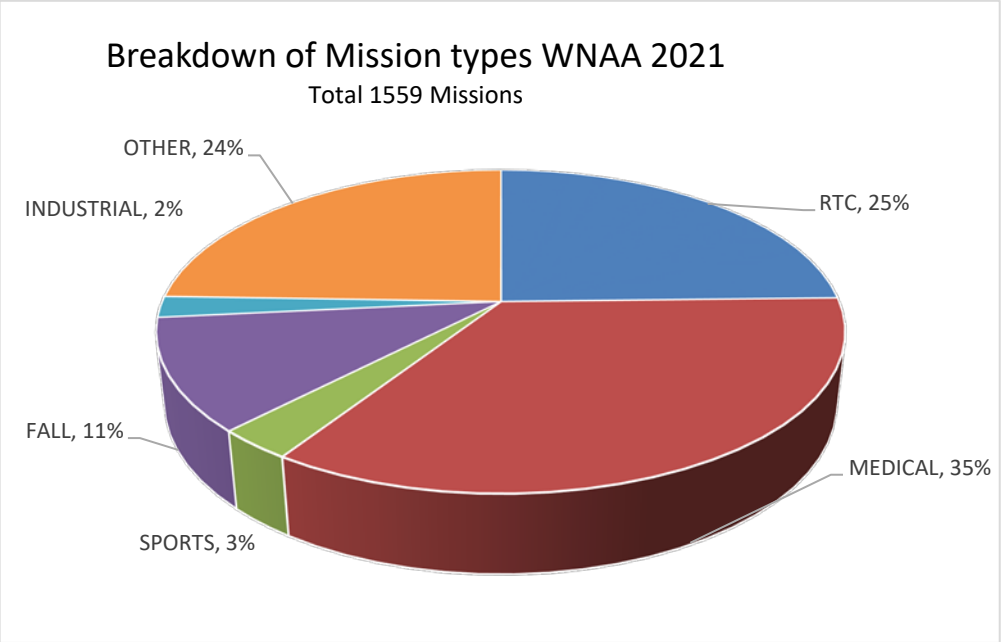

Breakdown of regions served by WNAA RRV 2021
Total 685 Missions
Derbyshire, 1%
Leicestershire, 9%
West Midlands, 42%
Warwickshire, 25%
Lincolnshire, <1%
Other, 2%
Nottinghamshire, <1%
Staffordshire, <1%
Northamptonshire 21%

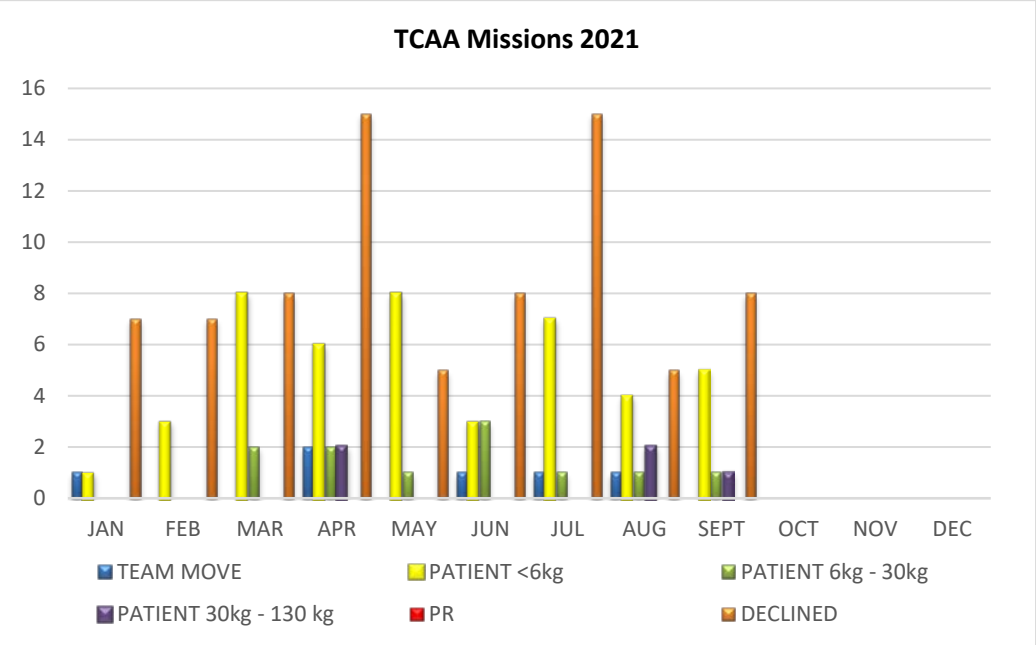

Breakdown of regions served by DLRAA RRV 2021
Total 1139 Missions
Rutland 1%
Staffordshire 3%
West Midlands <1%
Northamptonshire 1%
Nottinghamshire 25%
Derbyshire 35%
Lincolnshire 1%
Leicestershire 34%


Breakdown of Mission types Aircraft 2021
Total 1559 Missions
OTHER, 16%
INDUSTRIAL, 3%
RTC, 26%
FALL, 12%
MEDICAL, 34%
SPORTS, 8%
RTC
MEDICAL
SPORTS
FALL
INDUSTRIAL
OTHER


Berakdown of Mission types RRV 2021
Total 1824 Missions
OTHER, 30%
RTC, 23%
INDUSTRIAL, <1%
FALL, 9%
MEDICAL, 36%
SPORTS, 1%
RTC
MEDICAL
SPORTS
FALL
INDUSTRIAL
OTHER


Breakdown of Mission types WNAA 2021
Total 1559 Missions
OTHER, 24%
RTC, 25%
INDUSTRIAL, 2%
FALL, 11%
MEDICAL, 35%
SPORTS, 3%


Breakdown of Mission types WNAA 2021
Total 1559 Missions
OTHER, 24%
INDUSTRIAL, 2%
RTC, 25%
FALL, 11%
MEDICAL, 35%
SPORTS, 3%


TCAA Missions 2021
16
14
12
10
8
6
4
2
0
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEPT
OCT
NOV
DEC
TEAM MOVE
PATIENT <6kg
PATIENT 6kg - 30kg
PATIENT 30kg - 130 kg
PR
DECLINED

Compliments 2021
Teamwork
Professionalism
Speed of Service
Quality of Care
Thanks

FINANCIAL REVIEW

Financial Position

We receive no government support, we rely solely on donations, legacies, sponsorship, grants, fundraising events and our retail operations. We do not see this as a financial burden though instead we believe that it enables us to ensure that we put the needs of the patient at the top of our entire decision making.

At the start of the 2021 financial year, the UK entered a further lockdown due to the coronavirus pandemic and their remained uncertainty about the impact this would have on our fundraising and retail operations.

By the end of January 2021, we completed a major reforecasting exercise, which confirmed that as we transitioned out of lockdown, we remained well placed to consolidate our operations and further investment in our activities, which saw our retail operation expand from 56 to 59 outlets across the country and service delivery of two new HEMS helicopters in March 2021.

We benefitted from an incredible response from our supporters, enabling us to perform better than anticipated, generating a total £30.4m income for the year, being £5 more than the previous year.

The sustainability of our income allows us to cope with increasing costs, secure the stability of the charity by moving towards our reserves policy and as always, to ensure the maximisation of funds raised in the operation and running of the Helicopter Emergency Medical Services and The Children's Air Ambulance.

Reserves policy

We have improved our reserves position in 2021, in line with the desire to secure the stability of the Charity by holding 12 months operational costs, which are approximately £16m. As at 31 December 2021 the Charity held unrestricted free reserves of £25m. This provides us with the necessary fall-back position to maintain our operational capabilities in periods of downturn and invest in new equipment as it becomes available.

Going concern

The financial statements have been prepared on a going concern basis as the trustees consider that adequate reserves continue to be available to fund the activities of the charity and group for the foreseeable future and believe no material uncertainties exist. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Streamlined Energy and Carbon Reporting (SECR)

The Charitable group is reporting energy and carbon emissions in compliance with Companies (Trustees Report) and Energy and Carbon Report Regulations 2019.

Our emissions remained low in 2021 due to the COVID-19 pandemic, with our shops and offices closed for at least the first quarter of the year and limited business travel. Whilst we expect energy usage in buildings to return to 2019 levels, business travel is likely to stay much lower with virtual meetings replacing many of the journeys previously undertaken.

UK Greenhouse and gas emissions and energy use data for the period	**2021**
Energy consumption used to calculate emissions (kWh)	1,475,597
Emissions in metric tonnes CO2e	
Gas consumption	31.79
Owned transport	34.42
Purchased electricity	20.72
Business travel in employee owned vehicles	48.77
Total emissions in metric tonnes CO2e	135.7
Intensity ratio	0.36

The Charity was exempt from reporting in 2020, as it fell below the threshold and therefore comparatives are not provided.

The chosen intensity measurement ratio is total gross emissions in CO2e per no. of employees.

Financial Instruments

The charity does not use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk and manages this through credit control procedures. The trustees do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or performance.

The Companies (Miscellaneous Reporting) Regulations 2018 requires large companies to include detail in their annual report describing how the Trustees have had regard to matters set out in section 172 (1) of the Companies Act 2006. The Trustees statement is set out below**.**

Section 172 (1) statement Companies Act 2006

The trustees have acted in the way which they consider, in good faith, promotes the success of the charitable group for the benefit of its members and stakeholders as a whole, and in doing so have given regard to (amongst other matters):

Business relationships

With a highly committed and dedicated workforce, the charitable group takes great pride in listening to what our beneficiaries and stakeholders want and continues to provide the level of service they have come to expect, leading to continued increases in the awareness of the charitable group's activities and operations.

Our relationship with the community

As a charity, public benefit is at the heart of all we do. The Chief Excecutive's report together with the Objectives & Activities and Achievements & Performance section of the Trustees' Annual Report gives full details of the impact of our operations.

Maintaining a reputation for high standards

As a fundraising charity, we are compliant with the Code of Conduct issued by the Fundraising Regulator and take our responsibilities for exemplary clinical care very seriously. Further detail can be found in the Clinical and Operational Report included within the Trustees' Report.

Our people

At the end of 2021, we employed 375 members of staff and it is only through the combined effort of our whole workforce – our employees, supporters and volunteers that we can change the lives of so many. The charity encourages the involvement of employees by means of regular employee meetings and engagement in decision making processes that impact on them directly. Further details regarding key management personnel can be found in the Structure, Governance & Management section of the Trustees' Annual Report.

Employee involvement and employment of the disabled

Staff communication meetings are held on a quarterly basis for presentations and discussion of key areas including business updates and projects.

The Air Ambulance Service has a number of policies and procedures in relation to all personnel matters, including:

- Equal opportunities; and
- Health & Safety

The recruitment and training of staff is undertaken in accordance with the charity's equal opportunities policy and in line with the Disability Discrimination Act (1995).

Funds held as Custodian Trustees

The Charity has access to and control over the funds held for The Children's Air Ambulance Service lottery. These funds are held in a separate bank account from the funds of the charity. The Charity is registered with the Gambling Commission to run this lottery with day to day operations being under the control of a third party. Funds are released to the Charity in accordance with accounts submitted by the third party.

Principal Risks and Uncertainties

The Board and Senior Management Team have established a risk register which identifies the current perceived risks and which is reviewed at all monthly Senior Management Team and quarterly Trustee meetings.

We have a formal process in place whereby all types of risks faced by the Charity have been considered as to their probability and impact, measures and strategies have been documented and implemented to deal with the identified risks on both an individual and overall basis. All activity is reviewed in the context of these risks and our principal risks are noted.

Principal risks	What the risks mean to The Air Ambulance Service	How we manage the risks
Maintaining financial stability	The risk is that we don't have sufficient income to operate.	We have regular cash flow forecasts and a robust budgeting process. We also have different income streams to avoid dependence on any one income stream.
Governance and strategy	The risk is that we don't have the right governance structures in place to drive our strategy.	We regularly review our performance and governance structures. There are processes in place to lead strategic change.
People capability and capacity	The risk is that talented staff are not attracted, developed and retained in a competitive labour market.	Recruitment, appraisal and training processes are regularly reviewed. We benchmark our pay and benefits across the sector.
External influence and perception	There is a risk of loss of public trust and confidence and people do not understand our purpose because our messaging is not clear.	We are transparent in the delivery of our services and have a strategy to develop our brand.

PLANS FOR THE FUTURE

At the end of 2021 the Group had in place a strategic, tactical and implementation plan for 2020-2022. This document reviewed our Vision, Mission, Core Values and Core Principles. It then set out seven strategic aims for 2020-2022.

Our Vision is that we want children to grow into adults and adults to live longer, making bereavement through trauma rare.

Our Mission Statement "Our rapid response services work tirelessly to save lives and alleviate pain and suffering, wherever and whenever needed" is reflected in our core values which are Compassion, Courage and Creativity.

As an organisation we are clear on three things, our ultimate aim (The Vision), the impact we make on Society (The Mission) and the way we go about achieving this important work (The Values). Every individual in every part of the organisation holds these three things dear to them, for we are not here to do a job: we are here for a purpose driven by passion, commitment and humanity.

The seven strategic aims which are to be developed over the 2020-2022 period are:

- Continuously advance rapid response critical care services to patients
- Be recognised as a leading authority on pre-hospital emergency care and paediatric transfer services
- Raise awareness, understanding and engagement with our charity across the country
- Unite people in the common purpose of our charity and create advocates who will enhance reputation and reach of the charity
- Be the organisation of choice and opportunity for the most talented and driven from diverse backgrounds
- Drive best practice across all areas of the organisation in a sustainable, responsible and ethical manner, to ensure a positive impact on the communities and environments in which we operate
- Grow income to £30 million in a diverse and sustainable manner to continue and develop our services.

Each of these has a detailed plan behind it which involves the whole of the Charity and measures to check and report our progress towards these aims.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also Directors of The Air Ambulance Service for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepting Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of information to auditor

So far as each of the trustees is aware at the time this report is approved:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on 7 September 2022 and signed on its behalf by:

Robert J Allison
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AIR AMBULANCE SERVICE FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of The Air Ambulance Service (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 30, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

Our assessment focussed on key laws and regulations the group and the parent charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent charitable company and how the group and the parent charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the group and the parent charitable company's control environment and how the group and the parent charitable company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the group and the parent charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 is available 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Glen Bott FCA

Senior Statutory Auditor
for and on behalf of:

Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donnington
Derby
DE74 2SA

Date: 7 September 2022

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

For the year ended 31 December 2021

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2021 Total £'000	2020 Total £'000
Income					
Incoming resources from generated funds					
Donations and legacies	2	7,954	3,020	10,974	8,900
Other trading activities	2	19,072	-	19,072	16,299
Investment income	4	319	-	319	178
Total income		27,345	3,020	30,365	25,375
Expenditure					
Costs of raising funds					
Costs of generating voluntary income		4,349	-	4,349	3,563
Commercial trading operations and other costs		11,593	-	11,593	10,837
Charitable activities					
Operation of Air Ambulances		6,003	3,016	9,019	8,829
Total expenditure	5	21,945	3,016	24,961	23,229
Net income before gains on investments		5,400	4	5,404	2,146
Net gain on fixed asset investments		1,143	-	1,143	460
Net movement in funds		6,543	4	6,547	2,606
Reconciliation of funds					
Total Funds brought forward at 1 January 2021		21,987	660	22,647	20,041
Total Funds carried forward at 31 December 2021		28,530	664	29,194	22,647

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenses are derived from continuing activities.

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET
Company number: 04845905

As at 31 December 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		1,480		1,200
Investments	11		13,603		9,460
			15,083		10,660
Current assets					
Debtors	12	3,952		3,244	
Stocks		503		327	
Cash at bank and in hand		12,007		10,261	
		16,462		13,832	
Creditors: amounts falling due within one year	13	(2,351)		(1,845)	
Net current assets			14,111		11,987
Net assets			29,194		22,647
Funds					
Unrestricted funds					
General funds	15		26,927		21,527
Investment revaluation reserve	15		1,603		460
Restricted funds	14		664		660
			29,194		22,647

The notes on pages 39 to 55 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 7 September 2022.

Robert J Allison
Chairman

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CHARITABLE COMPANY BALANCE SHEET
Company number: 04845905

As at 31 December 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		620		586
Investments	11		13,604		9,461
			14,224		10,047
Current assets					
Stocks		15		16	
Debtors	12	3,912		3,622	
Cash at bank and in hand		10,648		9,763	
		14,575		13,401	
Creditors: amounts falling due within one year	13	(1,087)		(1,099)	
Net current assets			13,488		12,302
Net assets			27,712		22,349
Funds					
Unrestricted funds					
General funds	15		25,445		21,229
Investment revaluation reserve	15		1,603		460
Restricted funds	14		664		660
			27,712		22,349

The notes on pages 39 to 55 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 7 September 2022.

Robert J Allison
Chairman

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOW YEAR ENDED 31 DECEMBER 2021

	2021 £'000	2020 £'000
Reconciliation of net incoming resources to net cash flow from operating activities		
Net income	6,547	2,606
Depreciation	525	530
Loss on disposal of tangible fixed assets	-	(3)
Net gain on fixed asset investments	(1,143)	(460)
Increase in stock	(176)	(25)
Decrease/(increase) in debtors	(708)	1,805
(Decrease)/Increase in creditors	506	(260)
Investment income received	(319)	(178)
Net cash inflow from operating activities	5,232	4,015

Cash Flow Statement		
Net cash inflow from operating activities	5,232	4,015
Cash flows from investing activities	319	178
Purchase of intangible fixed assets	(3,000)	(9,000)
Purchase of tangible fixed assets	(805)	(261)
Increase in cash and cash equivalents in the year	(1,746)	(5,068)

Analysis of changes in net cash

	At 1 January 2021 £'000	Cash flow £'000	At 31 December 2021 £'000
Cash at bank and in hand	10,261	1,746	12,007

Reconciliation of Movement in Cash	2021 £'000	2020 £'000
Net increase in cash and cash equivalents for the year	1,746	(5,068)
Cash and cash equivalents as at 1 January 2020	10,261	15,329
Cash and cash equivalents as at 31 December 2020	12,007	10,261

Cash flows from investing activities

	2021 £'000	2020 £'000
Investment income received	319	178

1. Accounting policies

The following accounting policies have been applied in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

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 (FRS 102) (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 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 note(s).

The consolidated accounts incorporate the accounts of the parent charitable company and all group undertakings. Consolidation has been undertaken on a line by line basis. A separate statement of financial activities for the parent charitable company is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charitable group is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Gifts in kind

i) Assets given for distribution by the charity are included in the Statement of Financial Activities only when distributed.
ii) Assets given for use by the charity (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources when receivable.
iii) Gifts made in kind but on trust for conversion into cash and subsequent application are included in the accounting period in which the gift is sold.

In all cases, the amount at which gifts in kind are brought into the accounts is either a reasonable estimate of their value to the charitable group or the amount actually realised.

Donated services and facilities

Donated services and facilities are included at the value to the charitable group where this can be quantified. In accordance with the Charities SORP (FRS 102), the value of services provided by volunteers has not been included in these accounts.

Legacies

Legacies are recognised at the earlier of the date that probate was granted or the legacy was received. Other legacies notified are not accrued due to uncertainty of value and timing.

1. Accounting policies – continued

Trading outlets
Retail sales are included in the period in which the sale is initiated.

Structure of funds
Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the trustees have chosen to earmark for set purposes are designated funds.

Resources expended

All expenditure is accounted for on an accruals basis. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. Expenditure is matched against the restricted or unrestricted funds to which it relates. Support costs directly attributable to an activity are allocated to that activity. Other costs that cannot be directly attributed are allocated against the categories based on management's estimate of usage of those services.

a) Costs of raising funds
The costs of generating funds are the costs associated with generating income through fundraising and other activities, including the costs of the commercial trading operations.

b) Charitable activities
The trustees consider that there is only one charitable activity, that of the provision of an air ambulance service.

c) Governance costs
These are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. The costs include external audit and costs associated with constitutional and statutory requirements e.g. the cost of trustee meetings and preparing statutory accounts.

1. Accounting policies – continued

Fixed assets

Capitalisation

All assets falling into the following categories are capitalised.

i) Tangible assets which are capable of being used for more than one year and have a cost equal to or greater than £500, (£200 for The Air Ambulance Service Trading Limited)
ii) Groups of tangible fixed assets which are interdependent or would normally be provided or replaced as a group with a total value in excess of £5,000 and an individual value of £500 or more, (£200 for The Air Ambulance Service Trading Limited)
iii) Computer software licenses are capitalised as intangible assets where they are capable of being used for more than one year and have a cost, individually or as a group, equal to or greater than £500, (£200 for The Air Ambulance Service Trading Limited)

Tangible Fixed Assets and Depreciation

Fixed assets are recorded at cost or, in the case of assets where assets have been donated to the group, at valuation at the time of acquisition. Depreciation is provided on all tangible fixed assets excluding freehold land, at rates calculated to write off the cost, less estimated residual value, based on values prevailing at the date of acquisition, of each asset, on a straight line basis, over its expected useful life, as follows:

Buildings	7%
Fixtures and fittings	20%
Medical equipment	20%
Office equipment	20%
Motor vehicles	25%
Computer equipment	33%

The holding value of assets is regularly reviewed for impairment and where deemed appropriate assets are written down.

Fixed Asset investments

Investments are a form of basic financial instrument, are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market value. Gains and losses arising on disposals and revaluation throughout the year are included in the statement of financial activities All investment income is treated as unrestricted.

Stock

Stock consists of purchased goods for resale and items to be given to volunteers and people who participate in fundraising events. Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The value of goods donated for sale in the group's charity shops is not included in stock. Instead, they are accounted for as income in the period in which the goods are sold.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of any transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible into known amounts of cash with insignificant risk of change in value.

1. Accounting policies – continued

Financial instruments
The charitable company enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. 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.

Creditors and provisions
Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

Operating leases
Operating lease rentals are charged to the statement of financial activities on a straight line basis over the lease term. Lease incentives are charged on a straight line basis over the term of the lease.

Gift aid payments receivable
The parent charity receives income from it's trading subsidiary under the gift aid scheme, which are recognised as distributions to owners in equity within retained earnings of that company.

At the reporting date there was no legal obligation in place for the charity to receive this gift aid payment, although prior to the reporting date the trading subsidiary board had indicated its intention to pay the taxable profits to the parent charity in respect of the reporting date.

There is no tax charge in the year due to the exception under 29.14A of FRS 102. Relief is allowed as the gift aid payment will made by the trading subsidiary to the parent company within 9 months of the year end.

1. Accounting policies – continued

Judgements in applying accounting policies and key sources of estimation uncertainty

The charitable company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the charitable company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the trustees have made the following judgements:

- Determine whether leases entered into by the charitable company either as a lessor or a lessee are operating leases or finance leases. The decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor or lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

- Provisions. A provision is recognised when the charitable company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

  Whether a present obligation is probable or not requires judgment. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

- Depreciation and residual values. The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

  The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

2. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£'000	£'000	£'000	£'000
Donations	4,982	-	4,982	4,546
Legacies	2,953	2,674	5,627	3,765
Grants receivable (see note 3)	19	346	365	589
	7,954	3,020	10,974	8,900
Other trading activities				
Charity shop income (see note 11.1)	9,083	-	9,083	7,111
Lottery income	7,683	-	7,683	7,044
Event income	380	-	380	433
Government grants receivable	1,552	-	1,552	1,587
Other grants receivable	-	-	-	50
Other	374	-	374	72
	19,072	-	19,072	16,297

Included within government grants receivable is £0.98m (2020:£0.9m) claimed under the Small Business Grant Fund and £0.572m (2020:£0.687m) claimed under the Coronavirus Job Retention Scheme.

Income from donations and legacies in 2020 was £8.9m of which £7.332m was attributable to unrestricted funds and £1.568m to restricted funds. Income from other trading activities in 2020 was £16.297m all of which was attributable to unrestricted funds.

3. Material grants received by category

Sources of material grants:	2021 £'000	2020 £'000
General Charities of the City of Coventry	90	90
The Margaret Giffen Charitable Trust	20	25
Rugby Group Benevolent Fund	-	10
The Bernard Sunley Trust	20	-
Children are Butterflies	-	40
O'Brien Charitable Trust	10	10
AAA UK	-	181
Lions Club International Foundation	11	-
Dignity	10	-
The EBM Charitable Trust	10	10
Mahoro Charitable Trust	10	-
Groundworks (Tesco Bags of Help)	-	12
Other < £10,000	184	211
Total	365	589

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

4. Investment income

	2021 £'000	2020 £'000
Bank interest	3	33
Investment income	315	144
Other	1	1
	319	178

5. Resources expended by activity

		Basis of Allocation	Costs of *Generating* *Voluntary* £'000	Trading costs £'000	*Charitable* *activities* £'000	Governance costs £'000	2021 £'000	2020 £'000
Costs directly allocated to activities								
Fundraising Costs		Direct	1,383	-	-	-	1,383	1,214
Operations		Direct	-	-	8,124	-	8,124	8,036
Marketing and PR		Direct	2,098	-	-	-	2,098	1,503
Trading costs		Direct	-	11,185	-	-	11,185	10,488
Depreciation		Direct	-	303	222	-	525	528
Support costs allocated to activities								
Support Services		Hours	868	-	673	105	1,646	1,460
			4,349	11,488	9,019	105	24,961	23,229

Operational and fundraising staff are allocated directly, management and administration are allocated on a time apportioned basis.

The expenditure in 2020 was £23.229m of which £21.694m was attributable to unrestricted funds and £1.535m to restricted funds.

6. Staff costs

	2021 £'000	2020 £'000
Wages and salaries	7,293	6,959
Social security costs	595	561
Pension costs	209	205
Redundancy and termination payments	6	14
	8,103	7,739

The average number of employees during the year was as follows:

	2021 No.	2020 No.
Aviation Operations	31	30
Fundraising	29	20
Trading	275	288
Administration	43	43
	375	381

Pensions contributions
The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Annual contributions amounting to £209,127 (2020: £205,027) were charged to the Statement of Financial Activities during the year. At the balance sheet date, there were £39,539 outstanding contributions (2020: £36,928).

Key Management Personnel (**Senior management) remuneration**
There were five (2020: four) members of the senior management team and their aggregate remuneration in respect of qualifying services for the Group was:

	2021 £'000	2020 £'000
Remuneration receivable	437	421
Social security costs	52	48
Pension contributions	13	13
	502	482

The number of key management personnel whose remuneration (excluding pension contributions) for the year fell within the following bands were:

	2021 No.	2020 No.
£140,000 to £149,999	1	-
£130,000 to £139,999	-	1
£100,000 to £109,999	1	1
£90,000 to £99,999	2	2

No other employees (outside of key management personnel) earned more than £60,000 in the year.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

7. Trustees and connected persons' transactions

Trustees' expenses reimbursed
During the year expenses of £Nil (2020: £102) were reimbursed to nil (2020: 2) Trustees.

Trustees' remuneration
No trustees received remuneration during the year (2020: Nil).

The Charity pays an insurance premium in respect of Trustees' and Individuals' liability cover at a cost of £878 (2020: £489).

8. Net incoming resources

	2021 £'000	2020 £'000
This is stated after charging:		
Auditors' remuneration - audit services	17	16
Depreciation – owned assets	525	530
Loss on disposal of tangible fixed assets	-	(3)
Operating Lease Costs	6,439	6,609

9. Taxation
The charitable company, as a registered charity, is exempt from tax on income and gains falling within section 478 of the Taxes Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

10. Tangible fixed assets

GROUP

	Leasehold Property £'000	Fixtures & fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2021	141	1,614	2,349	151	4,255
Additions	-	357	448	-	805
Disposals	(7)	(400)	(150)	(12)	(569)
At 31 December 2021	134	1,571	2,647	139	4,491
Depreciation					
At 1 January 2021	90	1,210	1,656	99	3,055
Charge for the year	9	197	301	18	525
Disposals	(7)	(400)	(150)	(12)	(569)
At 31 December 2021	92	1,007	1,807	105	3,011
Net book value					
At 31 December 2021	42	564	840	34	1,480
At 31 December 2020	51	404	693	52	1,200

CHARITY

	Leasehold Property £'000	Fixtures & fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2021	134	289	1,691	135	2,249
Additions	-	1	255	-	256
Disposals	-	-	-	-	-
At 31 December 2021	134	290	1,946	135	2,505
Depreciation					
At 1 January 2021	83	282	1,212	86	1,663
Charge for the year	9	6	189	18	222
Disposals	-	-	-	-	-
At 31 December 2021	92	288	1,401	104	1,885
Net book value					
At 31 December 2021	42	2	545	31	620
At 31 December 2020	51	7	479	49	586

11. Investments

Group	Managed Funds £'000	Total £'000
Cost or Valuation		
At 1 January 2021	9,460	9,460
Additions	3,000	3,000
Net gains on investments	1,143	1,143
At 31 December 2021	13,603	13,603

Charity	Investments in Subsidiaries £'000	Managed Funds £'000	Total £'000
Cost or Valuation			
At 1 January 2021	1	9,460	9,461
Additions	-	3,000	3,000
Net gains on investments	-	1,143	1,143
At 31 December 2021	1	13,603	13,604

Our portfolio of funds is managed equally by Cazenove Capital and CCLA. Their mandate is to maximise the overall growth of these funds through investment in various different asset classes while ensuring that the risks taken are carefully monitored, managed and controlled, whilst bearing in mind liquidity needs.

The following are subsidiary undertakings at 31 December 2021:

Name	Holding	Principal activity	Proportion held by the charity
The Air Ambulance Service Trading Limited	Ordinary shares	Retail charity outlet	100%
The Air Ambulance Service Events Limited	Ordinary shares	Dormant	100%
The Air Ambulance Service Recycling Limited	Ordinary shares	Dormant	100%
The Air Ambulance Service Aviation Limited	Ordinary shares	Dormant	100%
TAA Service	Company limited by guarantee	Dormant	n/a
The Children's Air Ambulance	Company limited by guarantee	Dormant	n/a

All of the above companies are incorporated in England & Wales.

11.1 Net income from trading activities of subsidiary

The Air Ambulance Service Trading Limited, the wholly owned subsidiary of the charity is a retail charity outlet. A summary of its trading results for the year to 31 December 2021 are shown below. Audited accounts will be filed with the Registrar of Companies.

	2021 £'000	2020 £'000
Turnover	9,083	7,111
Cost of sales	(924)	(650)
Administration expenses	(8,023)	(7,698)
Other operating income	1,652	1,643
Operating profit	1,788	406
Profit after tax	1,788	406
Retained earnings at the beginning of the year	299	1,353
Profit for the year	1,788	406
Gift aid payment	(604)	(1,460)
Retained earnings at the end of the year	1,483	299
The assets and liabilities at 31 December were:		
Fixed assets	861	612
Current assets	2,469	1,310
Current liabilities	(1,847)	(1,623)
Total net assets	1,483	299
Aggregate share capital and reserves	1,483	299

12. Debtors

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year				
Amounts due from group undertaking	-	-	581	876
Trade debtors	106	201	32	18
Other debtors	1	5	1	4
Prepayments	983	804	610	579
Accrued income	2,513	2,035	2,513	2,035
VAT	349	199	175	110
	3,952	3,244	3,912	3,622

13. Creditors

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year				
Trade creditors	700	424	304	273
Taxation and social security	168	155	94	81
Other creditors	43	42	24	42
Accruals and deferred income	1,440	1,224	665	703
	2,351	1,845	1,087	1,099

Included within accruals and deferred income is an amount of £0.5m (2020 £0.5m) received from Libor banking fines.

14. Restricted funds

	Balance at 1 Jan 2021 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Balance at 31 Dec 2021 £'000
The Children's Air Ambulance – Incubator	58	-	-	-	58
CAA Helicopter lease appeal	-	349	349	-	-
DLRAA Helicopter lease appeal	-	902	902	-	-
WNAA Helicopter lease appeal	-	1,349	1349	-	-
Lloyds Charities Trust	49	-	-	-	49
Various Other Trusts and Foundations	54	420	416	-	58
LIBOR Funding	499	-	-	-	499
	660	3,020	3,016	-	664

	Balance at 1 Jan 2020 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Balance at 31 Dec 2020 £'000
The Children's Air Ambulance – Incubator	18	40	-	-	58
CAA Helicopter lease appeal	-	133	133	-	-
DLRAA Helicopter lease appeal	-	725	725	-	-
WNAA Helicopter lease appeal	-	619	619	-	-
Lloyds Charities Trust	49	-	-	-	49
Various Other Trusts and Foundations	61	51	58	-	54
LIBOR Funding	499	-	-	-	499
	627	1,568	1,535	-	660

14. Restricted funds - continued

Purposes of restricted funds

The Children's Air Ambulance – Incubator was an appeal launched to purchase an incubator for TCAA before it was part of TAAS.

The CAA helicopter lease appeal represents funds received specifically towards CAA lease costs.

The DLRAA helicopter lease appeal represents funds received specifically towards DLRAA lease costs.

The WNAA helicopter lease appeal represents funds received specifically towards WNAA lease costs.

The Lloyds Charities Trust donated a granted to purchase a new detachable stretcher for one of our clinical partners (Evelina Children's Hospital or Great Ormond Street Hospital).

Various other trusts and foundations have provided donations for specific restricted projects.

The LIBOR funding was awarded to meet the capital costs associated with the two new Children's helicopters.

15. Unrestricted funds (group)

	1 Jan 2021 £'000	Incoming £'000	Outgoing £'000	Gains on Invest-ments £'000	Transfers £'000	31 Dec 2021 £'000
General funds	21,527	27,345	21,945	-	-	26,927
Investment revaluation reserve	460	-	-	1,143	-	1,603

	1 Jan 2020 £'000	Incoming £'000	Outgoing £'000	Gains on Invest-ments £'000	Transfers £'000	31 Dec 2020 £'000
General funds	19,414	23,807	21,694	-	-	21,527
Investment revaluation reserve	-	-	-	460	-	460

Unrestricted funds (charity)

	1 Jan 2021 £'000	Incoming £'000	Outgoing £'000	Gains on Invest-ments £'000	Transfers £'000	31 Dec 2021 £'000
General funds	21,229	17,215	12,999	-	-	25,445
Investment revaluation reserve	460	-	-	1,143	-	1,603

	1 Jan 2020 £'000	Incoming £'000	Outgoing £'000	Gains on Invest-ments £'000	Transfers £'000	31 Dec 2020 £'000
General funds	18,060	16,513	13,344	-	-	21,229
Investment revaluation reserve	-	-	-	460	-	460

16. Analysis of net assets between funds

	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	14,709	374	15,083	10,282	375	10,657
Net current assets	13,936	290	14,226	11,705	285	11,990
	28,645	664	29,309	21,987	660	22,647

17. Operating lease commitments

At 31 December 2021 the charitable group had future minimum lease payments under non-cancellable operating leases as set out below.

Group

	2021		2020	
	Land and Buildings £'000	Other items £'000	Land and buildings £'000	Other items £'000
Operating leases which expire:				
Within 1 year	1,421	5,582	1,441	6,556
Between 1 to 5 years	3,500	31,342	3,513	16,235
More than 5 years	1,242	5,040	998	3,300
	6,163	41,964	5,952	26,091

Charity

	2021		2020	
	Land and Buildings £'000	Other items £'000	Land and buildings £'000	Other items £'000
Operating leases which expire				
Within 1 year	93	5,542	93	6,519
Between 1 to 5 years	347	31,285	439	16,208
More than 5 years	-	5,040	-	3,237
	440	41,867	532	25,964

18. Financial Commitments

As a result of group registration arrangements for value added tax (VAT), the charitable company is jointly and severally liable together with other members of the group for any VAT due by the representative member of the group.

19. Membership

The Air Ambulance Service is incorporated under the Companies Act 2006 as a company limited by guarantee having no share capital. The liability of members to contribute towards the debts of the charity in the event of a deficit on winding up is limited to £1.

20. Controlling parties

In the opinion of the trustees, given the structure of the charity, there is no ultimate controlling party.

21. Related party transactions

Transactions with Trustees are disclosed in in note 7.

There were no other related party transactions in the year (2020: none)

THE AIR AMBULANCE SERVICE

England & Wales - Charity number 1098874

Accounts

Registered company number: 04845905
Registered charity number: 1098874

THE AIR AMBULANCE SERVICE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONTENTS

	Page
Chairman's statement	1
Chief Executive's report	2-9
Trustees' Annual Report	10-24
Independent Auditor's report to the members	25-28
Group Statement of Financial Activities (incorporating the income and expenditure account)	29
Group Balance Sheet	30
Charity Balance Sheet	31
Consolidated Cash flow Statement	32
Notes to the financial statements	33-49

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CHAIRMAN'S STATEMENT

Twenty-twenty will be forever remembered as a year like no other. But, in the face of the biggest global pandemic in a century and the resulting life-changing impact felt by our communities, the courage, creativity, compassion and continuity displayed by everyone associated with the charity has been remarkable.

Thanks to the unwavering support for the charity, our delivery of lifesaving, critical care and inter-hospital transfers has continued without exception. This is a remarkable achievement and is testament to our wonderful supporters, our dedicated clinicians and crews, the commitment of our staff and volunteers and the excellent leadership of the charity.

The commitment and togetherness shown by all of our stakeholders ensured the charity was well-placed to be able to adapt, overcome and achieve monumental milestones and accomplishments. It quickly embraced the enforced changes brought about by the pandemic and adopted new ways of working to limit the impact on performance.

The Air Ambulance Service continued to lead the way in embracing new technology as day-to-day working environments changed from offices, stores, vehicles and warehouses to remote working, and through ecommerce, digital campaigns and virtual challenge events, new technology was also able to lessen the financial blow felt.

As Chairman, I am extremely proud of what the charity has achieved in the most challenging of years and I am extremely grateful to everyone who has helped us to achieve excellence operationally while limiting the financial impact of the pandemic.

Chris Faircliffe

Chair of Trustees

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CHIEF EXECUTIVE'S REPORT

I am pleased to report that an extremely challenging year for the charity in 2020 was successfully navigated and we remained true to our objectives of providing a Helicopter Emergency Rescue Service for the counties of Warwickshire, Northamptonshire, Derbyshire, Leicestershire and Rutland and some surrounding areas under our Your Local Air Ambulance banner. We also maintained our national Paediatric Intensive Care transfer and Retrieval Service which is better known as The Children's Air Ambulance.

An excellent start to 2020 in January and February was suddenly curtailed with the Covid-19 Pandemic which has had a truly devastating impact across the world. We were not immune to that and in line with Government guidelines, it meant we had to close shops, cease all external fundraising efforts such as our lottery and reuse programmes which between them generate a significant amount of income for the charity. It is estimated that £2.2 million of income was lost in our shops and trading and a further £1million lost in community fundraising efforts and events that could not take place.

Such an event could have been catastrophic for a charity like ours had we not been ready to meet such a challenge, but with our renowned resilience, agility, determination, and dedication we were prepared. I want to immediately thank the Executive Leadership Team and the Senior Management Team for the hard work and professional way we handled the whole pandemic crisis in a way that by the end of the year we had maintained all clinical services, maintained the jobs of all our staff and balanced the books to ensure that the charity continued to thrive, even under the most enormous pressure.

Whilst it is fair to say that for most people 2020 will be remembered for Covid, Brexit and significant social movements, for The Air Ambulance Service it can also be remembered for some very positive reasons. It was the year that our HEMS fleet surpassed 40,000 total missions since the charity introduced its first aircraft in 2003 while the Children's Air Ambulance reached the 500-mission mark since its inaugural flight in 2012. And our achievements didn't stop there as we continued to improve the clinical excellence displayed by our crews albeit within full PPE and in aircrafts that were modified to make them Covid-19 safe. It was a big and costly exercise to do so but it was necessary, and it gave the required protection to both patients and staff.

The charity set itself significant targets for 2020 and despite the national lockdowns that forced our retail network to close its doors, our community fundraising events being put on hold and our door-to-door lottery and reuse teams having to stand down, the results achieved in 2020 have been quite extraordinary thanks to the appreciation and support of the charity in a time of obvious adversity.

Our purpose is to save lives and we do that by providing the best emergency medical services with rapid response capability by air and land. We respond to trauma and medical emergencies with our local air ambulances, and we respond to critical care transfer and retrieval needs for seriously ill children across the UK with our Children's Air Ambulance service.

All of our services are funded entirely by voluntary donations and by the trading and fundraising activities we undertake. This ethos remains at our core, we are there to work alongside and help the NHS and do so without the need for using their available funds. This year, more than any other, it was essential that we did not take away any funding from the NHS. This year also, we made our services and resources available to our NHS colleagues more than ever.

The impact we make with our services is to keep people alive, keep families together, to let children grow and to enable the NHS to carry out more work than they would have been able to. We also impact on our communities by creating jobs, taking actions to improve the environment, bringing people together as volunteers and creating worthwhile training and experience opportunities.

Financially it was difficult, but we managed, and I thank everyone involved in all our income generation activities and our financial support teams. The skills of the fundraisers, the marketeers and the retailers were important but so too was the financial stewardship from our Director and his team.

We are, and always will be, an organisation steeped in the values of courage, creativity and compassion that have served us well over many years. Every time a doctor or paramedic sets out on a mission, they can never be sure what they will face and what the eventual outcome will be. Sometimes they will see things that can be deeply upsetting and sometimes terribly shocking but there will never be any hesitation on responding when someone needs our help. That's courage and so is the willingness of staff and volunteers to try new ways of fundraising and new ways of making our charity better and better especially in the adversity we faced. Only a fool would think they have ever achieved everything, our ethos is continual improvement and always striving to do more and better and it takes courage and creativity to do that. The compassion is in everything we do, people don't come to us for their benefit, we all join together to help others because we care a great deal about our society. We support each other and we will go out of our way when needed. The spirit and togetherness showed by everyone involved with our charity has been incredible in 2020 and if I could, I would mention every single person by name, but I don't need to because I can say with hand on heart that every single person in our charity did their bit and more in 2020.

Warwickshire & Northamptonshire Air Ambulance
These two counties are served by an Agusta 109 Grand helicopter and a rapid response land vehicle that respond to requests by our NHS Ambulance Trust partner WMAS to assist with major trauma and medical emergencies. Both the helicopter and the car will be crewed with a doctor and paramedic of the highest clinical standards and dedication. The helicopter is leased from Sloane Helicopters based in Northamptonshire who also provide the pilots.

In 2020 WNAA we attended 1,365 missions, 585 by helicopter and 780 by our critical care cars. Of these 388 were road traffic collisions.

WNAA	TOTAL
RTC	388
MEDICAL	432
SPORTS	33
FALL	162
INDUSTRIAL	27
OTHER	323

Our work of course is not about statistics but of real people. Here is an example of how our work makes a positive impact on people's lives:

As a medical professional, Coalville GP Sean Ottey knows exactly what difference being flown to hospital by the local air ambulance made to his recovery after he suffered a cardiac arrest whilst exercising.

"It's all down to time. Getting the right treatment as quickly as possible is absolutely crucial in terms of minimising damage to the heart muscle, memory and brain," he explains.

Sean (53) was flown to Derby Royal Infirmary in just 12 minutes by Warwickshire & Northamptonshire Air Ambulance after the helicopter was called out to Hood Park Leisure Centre in Ashby-de-la-Zouch – where Sean was taking part in a high intensity training session.

"The air ambulance critical care doctor gave me drugs which helped my condition, and the speedy transfer to hospital was crucial in the chain of events that saved my life," he says.

Sean "felt absolutely fine" on the morning in August this year when he was taking part in the weekly class, he has attended at the local leisure centre for the past 15 years.

"I remember doing a backward lunge and the next thing I was waking up in intensive care," he says.
There is a history of heart problems in Sean's family and despite him being a non-smoker, not obese and exercising regularly he believes "it is inevitable that I would have had a cardiac arrest at some point."

Looking back now he says that he "was in the right place at the right time" when it happened as the leisure centre staff were First Aid trained and did CPR on him straight way.

"If I had a cardiac arrest when I was out walking on my own in the middle of nowhere the outcome would have been completely different," he says.
Sean spent over two weeks in hospital – 48 hours in an induced coma – and during that time he had an implantable cardioverter defibrillator (ICD) and stent fitted.

Three months later (December) he is walking up to five miles a day, following a programme of cardiac rehabilitation exercises and says he feels "generally well". He hopes to return to work in the New Year.

Members of the exercise class he was attending at the time of his cardiac arrest have raised funds for the Warwickshire & Northamptonshire Air Ambulance and Sean is encouraging others to support the charity.

"If it wasn't for the air ambulance, I wouldn't have made such a good recovery. I am so grateful it was there when I needed help. It would be nice if it was funded by the Government and it is a big shame that it isn't so let's keep raising as much money as we can so the charity can keep helping other people," he says.

Derbyshire, Leicestershire and Rutland Air Ambulance

These three counties are served by an Agusta 109 Grand helicopter and a rapid response land vehicle that respond to requests by our NHS Ambulance Trust partner EMAS to assist with major trauma and medical emergencies. Both the helicopter and the car are crewed with a doctor and a critical care paramedic of the highest clinical standards and dedication. The helicopter is leased from Sloane Helicopters, based in Northamptonshire, who also provide the pilots.

In 2020 DLR attended 2,038 missions, 804 by helicopter and 1,234 by our critical care cars. Of these 552 were road traffic collisions.

DLRAA	TOTAL
RTC	552
MEDICAL	706
SPORTS	82
FALL	172
INDUSTRIAL	33
OTHER	1,053

A former teacher who suffered life-changing injuries when she was attacked by a herd of cows has set herself the challenge of walking 1,000 miles in 2021 to raise funds for the local air ambulance, without whom, she believes, she would not be here today.

Pip Peacock (63) from Bakewell was walking her dog at Magpie Mine near Sheldon when the incident happened in September 2019.

"My injuries were so serious I probably would not have survived if I had gone in a land ambulance to hospital. The policeman who went to tell my husband what had happened said I might not live even though I had been taken by helicopter," she says.

But thanks to Derbyshire, Leicestershire & Rutland Air Ambulance Pip was flown to the Northern General Hospital in Sheffield – the nearest major trauma centre – in just 10 minutes. The road journey from the remote location would have been about 45 minutes.

Her injuries included 34 breaks in her ribs, a broken collar bone, broken shoulder ligaments, and a broken finger, as well as serious wounds to her left leg and right knee.

Surgeons had to use 17 titanium plates to repair her rib cage – and before the surgery, Pip's husband Philip was warned that the second major trauma to her body in two days might mean that she would not survive. However, several churches gathered to pray as did Christian friends and friends of friends all over the world and she recovered.

Thankfully, after eight days in an induced coma and another two weeks in hospital, she was well enough to go home.

Since then, despite often being in pain, Pip has been trying to rebuild her life - initially by spending time with friends and family and since lockdown restrictions were introduced, by walking.

"As walking was allowed I just did more and more. I needed a challenge and signed up to walk 1,000 miles in a year. Then I thought it would be a great idea to use it to raise money for the local air ambulance charity so that something good comes out of what happened to me," she says.

Pip also wants to raise awareness of the potential dangers of walking near cows, especially with dogs. She was with her dog Buster in a field, where there were some cattle, when the attack happened. She explains:

"Buster was used to walking in fields of cows and was on a very short lead by my knees. The first thing I recall about the attack is one cow coming for me. Then I was lying on the ground and was kicked and rolled over several times."

"I tried to shout for help but had no voice. I put my hands over my head and recited Psalm 23; 'The Lord is my shepherd; I shall not want. He makes me lie down in green pastures.' I felt very peaceful as my faith means I am not afraid of death. Suddenly I heard voices and two men and a woman came along.

The men were incredibly brave and chased the cows away. This was no easy task. I could hear them shouting and was worried the cows would attack them. They used their sticks and camera tripods to move the cows away. The woman stayed and talked to me. Once the cows had gone, I could hear the man on the phone telling someone that my dog had been killed, but I don't remember dropping Buster's lead or him running away from me," she says.

Losing Buster, a 13-year-old black Labrador described by Pip as "very docile," is a great sadness to Pip. She says: "He was very placid and loved by everyone - even some people who didn't usually like dogs. He came to us at 18 months from the Dog's Trust and we couldn't have asked for a better dog."
Pip doesn't hold any ill-feeling about the incident. Adding: I think it was just an unfortunate event. I have had incredible support since the accident and can see that good things have come out of it. I am making good progress but still struggle with pain from time to time."

She has made a fantastic start to her walking challenge by completing almost 200 miles by the end of February.

Pip has set up a JustGiving page for anybody who wants to sponsor her:
https://www.justgiving.com/fundraising/pip-peacock

The Children's Air Ambulance

This is a national service covering all of the UK as and when required. It works in partnership with all the major specialist paediatric intensive care teams based in all the best-known children's hospitals.

The role of the Children's Air Ambulance is to ensure the quickest, safest transfer and retrieval of critically ill babies and children and to ensure the doctors and nurses attending them have available the best equipment to meet all the clinical need.

We operate two Agusta 169 helicopters for this service based in the North and South of the country in Doncaster and Oxford. This enables us to respond to all parts of the UK in rapid time.

The Children's Air Ambulance (TCAA) attended 83 missions in 2020 as the pandemic significantly affected this number as hospitals had to cope with additional demands placed upon them by Covid-19. NHS paediatric and neonatal teams also reported a significant drop-in activity throughout 2020, especially over the historical busy winter/spring period.

The father of a 10-week-old baby flown to hospital for heart surgery by the Children's Air Ambulance (TCAA) describes the charity as "a fundamental piece of the jigsaw to get my daughter as quickly as possible to where she needed to be for a lifesaving operation."

Ian Williamson - from Weymouth - accompanied baby Jessica on the helicopter flight from Dorset County Hospital in Dorchester to Southampton Children's Hospital, along with members of Southampton Oxford Retrieval Team (SORT) – one of the clinical partners working with TCAA.

It took just 25 minutes by air to transfer Jessica compared with a road journey by land ambulance of well over an hour, not allowing for traffic delays.

"It was about 5pm on a Friday when we were flying. I remember looking out of the helicopter and seeing cars backing up on the motorway and thinking how glad I was that we were in the sky and not on the road," says Ian.

On arrival at Southampton, Jessica – who was born with the congenital heart defect Complete AVSD - went straight into the Paediatric Intensive Care Unit (PICU).

She stayed there, with Ian and his wife Lizzie constantly by her side, for two weeks whilst medical staff prepared her for her surgery, which she now desperately needed.

"At 12 weeks old Jessica had open heart surgery. Before her surgery we were told that it was likely she would need further operations, but when she came out of theatre the surgeons were really positive about how it went," says Ian.

Nearly 15 months after Jessica's helicopter transfer (August 2020) she is incredibly well and her cardiologist now feels it is unlikely that she'll need further surgery – which is such a relief for her parents, who describe her as "a gorgeously cheeky toddler".

Ian and Lizzie found out about their daughter's heart problem when they went for a 20-week scan and they always knew that she would have to have an operation. However, they were not expecting the scenario that started just a few weeks after Jessica's birth.

At just 16 days old she had to be admitted to Dorset County Hospital – where she was born – as she was struggling to breathe. The doctors there referred her to Southampton Children's Hospital where she spent four weeks being monitored and treated before being transferred back to Dorchester.

At only three kilos, she still didn't weigh enough to be operated on, but her condition had been stabilised and an Optiflow system was helping her breathing.

Unfortunately, just two weeks later, Jessica's breathing began to deteriorate again, and she urgently needed to go back to Southampton.

Because it was necessary for her to be transported whilst on the Optiflow system she couldn't be taken in a land ambulance as they don't have the facilities to support the machinery. There was only one specialist paediatric ambulance that could have made the trip – but that was needed elsewhere.
This is where the Children's Air Ambulance was able to help.

It was mobilised from its base in Oxford and flew to Southampton to pick up the specialist paediatric retrieval team from SORT and take them to Dorchester. They then prepared Jessica for the flight back to Southampton and accompanied her and Ian in the helicopter.

"Up until the last minute we were expecting a road transfer to Southampton and then we were told it would be by helicopter. We'd been waiting for the road transfer for a few days and each day we were told it wasn't possible we became more and more anxious, so when we were told that the Children's Air Ambulance was definitely coming that day, we were so relieved," says Lizzie.

"We were expecting a fairly straightforward transfer but by then Jessica had taken a turn for the worst. She got very distressed, and she had a very high heart rate. The SORT team decided to sedate and intubate her and put her on a ventilator prior to flying. She was looking quite grey and unwell at that point," she adds.

Lizzie was waiting at Southampton Hospital for the helicopter to arrive with her husband and daughter on board.

"It was such an emotional and beautiful sight seeing this Green Goddess emerging in the sky and landing at the hospital and knowing that Jessica was now where she needed to be for her lifesaving surgery," she says.

Lizzie and Ian say they were "very reassured by the quality of care" their daughter received from the SORT team and the helicopter pilots.

The couple will always be grateful to everyone who played a part in getting Jessica to where she needed to be for her lifesaving operation. They say: "We were totally gobsmacked when we were told that the Children's Air Ambulance is a charity and feel very lucky that this amazing facility was made available for our daughter when she needed it. We always felt she was in very safe hands. The Children's Air Ambulance will always have a very special place in our hearts"

Behind the scenes

Our front-line services are all supported by a dedicated team of staff providing the infrastructure and support required to maintain the services free of charge to NHS and patient. These are the people who work tirelessly in the background away from the spotlight ensuring that the charity meets all of its regulatory compliance, sound financial management, up to date accurate policies, people provision, training, and development and of course the income generation.

We have built on our internal infrastructure within key areas and a heavy focus on our people. At the end of year, we employed 358 employees in total across the whole of the charity with the majority being in our retail division. We also had 859 volunteers who are regularly giving their time to us in varying roles spanning our organisation. Wellbeing, building on our Governance, strengthen internal policies and investing in training have all been key internal focuses for us.

The Pandemic brought an increased threat in a number of areas throughout the year. We had to ensure all of our aircraft were covid safe and we spent significant amounts of money on installing better safety shields in the cockpit and patient areas. We adapted our shops and offices into a covid safe space, and we implemented all Government recommended guidelines. The charity leadership team has also focussed very strongly on regulatory compliance and risk management because of the pandemic, and we have implemented new processes to improve this area across the whole organisation. This has meant investment into more digitally focussed activities in order to keep our charity running as it needs to.

Internal and External Communications have been very successful this year. We implemented a fortnightly business update for all staff to keep everyone informed of developments. Similarly, we implemented a fortnightly wellbeing session for all to ensure we managed the obvious concerns, anxiety, and loneliness the lockdown brought to many. Volunteers were kept up to date on a monthly basis and there were weekly bulletins from the CEO and Leadership Team to our multiple stakeholders across the country.

We have built on our wellbeing programme, introducing a strategy to deliver on the five pillars of wellbeing; mental, social, financial, physical and digital. In remembrance of our much loved and respected late colleague and Deputy CEO, Alexandra Pope; April saw of our first 'Alexandra Day'. This brought the organisation together and united everyone, giving time to reflect and focus on their wellbeing.

A high priority has continued to be our Training and Development arena. The Senior Management Team have concluded their CMI Level 7 in Strategic Leadership and Management, while Line Managers continue with the ILM Level 5 in Management, which is due to complete in 2021. We have improved and reintroduced our Talent Academy programme for 2021.

We maintained and improved the staff "our voice" initiative and the "Just Landed" newsletter. We made good use of MS teams, Zoom and SharePoint as a staff communication tool and enhanced website and social media output that is relaying the work of the whole charity. For our volunteer network we have maintained our centralised management team "The Volunteer Hub" as well as a portal to improve communication and accessibility to the charity's recourses

We have expanded our external mentoring scheme with 16 employees now engaged with an external successful leader in their field on a one to one mentoring programme to develop skills and knowledge beyond their immediate roles. We are very grateful to those supporters who have offered their time and expertise free of charge to help in this way.

Best of all, the charity achieved recognition of its quality management with the awarding of the ISO 9001 and ISO 14001 Certifications, and once again we passed all other regulatory inspections and financial audit.

Income generation

The Covid crisis meant that for the first time in our history income did not grow. The suspension of so many activities meant we had to rely on our existing supporters' generosity even more. Our mailing campaigns were very successful and our applications to Grants and Trusts proved exceptional. This represents another great effort by everyone and is a clear validation of the quality of the charity and what it provides. Our Children's club #TheCrew reached a membership of 960 with plans to further increase these numbers in 2021.

Our first ever digital fundraising campaigns the "2.6 Challenge" and "the Santa fun run" were both successful in generating income and raising awareness of our work. Our teams embraced this new technology and way of working at very short notice and to great effect. Plans will continue to formulate further digital campaigns in the future to run alongside the more traditional efforts that will return.

Our Legacy income remained stable and we continue to introduce new activities to make people aware of this very valuable way of supporting our work.

Overall, it has been a very challenging year for our fundraising but our staff remained positive and focussed and found new ways of keeping the donations flowing. There were some very notable individual donations and some outstanding company efforts and as is always the case, our volunteers were at the forefront of our work raising funds and awareness.

Our Values

We live and thrive with our three core values of Compassion, Courage and Creativity and once again they have been demonstrated by everyone involved in the charity. We, like many others, have had people lose loved ones in the pandemic but it has been good to see all staff and volunteers rallying around and providing help and practical support when needed. With many people naturally worried about their jobs and livelihoods the courage of our leadership and management teams in making hard but necessary decisions quickly, and always with the people element in mind, was impressive. Many would have succumbed to such pressure. Having not had to lose a single job nor stop or restrict any of our frontline services is testimony to our values. The way our people responded to a dramatic change in culture and environment and quickly created new ways of generating income, communicating with, and looking after our supporters showed those creative capabilities that have been a hallmark of our success over the years.

Our ethos has always been the same since I began back in 2004. We are here to deliver excellent patient care, do more of it until no more can be done, be brave and challenging but always with respect. Be creative and caring and focus on the impact we make to our society. We are an inclusive organisation with a diverse workforce where inequality or discrimination in any way would simply not be tolerated. We invest in people and we invest our hearts and minds into ensuring that whatever we can do to save and improve lives, we do.

Andy Williamson
Chief Executive

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary ("the Group") for the year ending 31 December 2020 which are also prepared to meet the requirements of a Directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

LEGAL AND ADMINISTRATION INFORMATION

Charity Name	The Air Ambulance Service
Charity Registration Number	1098874
Company Registration Number	04845905
Registered Office	Blue Skies House Butlers Leap Rugby Warwickshire CV21 3RQ
Independent Auditors	Cooper Parry Group Limited One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG
Bankers	Barclays Bank PLC Meridian Business Park Leicester LE19 1RP
Investment Managers	Cazenove Capital 1 London Wall Place London EC27 5AU CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal Activities

The principal activities of The Air Ambulance Service ("TAAS") are the relief of sickness and injury and the protection of human life, principally (but not exclusively), by the provision of an air ambulance service.

Statement of public benefit

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Air Ambulance Services' charitable objects are stated within its memorandum and articles of association and as such the trustees ensure that the charity's activities are carried out for the public benefit through its strategic priorities. This is done primarily through the delivery of services by the provision of an emergency and children's air ambulance service. This report allows us to show how our charitable funds are spent and the impact and benefits that has on those requiring our services, as well as the wider impact on the communities we operate in.

Our fundraising standards

As a charity reliant on voluntary income we take an active and responsible approach to our fundraising. We are registered with the Fundraising Regulator and are firmly committed to ensuring we are compliant with their Code of Practice.

Our fundraising activity is carefully planned and all supporter data on our fundraising database is governed by strict consent, unsubscribe and complaints processes. Oversight of these processes is carried out by an internal Data Protection Officer, ensuring we are kept up to date with new legislation as well as supporter feedback.

The Charity is committed to providing an excellent service to supporters and retail customers but we recognise that occasionally things don't always go according to plan. With this in mind, we encourage complaints and suggestions to help shape the ongoing development of our services and the way in which we work with our supporters.

Company Status

The charity is a company limited by guarantee (registration number - 04845905), and as such has no share capital. The company is governed by its Memorandum and Articles of Association which were last updated in November 2019. The liability of the members of the company, as set out in the Memorandum of Association, is limited to £1 per member.

Board of Trustees

The Trustees of the charitable company, who are directors for the purpose of company law, who served during the year and up to the date of this report are set out as follows:

Mr M Burgoyne (resigned 4th March 2020)
Mr C M Faircliffe (Chair)
Mr R D Jones (resigned 20th May 2020)
Mr J L Williams
Mr P Holdcroft
Mr N Bandtock
Mr P Whatmore
Mrs M Bradley
Mr F Jaffri
Mr A Majithia
Ms D Atkins
Mr A Newman

Directors are selected against pre-determined skills criteria designed to ensure that the Board has the necessary knowledge with which to direct The Air Ambulance Service.

Key Management Personnel:
Senior Management Team of The Air Ambulance Service and its Subsidiary at the year end

A Williamson	Chief Executive Officer (CEO)
E Peake	Director of Retail/Trading
K Tailor	Director of Finance
R Clayton	Director of Operations

Trustee and Director induction and training
Trustees are inducted to the organisation on appointment and are briefed as appropriate. As part of ongoing training, trustees have received formal charity law updates, strategic sessions and presentations in relation to operational requirements during the year.

Organisational Structure

The Air Ambulance Service Board of Trustees meets at least 4 times per year to oversee the development of the charity and the work of the Senior Management Team.

The Air Ambulance Service Trading Company Board also meets at least 4 times a year, to oversee the work and development of the trading subsidiary.

There is a Finance Committee which considers matters of finance, audit and control for both the Charity and the Trading company. The Finance Committee meets four weeks prior to the Boards so that the committee can report the discussions and actions arising from their meeting. There are also additional committees in place which consider matters of governance, operations, marketing and human resources, which provide additional reporting processes.

The Trustees are responsible for the control over all activities and authorise all major transactions of the charitable company and its subsidiaries. Day to day activities are overseen by the Chief Executive and the Senior Management Team on a delegated basis.

Pay policy for Senior Staff

The Trustees consider the senior management team comprise the key management personnel of the Charity in charge of directing, running and operating the Charity on a day to day basis. The pay of the senior staff is reviewed annually by the Finance Committee, who also act as the remuneration committee and is reviewed based on performance and average earnings across the sector.

Risk Management

A detailed risk management process is in place in respect of clinical operations, which is in accordance with the Care Quality Commission guidelines and advice. In addition a wider organisation focussed Risk Management process is in place and is monitored regularly by the Senior Management Team and Board.

In line with best practice and the requirements of the Charities SORP (FRS 102), the Trustees have reviewed all major potential risks for the charity and taken appropriate measures to mitigate their impact.

OBJECTIVES AND ACTIVITIES

The objects of the charitable company have not changed and are as stated earlier under the Principal Activities.

The activities of the Charitable company continue to be:

- The delivery of Helicopter Emergency Medical Services (HEMS), a trauma service responding to road accidents, falls of many kinds, medical emergencies, injuries received in remote locations and many other scenarios. These services are based in Warwickshire, Northamptonshire, Derbyshire, Leicestershire and Rutland.
- The Delivery of the Children's Air Ambulance, a hospital to hospital paediatric transfer service. This is a national service and involves liaison with critical care hospitals and paediatric retrieval teams across England.

Our work makes a difference to people, to communities and to society as a whole. Our responsibility is far reaching. The obvious impact is on saving lives, improving clinical outcomes and being able to react quickly and efficiently to emergencies but our influence is also able to challenge, and when necessary, try to change Government policies on health; we are able to innovate in clinical care, challenge the boundaries that often exist in state run services and invest heavily in the development of the people who deliver that care.

Our primary purpose is healthcare and we will lead the way in our chosen fields of operation in trauma and medical emergencies via our HEMS services and in the innovation and development of the unique critical transfer and retrieval service that is The Children's Air Ambulance. However our reach goes much further in our impact on society. We are a significant employer and contributor to our local economies; we are a socially responsible organisation that values the very communities that support us. Our expertise is made available to smaller charities, to education establishments and to organisations with similar goals. We care about our environment and we must use our abilities to change, shape or challenge the voluntary sector as a whole for genuine public benefit.

We are an organisation that engenders pride and purpose in every individual associated with us.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Overview

2020 proved to be a challenging year for the voluntary sector and as an organisation we remain independent in our income generation and our policy has always been to hold adequate funds to enable us to react to any unexpected adverse impact on our finances. This approach is safeguarding us in the current unprecedented time and ensures we can cover future liabilities as they arise. During this time, we are constantly reviewing our liquidity policy to ensure we maintain appropriate levels of easily accessible funds, in conjunction with a specific focus on cash flow management, which is particularly relevant given the coronavirus developments. We believe we are in a strong position to manage our way through these unprecedented times and our results for the year is a testament of this.

Whilst our retail operation has not expanded we continued to maintain 56 outlets across the country, each reflecting the part of the organisation local to their area.

We continue to be at the forefront of service development and continue to achieve our aspiration of having full doctor cover on both of our HEMS services. We have developed our clinical expertise and continue to be registered with the Care Quality Commission achieving all the required standards.

The Children's Air Ambulance has eight Clinical Partner Teams working with us and obtaining their own stretcher equipment that has been uniquely developed and is certified by the Civil Aviation Authority. The time saved on air transfer rather than road transfer is recognised as being significant and as well as helping the patient undergoing transfer, allows the medical team to get back to home base quickly therefore being available for other potentially lifesaving duties.

Contingency plans are in place to always protect the HEMS services first and foremost but the innovative and excellent service provided by Children's Air Ambulance requires us to engage the mass public in an awareness of their work. The financial support required to facilitate our growing services requires us to be dynamic. We very much appreciate the support of our donors, supporters and volunteers and feel it is incumbent upon us to stretch their contribution as far as possible.

Helicopter Emergency Medical Services (HEMS) and Clinical Operational Report

The Air Ambulance Service (TAAS) remains one of the busiest air ambulance service providers in the country, providing critical care, lifesaving services to the NHS 24hrs a day, 365 days a year.

It is beyond any doubt that the global pandemic has caused significant and unprecedented pressures across the NHS healthcare systems in 2020, and the challenges experienced by TAAS were no exception.

Despite national and global challenges, especially during the early phases of the pandemic, the operational management and clinical teams approached every challenge compliant to national Public Health/NHS England guidance in order ensure both clinician and patient safety was maintained.
Our lifesaving Helicopter Emergency Medical Services continued throughout pandemic with very little impact to operational delivery. I would like to single out, from an extensive list of internal and external stakeholders and supporters, my sincere thanks to my dedicated team of clinicians and managers whose support and commitment to patient safety was and continues to be unquestionable. I would also like to place on record my thanks to the East Midlands Ambulance Service NHS Trust, West Midlands Ambulance Service NHS University Foundation Trust and Sloane Helicopters Limited for their overwhelming support throughout the pandemic.

Despite the challenges TAAS attended 1,391 critical care missions by helicopter, and a further 2,108 critical care missions by Rapid Response Vehicles (RRV) – an incredible 3,409 critical care missions in in total for 2019. TAAS also reached another monumental milestone reaching its 40,000th lifesaving mission in 2020 since services commenced in 2003. A truly remarkable achievement.

Following a thorough tendering and selection process, in 2019 Sloane Helicopters Limited were awarded a seven-year contract to deliver two new AgustaWestland 109 GrandNew aircraft. Both aircraft are due to arrive in the UK from Italy in December to commence their clinical interior fit, but only one aircraft will be transferred due to lockdown restrictions. The second aircraft is due to be recovered from Italy early January 2021, and both aircraft expected to enter service by the end of March 2021.

As part of the replacement programme, and TAAS' commitment to operational availability, TAAS, for the first time since its inception, will also have a dedicated spare aircraft to use during periods of maintenance. The new helicopters will see further advancements in lifesaving equipment carried onboard the aircraft, and availability extended with double shifts operating at both airbases May – August 2021.

Planned recruitment for new full-time doctors had to be suspended during wave one of the pandemic due to risk. A thorough risk managed recruitment and selection process was put in place, and a successful recruitment day was held in October with 3 full-time doctors selected for 2021.
As a pre-hospital provider committed to delivering excellence in patient care, we continue to provide specialist doctors on all four of our operational platforms (helicopters and RRVs) and I am pleased to report that we now have a bank of over 44 highly skilled doctors working for TAAS. We achieved doctor cover at an impressive >97% in 2020.
As part of our ongoing commitment to training and education TAAS continues to support the West Midlands Deanery with their PHEM (Pre-Hospital Emergency Medicine) Training Programme, essentially helping to train and educate the next generation of PHEM doctors.

Training, education, and research opportunities to further improve services continued to be a strategic aim throughout 2020, and although hampered considerably by the pandemic, alternative sources of learning via remote means were introduced during 2020.

TAAS continued to support the RePHILL trial (a randomised trial of pre-hospital blood and blood product administration) through to its conclusion in December 2020. TAAS continued to be the top recruiter to the trial throughout 2020 and was also the first to recruit the first patient by a double critical care paramedic team. The evidence gained from the trial will help inform TAASs' future strategic direction for hospital blood administration in 2021.

Following an approach by East Midlands Ambulance Service NHS Trust, TAAS has been requested to develop an exciting opportunity to deliver enhanced training in Silver Trauma' 'Airway Management' and 'Initial Trauma Assessment' to EMAS paramedics in 2021.

In addition to the annual audit assurances for anaesthesia, sedation, surgical skills and Infection, Prevention & Control, both operational bases completed their 'Annual Quality Assurance Review' (AQAR), both scoring >97% compliance. The AQAR focuses on the CQC 'key lines of enquiry' (KLOEs) within the five domains of; 'Safe'; 'Effective'; 'Caring'; 'Responsive to people's needs'; and 'Well-led'. Result from both audits were received well by both NHS ambulance services as further evidence of TAAS' commitment to patient safety and quality prehospital care.

The Children's Air Ambulance Operational Report

As with TAAS HEMS operations, The Children's Air Ambulance (TCAA) experienced similar challenges with the pandemic which regrettably affected activity considerably during wave one. As with HEMS, major changes had to be made and agreed by all NHS clinical partner teams and our aviation provider before consideration could be made to fly suspected/confirmed Covid-19 cases. TCAA however remained on-line and available throughout to support the NHS to undertake team moves (flying specialist teams to critically unwell children and babies) and patients confirmed as being negatively swabbed for Covid-19.

NHS paediatric and neonatal teams also reported a significant drop-in activity throughout 2020, especially over the historical busy winter/spring period (seasonal flu/bronchiolitis). Anecdotally this has been attributed to lockdown, school closures and improved infection prevention & control measures (hand hygiene and social distancing). International research is now being evidenced which supports the theory. As a result of the drop-in activity, and the acute pressures being experienced with adult ITU beds nationally, some paediatric teams were requested and formed adult transfer teams to support the national crisis.

TCAA completed 83 critical missions across the country in 2020 supporting 10 NHS paediatric and neonatal specialist transport teams in their lifesaving work.

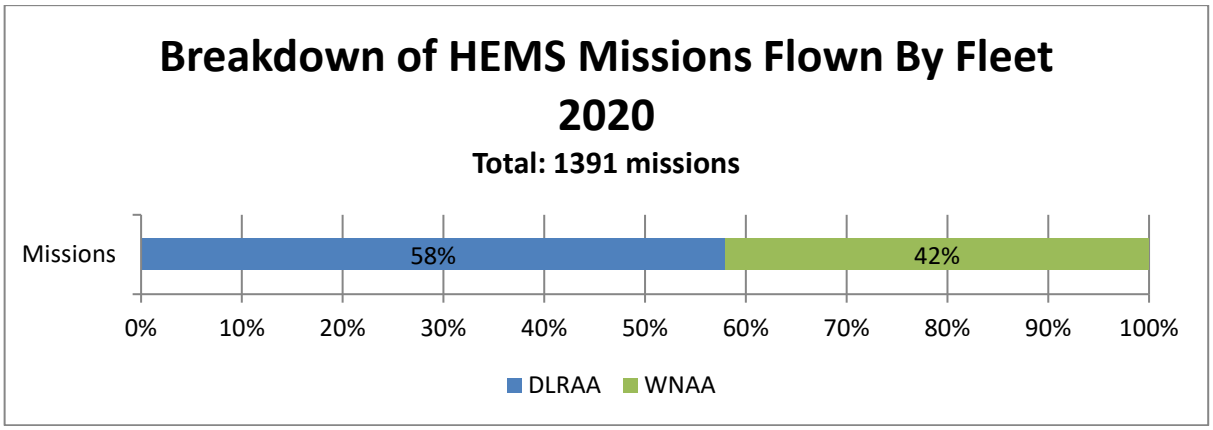
In addition to Covid-19 restrictions, activity has also been considerably affected by aircraft availability throughout 2020 due to long periods of maintenance, pilot training challenges and delayed landing site surveys. We continue to work with our aviation provider to highlight the impact and find timely workable solutions.

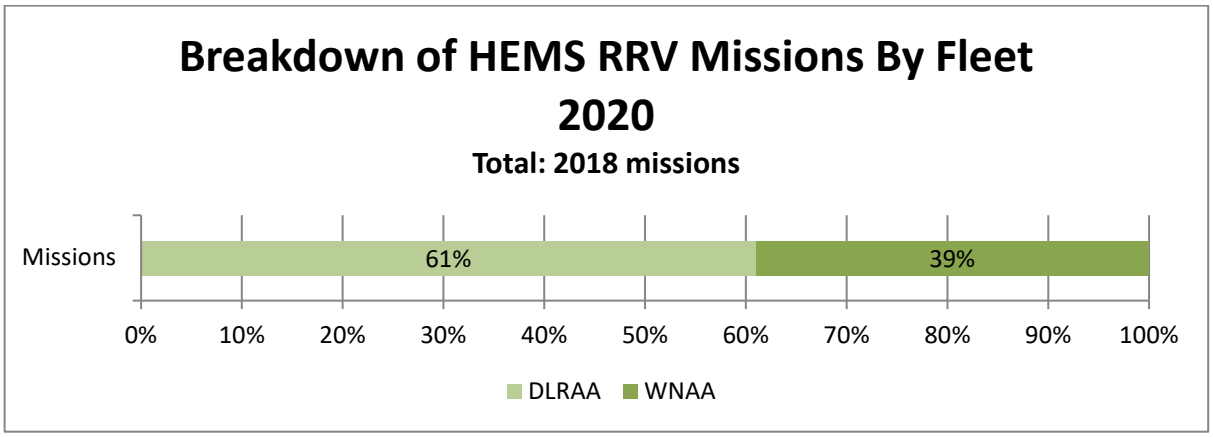
Despite challenges we have progressed key pieces of work to further enhance the services provided by TCAA. I am pleased to report that Nitric (specialist gas to aid a patient breathing) and ECMO (extra corporeal membrane oxygenation – essentially a lung and heart bypass machine) equipment have been developed and our now operational. TCAA is the first and only aeromedical provider in the UK to provide an ECMO capability by helicopter.

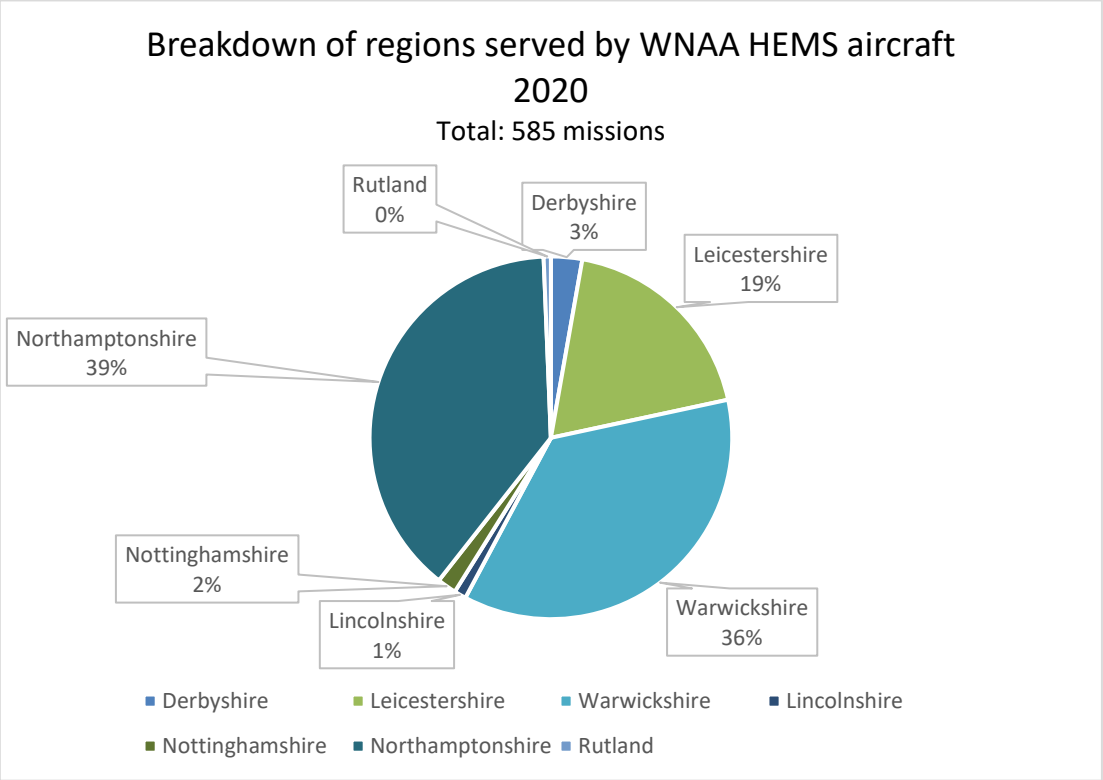
We have also progressed the incubator project and are at the final stages of selecting the provider to deliver 3 incubator systems for 2021. TCAA will be the first and only helicopter provider in England to support the NHS with a helicopter certified incubator. We expect the equipment to be delivered by quarter four, 2021, and certification completed quarter one, 2022.

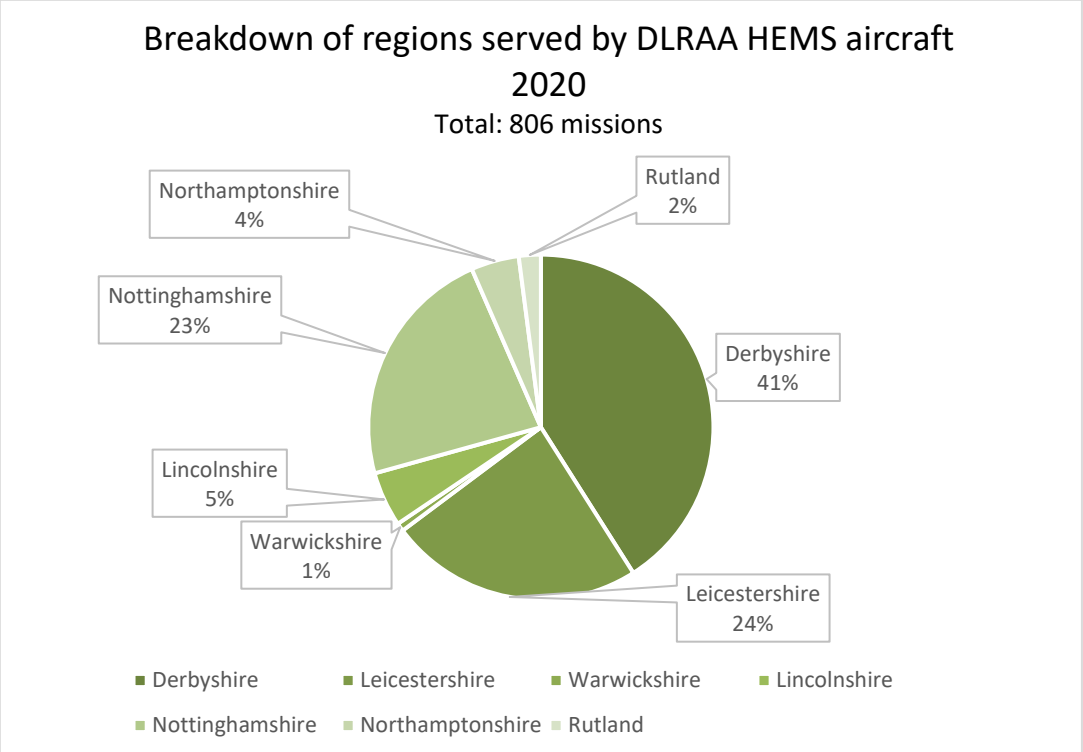
As with our Helicopter Emergency Medical Services; training and education is an essential component of the Children's Air Ambulance Governance Framework. NHS training was again impacted due to safety concerns relating to the pandemic, but alternative methods of remote education have been developed to ensure safety of services.

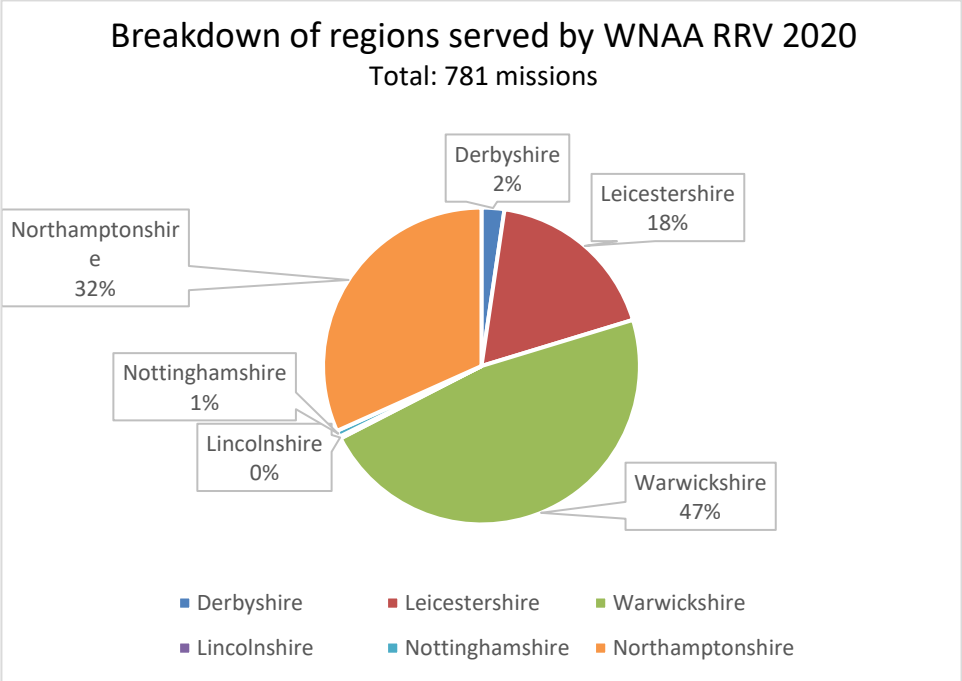
The following charts illustrate the number, type and spread of missions in 2020.

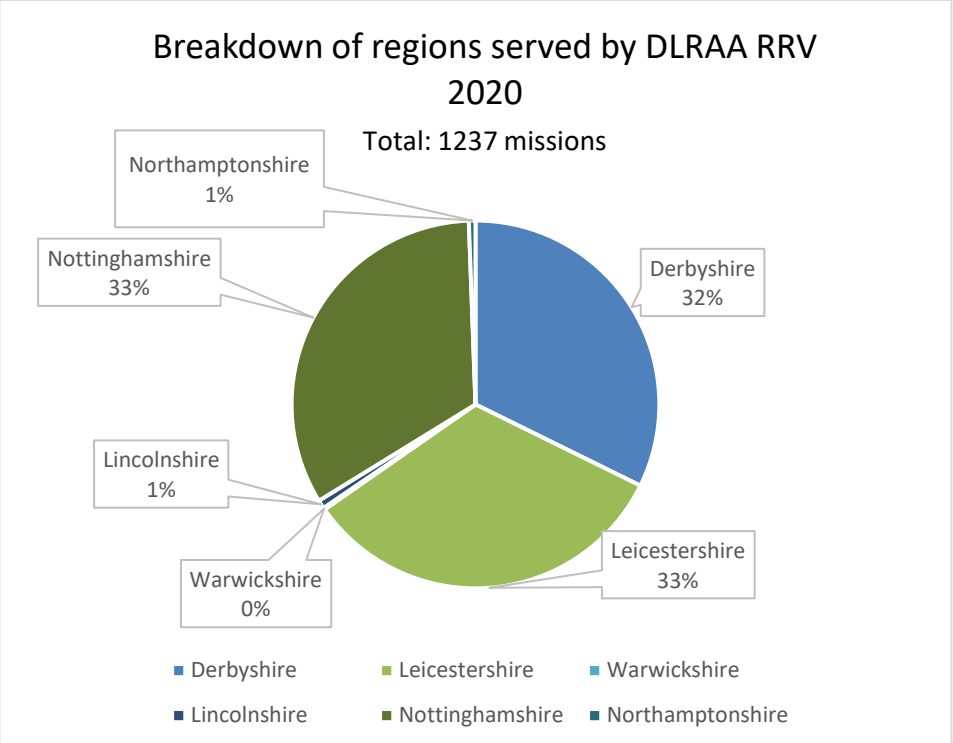


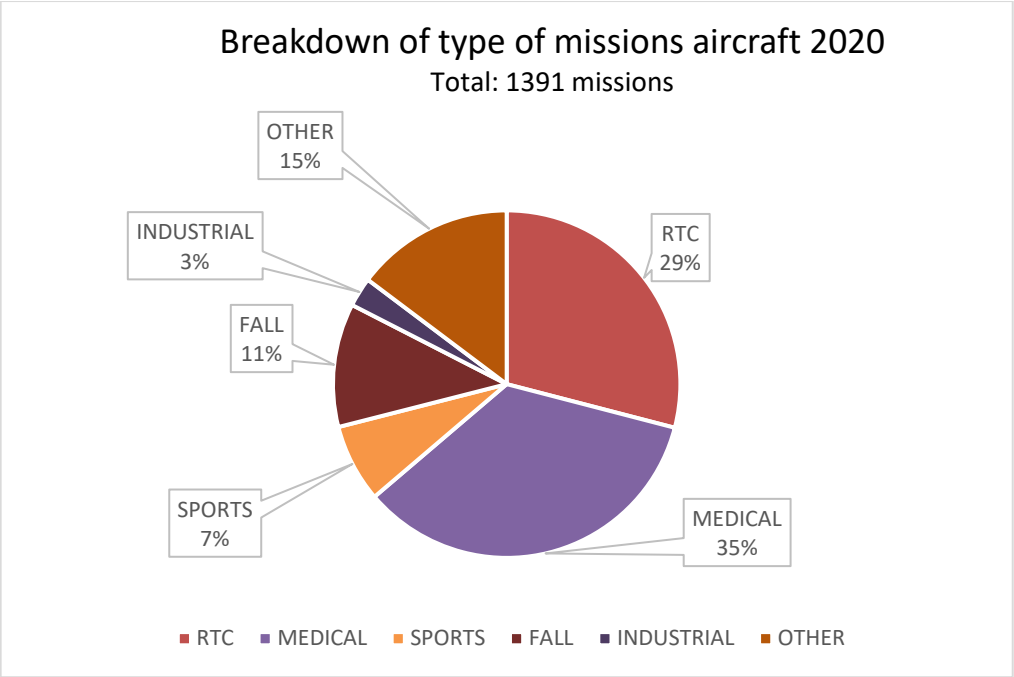


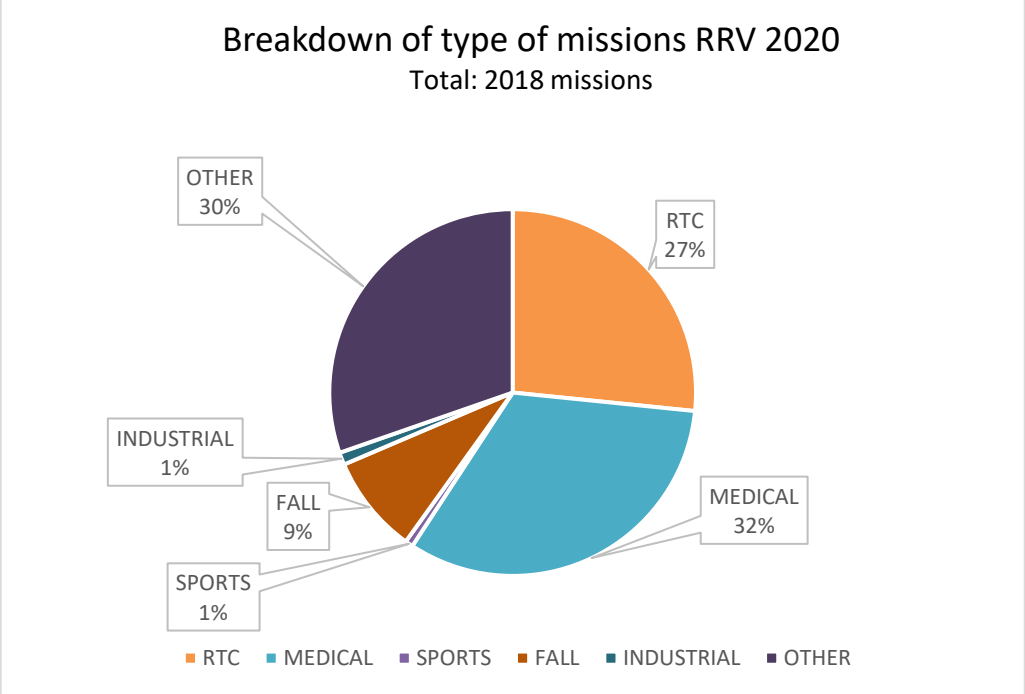

Breakdown of regions served by WNAA HEMS aircraft 2020
Total: 585 missions
Rutland 0%
Derbyshire 3%
Leicestershire 19%
Northamptonshire 39%
Nottinghamshire 2%
Lincolnshire 1%
Warwickshire 36%
Derbyshire
Leicestershire
Warwickshire
Lincolnshire
Nottinghamshire
Northamptonshire
Rutland

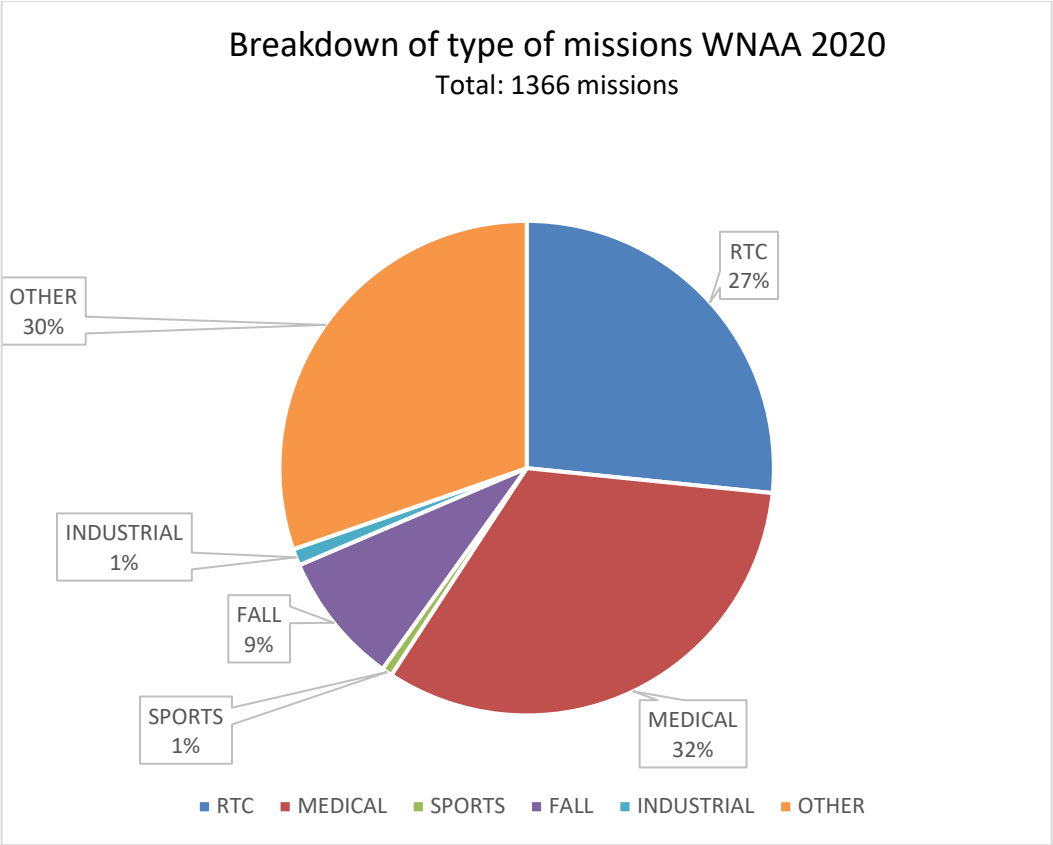

Breakdown of regions served by DLRAA HEMS aircraft 2020
Total: 806 missions
Northamptonshire 4%
Rutland 2%
Nottinghamshire 23%
Derbyshire 41%
Lincolnshire 5%
Warwickshire 1%
Leicestershire 24%
Derbyshire
Leicestershire
Warwickshire
Lincolnshire
Nottinghamshire
Northamptonshire
Rutland

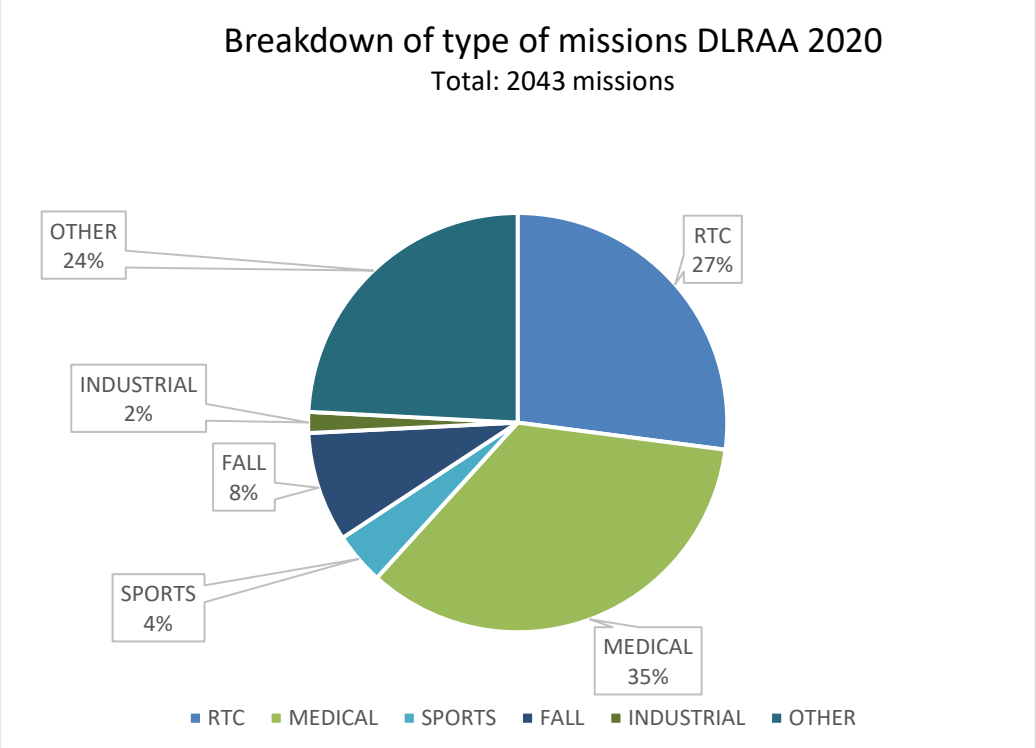

Breakdown of regions served by WNAA RRV 2020
Total: 781 missions
Derbyshire 2%
Leicestershire 18%
Northamptonshire 32%
Nottinghamshire 1%
Lincolnshire 0%
Warwickshire 47%
Derbyshire
Leicestershire
Warwickshire
Lincolnshire
Nottinghamshire
Northamptonshire

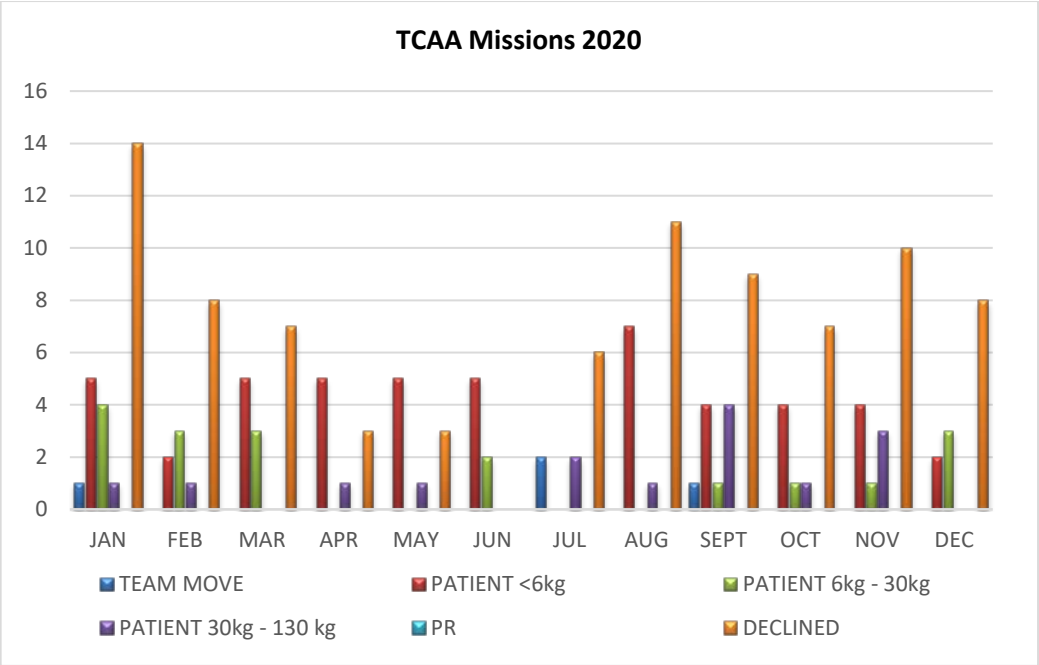

Breakdown of regions served by DLRAA RRV 2020
Total: 1237 missions
Northamptonshire 1%
Nottinghamshire 33%
Derbyshire 32%
Lincolnshire 1%
Warwickshire 0%
Leicestershire 33%
Derbyshire
Leicestershire
Warwickshire
Lincolnshire
Nottinghamshire
Northamptonshire

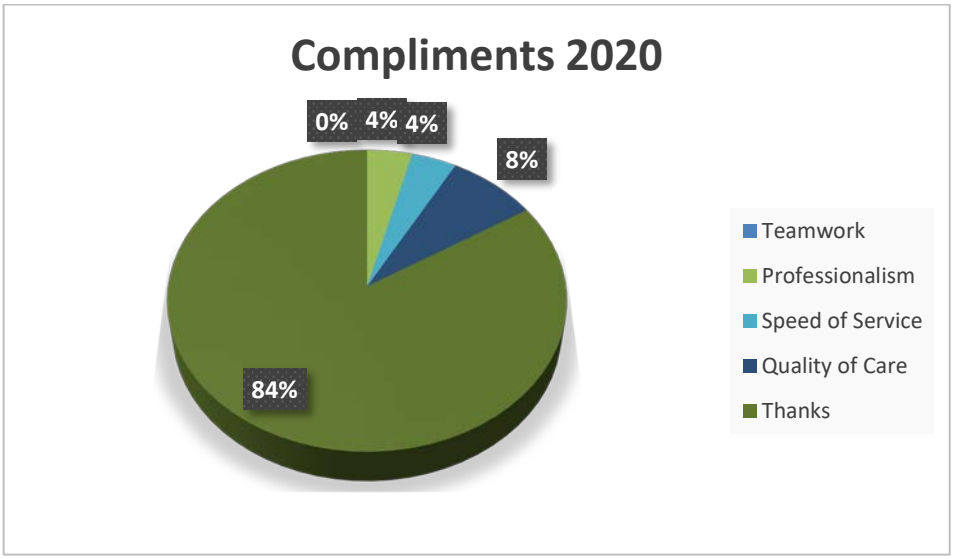

Breakdown of type of missions aircraft 2020
Total: 1391 missions
OTHER 15%
RTC 29%
INDUSTRIAL 3%
FALL 11%
SPORTS 7%
MEDICAL 35%
RTC
MEDICAL
SPORTS
FALL
INDUSTRIAL
OTHER


Breakdown of type of missions RRV 2020
Total: 2018 missions
OTHER 30%
RTC 27%
INDUSTRIAL 1%
FALL 9%
MEDICAL 32%
SPORTS 1%
RTC
MEDICAL
SPORTS
FALL
INDUSTRIAL
OTHER


Breakdown of type of missions WNAA 2020
Total: 1366 missions
RTC 27%
MEDICAL 32%
SPORTS 1%
FALL 9%
INDUSTRIAL 1%
OTHER 30%
RTC
MEDICAL
SPORTS
FALL
INDUSTRIAL
OTHER


Breakdown of type of missions DLRAA 2020
Total: 2043 missions
RTC 27%
MEDICAL 35%
SPORTS 4%
FALL 8%
INDUSTRIAL 2%
OTHER 24%
RTC
MEDICAL
SPORTS
FALL
INDUSTRIAL
OTHER


TCAA Missions 2020
16
14
12
10
8
6
4
2
0
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEPT
OCT
NOV
DEC
TEAM MOVE
PATIENT <6kg
PATIENT 6kg - 30kg
PATIENT 30kg - 130 kg
PR
DECLINED


Compliments 2020
0%
4%
4%
8%
84%
Teamwork
Professionalism
Speed of Service
Quality of Care
Thanks

FINANCIAL REVIEW

Financial Position

We receive no government support, we rely solely on donations, legacies, sponsorship, grants, fundraising events and our retail operations. We do not see this as a financial burden though instead believe that it enables us to ensure that we put the needs of the patient at the top of our entire decision making.

It is a measure of the services we provide and a credit to our dedicated supporters and staff that in these challenging times, consequential of the COVID pandemic we have been able to sustain financial probity. Our group income decreased by 12.2% in 2020 to £25m, following a temporary closure of our retail shops and fundraising activities being placed on hold due to national COVID restrictions, however we still delivered a surplus before investment gains of £2m.

The sustainability of our income allows us to cope with increasing costs, secure the stability of the charity by moving towards our reserves policy and continue building towards funding the replacement of our HEMS helicopters.

Our aim, as always, is to ensure the maximisation of funds raised in the operation and running of the Helicopter Emergency Medical Services and The Children's Air Ambulance.

Reserves policy

We have improved our reserves position in 2020, in line with the desire to secure the stability of the Charity by holding 12 months operational costs, which are approximately £23m. As at 31 December 2020 the Charity held unrestricted free reserves of £21m and has a long term plan to fill this funding gap through further fundraising. This provides us with the necessary fall-back position to maintain our operational capabilities in periods of downturn and invest in new equipment as it becomes available.

Going concern

During the year there was an outbreak of Coronavirus which developed into a global pandemic. The Trustees have naturally been concerned about the impact it has had on employees, donors, sponsors and suppliers of the Charity and are satisfied that supporting measures have been implemented. The Charitable group is well placed in terms of business continuity as we initiated several actions to enable our colleagues to continue working safely from home and using technology for communication.

Some tough decisions had to be made to protect the charitable group and as such we had to temporarily close all of our shops, cancel events, marketing campaigns and manage our expenditure, through the imposition of various national restrictions, some of which still remain in place since the year end. Since the year end the majority of our staff have been furloughed and the government's financial support for these staff has been accessed, together with the Local Authority small business grants.

Our forecasts for the remainder of the year have been adjusted for the impact of the above actions and therefore the financial statements have been prepared on a going concern basis as the trustees consider that adequate reserves and strong cash balances continue to be available to fund the activities of the charity and group for the foreseeable future. At the time of approving this report the prospects of returning to a broader range of charitable activity in the near future look promising. For these reasons, the charity continues to adopt the going concern basis in preparing the financial statements.

Streamlined Energy and Carbon Reporting (SECR)

SECR aims to bring the benefits of carbon and energy reporting to more businesses. The reporting framework is intended to encourage the implementation of energy efficiency measures, with both economic and environmental benefits, supporting companies in cutting costs and improving productivity at the same time as reducing carbon emissions. The Charity has reviewed it's reporting obligations and is satisfied that as it falls below the threshold of 40MWh for the year, further usage disclosure for the year is not required.

Financial Instruments

The charity does not use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk and manages this through credit control procedures. The trustees do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or performance.

The Companies (Miscellaneous Reporting) Regulations 2018 requires large companies to include detail in their annual report describing how the Trustees have had regard to matters set out in section 172 (1) of the Companies Act 2006. The Trustees statement is set out below**.**

Section 172 (1) statement Companies Act 2006

The trustees have acted in the way which they consider, in good faith, promotes the success of the charitable group for the benefit of its members and stakeholders as a whole, and in doing so have given regard to (amongst other matters):

Business relationships

With a highly committed and dedicated workforce, the charitable group takes great pride in listening to what our beneficiaries and stakeholders want and continues to provide the level of service they have come to expect, leading to continued increases in the awareness of the charitable group's activities and operations.

Our relationship with the community

As a charity, public benefit is at the heart of all we do. The Chief Excecutive's report together with the Objectives & Activities and Achievements & Performance section of the Trustees' Annual Report gives full details of the impact of our operations.

Maintaining a reputation for high standards

As a fundraising charity, we are compliant with the Code of Conduct issued by the Fundraising Regulator and take our responsibilities for exemplary clinical care very seriously. Further detail can be found in the Clinical and Operational Report included within the Trustees' Report.

Our people

At the end of 2020, we employed 381 members of staff and it is only through the combined effort of our whole workforce – our employees, supporters and volunteers that we can change the lives of so many. The charity encourages the involvement of employees by means of regular employee meetings and engagement in decision making processes that impact on them directly. Further details regarding key management personnel can be found in the Structure, Governance & Management section of the Trustees' Annual Report.

Employee involvement and employment of the disabled

Staff communication meetings are held on a quarterly basis for presentations and discussion of key areas including business updates and projects.

The Air Ambulance Service has a number of policies and procedures in relation to all personnel matters, including:

- Equal opportunities; and
- Health & Safety

The recruitment and training of staff is undertaken in accordance with the charity's equal opportunities policy and in line with the Disability Discrimination Act (1995).

Funds held as Custodian Trustees

The Charity has access to and control over the funds held for The Children's Air Ambulance Service lottery. These funds are held in a separate bank account from the funds of the charity. The Charity is registered with the Gambling Commission to run this lottery with day to day operations being under the control of a third party. Funds are released to the Charity in accordance with accounts submitted by the third party.

Principal Risks and Uncertainties

The Board and Senior Management Team have established a risk register which identifies the current perceived risks and which is reviewed at all monthly Senior Management Team and quarterly Trustee meetings.

We have a formal process in place whereby all types of risks faced by the Charity have been considered as to their probability and impact, measures and strategies have been documented and implemented to deal with the identified risks on both an individual and overall basis. All activity is reviewed in the context of these risks and our principal risks are noted.

Principal risks	What the risks mean to The Air Ambulance Service	How we manage the risks
Maintaining financial stability	The risk is that we don't have sufficient income to operate.	We have regular cash flow forecasts and a robust budgeting process. We also have different income streams to avoid dependence on any one income stream.
Governance and strategy	The risk is that we don't have the right governance structures in place to drive our strategy.	We regularly review our performance and governance structures. There are processes in place to lead strategic change.
People capability and capacity	The risk is that talented staff are not attracted, developed and retained in a competitive labour market.	Recruitment, appraisal and training processes are regularly reviewed. We benchmark our pay and benefits across the sector.
External influence and perception	There is a risk of loss of public trust and confidence and people do not understand our purpose because our messaging is not clear.	We are transparent in the delivery of our services and have a strategy to develop our brand.

PLANS FOR THE FUTURE

At the end of 2020 the Group developed a strategic, tactical and implementation plan for 2020-2022. This document reviewed our Vision, Mission, Core Values and Core Principles. It then set out seven strategic aims for 2020-2022.

Our Vision is that we want children to grow into adults and adults to live longer, making bereavement through trauma rare.

Our Mission Statement "Our rapid response services work tirelessly to save lives and alleviate pain and suffering, wherever and whenever needed" is reflected in our core values which are Compassion, Courage and Creativity.

As an organisation we are clear on three things, our ultimate aim (The Vision), the impact we make on Society (The Mission) and the way we go about achieving this important work (The Values). Every individual in every part of the organisation holds these three things dear to them, for we are not here to do a job: we are here for a purpose driven by passion, commitment and humanity.

The seven strategic aims which are to be developed over the 2020-2022 period are:

- Continuously advance rapid response critical care services to patients
- Be recognised as a leading authority on pre-hospital emergency care and paediatric transfer services
- Raise awareness, understanding and engagement with our charity across the country
- Unite people in the common purpose of our charity and create advocates who will enhance reputation and reach of the charity
- Be the organisation of choice and opportunity for the most talented and driven from diverse backgrounds
- Drive best practice across all areas of the organisation in a sustainable, responsible and ethical manner, to ensure a positive impact on the communities and environments in which we operate
- Grow income to £30 million in a diverse and sustainable manner to continue and develop our services.

Each of these has a detailed plan behind it which involves the whole of the Charity and measures to check and report our progress towards these aims.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also Directors of The Air Ambulance Service for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepting Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Provision of information to auditor

So far as each of the trustees is aware at the time this report is approved:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on 2 June 2021 and signed on its behalf by:

Chris Faircliffe
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AIR AMBULANCE SERVICE FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of The Air Ambulance Service (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

Our assessment focussed on key laws and regulations the group and the parent charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent charitable company and how the group and the parent charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the group and the parent charitable company's control environment and how the group and the parent charitable company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the group and the parent charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 is available 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Simkins FCA

Senior Statutory Auditor
for and on behalf of:

Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 2 June 2021

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

For the year ended 31 December 2020

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total £'000	2019 Total £'000
Income					
Incoming resources from generated funds					
Donations and legacies	2	7,332	1,568	8,900	11,972
Other trading activities	2	16,297	-	16,299	16,914
Investment income	4	178	-	178	30
Total income		23,807	1,568	25,375	28,916
Expenditure					
Costs of raising funds					
Costs of generating voluntary income		3,563	-	3,563	4,156
Commercial trading operations and other costs		10,837	-	10,837	11,376
Charitable activities					
Operation of Air Ambulances		7,294	1,535	8,829	8,973
Total expenditure	5	21,694	1,535	23,229	24,505
Net income before gains on investments		2,113	33	2,146	4,411
Net gain on fixed asset investments		460	-	460	-
Net movement in funds		2,573	33	2,606	4,411
Reconciliation of funds					
Total Funds brought forward at 1 January 2020		19,414	627	20,041	15,630
Total Funds carried forward at 31 December 2020		21,987	660	22,647	20,041

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenses are derived from continuing activities.

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET
Company number: 04845905

As at 31 December 2020

	Note	2020		2019	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		1,200		1,466
Investments	11		9,460		-
			10,660		1,466
Current assets					
Debtors	12	3,244		5,049	
Stocks		327		302	
Cash at bank and in hand		10,261		15,329	
		13,832		20,680	
Creditors: amounts falling due within one year	13	(1,845)		(2,105)	
Net current assets			11,990		18,575
Net assets			22,647		20,041
Funds					
Unrestricted funds					
General funds	15		21,527		19,414
Investment revaluation reserve	15		460		-
Restricted funds	14		660		627
			22,647		20,041

The notes on pages 33 to 49 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 2 June 2021.

Chris Faircliffe
Chairman

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CHARITABLE COMPANY BALANCE SHEET
Company number: 04845905

As at 31 December 2020

	Note	2020		2019	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		586		652
Investments	11		9,461		1
			10,047		653
Current assets					
Stocks		16		7	
Debtors	12	3,622		4,859	
Cash at bank and in hand		9,763		14,519	
		13,401		19,385	
Creditors: amounts falling due within one year	13	(1,099)		(1,351)	
Net current assets			12,302		18,034
Net assets			22,349		18,687
Funds					
Unrestricted funds					
General funds	15		21,229		18,060
Investment revaluation reserve	15		460		-
Restricted funds	14		660		627
			22,349		18,687

The notes on pages 33 to 49 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 2 June 2021.

Chris Faircliffe
Chairman

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOW YEAR ENDED 31 DECEMBER 2020

	2020 £'000	2019 £'000
Reconciliation of net incoming resources to net cash flow from operating activities		
Net income	2,606	4,411
Depreciation	530	511
Loss on disposal of tangible fixed assets	(3)	-
Net gain on fixed asset investments	(460)	-
Increase in stock	(25)	(136)
Decrease/(increase) in debtors	1,805	561
(Decrease)/Increase in creditors	(260)	(1,397)
Investment income received	(178)	(30)
Net cash inflow from operating activities	4,015	3,920
Cash Flow Statement		
Net cash inflow from operating activities	4,015	3,920
Cash flows from investing activities	178	30
Purchase of intangible fixed assets	(9,000)	-
Purchase of tangible fixed assets	(261)	(399)
Increase in cash and cash equivalents in the year	(5,068)	3,551

Analysis of changes in net cash

	At 1 January 2020 £'000	Cash flow £'000	At 31 December 2020 £'000
Cash at bank and in hand	15,329	(5,068)	10,261

Reconciliation of Movement in Cash	2020 £'000	2019 £'000
Net increase in cash and cash equivalents for the year	(5,068)	3,551
Cash and cash equivalents as at 1 January 2020	15,329	11,778
Cash and cash equivalents as at 31 December 2020	10,261	15,329

Cash flows from investing activities	2020 £'000	2019 £'000
Investment income received	178	30

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

The following accounting policies have been applied in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

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 (FRS 102) (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 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 note(s).

The consolidated accounts incorporate the accounts of the parent charitable company and all group undertakings. Consolidation has been undertaken on a line by line basis. A separate statement of financial activities for the parent charitable company is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

Going concern

During the year there was an outbreak of Coronavirus which developed into a global pandemic. The Trustees have naturally been concerned about the impact it has had on employees, donors, sponsors and suppliers of the Charity and are satisfied that supporting measures have been implemented. The Charitable group is well placed in terms of business continuity as we initiated several actions to enable our colleagues to continue working safely from home and using technology for communication.

Some tough decisions had to be made to protect the charitable group and as such we had to temporarily close all of our shops, cancel events, marketing campaigns and manage our expenditure, through the imposition of various national restrictions, some of which still remain in place since the year end. Since the year end the majority of our staff have been furloughed and the government's financial support for these staff has been accessed, together with the Local Authority small business grants.

Our forecasts for the remainder of the year have been adjusted for the impact of the above actions and therefore the financial statements have been prepared on a going concern basis as the trustees consider that adequate reserves and strong cash balances continue to be available to fund the activities of the charity and group for the foreseeable future. At the time of approving this report the prospects of returning to a broader range of charitable activity in the near future look promising. For these reasons, the charity continues to adopt the going concern basis in preparing the financial statements.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charitable group is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

1. Accounting policies – continued

Gifts in kind

i) Assets given for distribution by the charity are included in the Statement of Financial Activities only when distributed.
ii) Assets given for use by the charity (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources when receivable.
iii) Gifts made in kind but on trust for conversion into cash and subsequent application are included in the accounting period in which the gift is sold.

In all cases, the amount at which gifts in kind are brought into the accounts is either a reasonable estimate of their value to the charitable group or the amount actually realised.

Donated services and facilities

Donated services and facilities are included at the value to the charitable group where this can be quantified. In accordance with the Charities SORP (FRS 102), the value of services provided by volunteers has not been included in these accounts.

Legacies

Legacies are recognised at the earlier of the date that probate was granted or the legacy was received. Other legacies notified are not accrued due to uncertainty of value and timing.

Trading outlets

Retail sales are included in the period in which the sale is initiated.

Structure of funds

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the trustees have chosen to earmark for set purposes are designated funds.

Resources expended

All expenditure is accounted for on an accruals basis. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. Expenditure is matched against the restricted or unrestricted funds to which it relates. Support costs directly attributable to an activity are allocated to that activity. Other costs that cannot be directly attributed are allocated against the categories based on management's estimate of usage of those services.

a) Costs of raising funds

The costs of generating funds are the costs associated with generating income through fundraising and other activities, including the costs of the commercial trading operations.

b) Charitable activities

The trustees consider that there is only one charitable activity, that of the provision of an air ambulance service.

c) Governance costs

These are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. The costs include external audit and costs associated with constitutional and statutory requirements e.g. the cost of trustee meetings and preparing statutory accounts.

1. Accounting policies – continued

Fixed assets

Capitalisation

All assets falling into the following categories are capitalised.

i) Tangible assets which are capable of being used for more than one year and have a cost equal to or greater than £500, (£200 for The Air Ambulance Service Trading Limited)
ii) Groups of tangible fixed assets which are interdependent or would normally be provided or replaced as a group with a total value in excess of £5,000 and an individual value of £500 or more, (£200 for The Air Ambulance Service Trading Limited)
iii) Computer software licenses are capitalised as intangible assets where they are capable of being used for more than one year and have a cost, individually or as a group, equal to or greater than £500, (£200 for The Air Ambulance Service Trading Limited)

Tangible Fixed Assets and Depreciation

Fixed assets are recorded at cost or, in the case of assets where assets have been donated to the group, at valuation at the time of acquisition. Depreciation is provided on all tangible fixed assets excluding freehold land, at rates calculated to write off the cost, less estimated residual value, based on values prevailing at the date of acquisition, of each asset, on a straight line basis, over its expected useful life, as follows:

Buildings	7%
Fixtures and fittings	20%
Medical equipment	20%
Office equipment	20%
Motor vehicles	25%
Computer equipment	33%

The holding value of assets is regularly reviewed for impairment and where deemed appropriate assets are written down.

Fixed Asset investments

Investments are a form of basic financial instrument, are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market value. Gains and losses arising on disposals and revaluation throughout the year are included in the statement of financial activities All investment income is treated as unrestricted.

Stock

Stock consists of purchased goods for resale and items to be given to volunteers and people who participate in fundraising events. Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The value of goods donated for sale in the group's charity shops is not included in stock. Instead, they are accounted for as income in the period in which the goods are sold.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of any transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible into known amounts of cash with insignificant risk of change in value.

1. Accounting policies – continued

Financial instruments
The charitable company enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. 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.

Creditors and provisions
Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

Operating leases
Operating lease rentals are charged to the statement of financial activities on a straight line basis over the lease term. Lease incentives are charged on a straight line basis over the term of the lease.

Gift aid payments receivable
The parent charity receives income from it's trading subsidiary under the gift aid scheme, which are recognised as distributions to owners in equity within retained earnings of that company.

At the reporting date there was no legal obligation in place for the charity to receive this gift aid payment, although prior to the reporting date the trading subsidiary board had indicated its intention to pay the taxable profits to the parent charity in respect of the reporting date.

There is no tax charge in the year due to the exception under 29.14A of FRS 102. Relief is allowed as the gift aid payment will made by the trading subsidiary to the parent company within 9 months of the year end.

1. Accounting policies – continued

Judgements in applying accounting policies and key sources of estimation uncertainty

The charitable company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the charitable company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the trustees have made the following judgements:

- Determine whether leases entered into by the charitable company either as a lessor or a lessee are operating leases or finance leases. The decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor or lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

- Provisions. A provision is recognised when the charitable company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

  Whether a present obligation is probable or not requires judgment. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

- Depreciation and residual values. The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

  The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

2. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£'000	£'000	£'000	£'000
Donations	4,546	-	4,546	6,452
Legacies	2,496	1,269	3,765	4,436
Grants receivable (see note 3)	290	299	589	1,084
	7,332	1,568	8,900	11,972
Other trading activities				
Charity shop income (see note 11.1)	7,111	-	7,111	10,132
Lottery income	7,044	-	7,044	6,377
Event income	433	-	433	236
Government grants receivable	1,587	-	1,587	236
Other grants receivable	50	-	50	236
Other	72	-	72	169
	16,297	-	16,297	16,914

Included within government grants receivable is £0.9m claimed under the Small Business Grant Fund and £0.687m claimed under the Coronavirus Job Retention Scheme.

Income from donations and legacies in 2019 was £11.972m of which £10.888m was attributable to unrestricted funds and £1.084m to restricted funds. Income from other trading activities in 2019 was £16.914m all of which was attributable to unrestricted funds.

3. Material grants received by category

Sources of material grants:	2020 £'000	2019 £'000
Toyota Manufacturing UK Charitable Trust	-	38
General Charities of the City of Coventry	90	90
The Margaret Giffen Charitable Trust	25	25
Rugby Group Benevolent Fund	10	10
The Bernard Sunley Trust	-	20
Children are Butterflies	40	-
O'Brien Charitable Trust	10	10
AAA UK	181	-
The Saintbury Trust	-	20
J Measures	-	156
The EBM Charitable Trust	10	10
J Ridley	-	20
I Smith	-	50
C Short	-	48
G Barrett	-	26
J Brown	-	61
G Hawley	-	33
Groundworks (Tesco Bags of Help)	12	-
Other < £10,000	211	467
Total	589	1,084

4. Investment income

	2020 £'000	2019 £'000
Bank interest	33	30
Investment income	144	-
Other	1	
	178	30

5. Resources expended by activity

	Basis of Allocation	*Generating* Voluntary costs £'000	Trading *Charitable* activities costs £'000	Governance costs £'000	Costs of Fundraising £'000	2020 £'000	2019 £'000
Costs directly allocated to activities							
Fundraising Costs	Direct	1,214	-	-	-	1,214	1,325
Operations	Direct	-	-	8,036	-	8,036	8,172
Marketing and PR	Direct	1,503	-	-	-	1,503	2,073
Trading costs	Direct	-	10,488	-	-	10,488	10,983
Depreciation	Direct	-	299	229	-	528	511
Support costs allocated to activities							
Support Services	Hours	846	-	564	50	1,460	1,441
		3,563	10,787	8,829	50	23,229	24,505

Operational and fundraising staff are allocated directly, management and administration are allocated on a time apportioned basis.

The expenditure in 2019 was £24.505m of which £23.460m was attributable to unrestricted funds and £1.045m to restricted funds.

6. Staff costs

	2020 £'000	2019 £'000
Wages and salaries	6,959	6,823
Social security costs	561	569
Pension costs	205	168
Redundancy and termination payments	14	85
	7,739	7,645

The average number of employees during the year was as follows:

	2020 No.	2019 No.
Aviation Operations	30	30
Fundraising	20	23
Trading	288	277
Administration	43	28
	381	358

Pensions contributions
The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Annual contributions amounting to £205,027 (2019: £168,142) were charged to the Statement of Financial Activities during the year. At the balance sheet date, there were £36,928 outstanding contributions (2019: £36,317).

Key Management Personnel (**Senior management) remuneration**
There were seven members of the senior management team and their aggregate remuneration in respect of qualifying services for the Group was:

	2020 £'000	2019 £'000
Remuneration receivable	421	541
Social security costs	48	56
Pension contributions	13	41
	482	638

The number of key management personnel whose remuneration (excluding pension contributions) for the year fell within the following bands were:

	2020 No.	2019 No.
£130,000 to £139,999	1	1
£100,000 to £109,999	1	-
£90,000 to £99,999	2	3

No other employees (outside of key management personnel) earned more than £60,000 in the year.

7. Trustees and connected persons' transactions

Trustees' expenses reimbursed
During the year expenses of £102 (2019: £767) were reimbursed to 2 (2019: 3) Trustees.

Trustees' remuneration
No trustees received remuneration during the year (2019: Nil).

The Charity pays an insurance premium in respect of Trustees' and Individuals' liability cover at a cost of £489 (2019: £991).

8. Net incoming resources

	2020 £'000	2019 £'000
This is stated after charging:		
Auditors' remuneration - audit services	16	17
Depreciation – owned assets	530	511
Loss on disposal of tangible fixed assets	(3)	-
Operating Lease Costs	6,609	6,563

9. Taxation

The charitable company, as a registered charity, is exempt from tax on income and gains falling within section 478 of the Taxes Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

10. Tangible fixed assets

GROUP

	Leasehold Property £'000	Fixtures & fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2020	141	1,554	2,148	151	3,994
Additions	-	60	201	-	261
Disposals	-	-	-	-	-
At 31 December 2020	141	1,614	2,349	151	4,255
Depreciation					
At 1 January 2020	80	1,015	1,354	79	2,528
Charge for the year	10	195	302	23	530
Disposals	-	-	-	(3)	(3)
At 31 December 2020	90	1,210	1,656	99	3,055
Net book value					
At 31 December 2020	51	404	693	52	1,200
At 31 December 2019	61	539	764	72	1,466

CHARITY

	Leasehold Property £'000	Fixtures & fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2020	134	289	1,528	138	2,089
Additions	-	-	163	-	163
Disposals	-	-	-	(3)	(3)
At 31 December 2020	134	289	1,691	135	2,249
Depreciation					
At 1 January 2020	74	276	1,020	67	1,437
Charge for the year	9	6	192	22	229
Disposals	-	-	-	(3)	(3)
At 31 December 2020	83	282	1,212	86	1,663
Net book value					
At 31 December 2020	51	7	479	49	586
At 31 December 2019	60	13	508	71	652

11. Investments

Group	Managed Funds £'000	Total £'000
Cost		
At 1 January 2020	-	-
Additions	9,000	9,000
Net gains on investments	460	460
At 31 December 2020	9,460	9,460

Charity	Investments in Subsidiaries £'000	Managed Funds £'000	Total £'000
Cost			
At 1 January 2020	1	-	1
Additions	-	9,000	9,000
Net gains on investments	-	460	460
At 31 December 2020	1	9,460	9,461

Our portfolio of funds is managed equally by Cazenove Capital and CCLA. Their mandate is to maximise the overall growth of these funds through investment in various different asset classes while ensuring that the risks taken are carefully monitored, managed and controlled, whilst bearing in mind liquidity needs.

The following are subsidiary undertakings at 31 December 2020:

Name	Holding	Principal activity	Proportion held by the charity
The Air Ambulance Service Trading Limited	Ordinary shares	Retail charity outlet	100%
The Air Ambulance Service Events Limited	Ordinary shares	Dormant	100%
The Air Ambulance Service Recycling Limited	Ordinary shares	Dormant	100%
The Air Ambulance Service Aviation Limited	Ordinary shares	Dormant	100%
TAA Service	Company limited by guarantee	Dormant	n/a
The Children's Air Ambulance	Company limited by guarantee	Dormant	n/a

All of the above companies are incorporated in England & Wales.

11.1 Net income from trading activities of subsidiary

The Air Ambulance Service Trading Limited, the wholly owned subsidiary of the charity is a retail charity outlet. A summary of its trading results for the year to 31 December 2020 are shown below. Audited accounts will be filed with the Registrar of Companies.

	2020 £'000	2019 £'000
Turnover	7,111	10,132
Cost of sales	(650)	(884)
Administration expenses	(7,698)	(7,874)
Other operating income	1,643	-
Operating profit	406	1,374
Profit after tax	406	1,374
Retained earnings at the beginning of the year	1,353	933
Profit for the year	406	1,374
Gift aid payment	(1,460)	(954)
Retained earnings at the end of the year	299	1,353
The assets and liabilities at 31 December were:		
Fixed assets	612	814
Current assets	1,310	1,678
Current liabilities	(1,623)	(1,139)
Total net assets	299	1,353
Aggregate share capital and reserves	299	1,353

12. Debtors

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts falling due within one year				
Amounts due from group undertaking	-	-	876	386
Trade debtors	201	251	18	83
Other debtors	5	4	4	4
Prepayments	804	718	579	398
Accrued income	2,035	3,887	2,035	3,887
VAT	199	189	110	101
	3,244	5,049	3,622	4,859

13. Creditors

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts falling due within one year				
Trade creditors	424	592	273	364
Taxation and social security	155	169	81	84
Other creditors	42	24	42	21
Accruals and deferred income	1,224	1,320	703	882
	1,845	2,105	1,099	1,351

Included within accruals and deferred income is an amount of £0.5m (2019 £0.5m) received from Libor banking fines.

14. Restricted funds

	Balance at 1 Jan 2020 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Balance at 31 Dec 2020 £'000
The Children's Air Ambulance – Incubator	18	40	-	-	58
CAA Helicopter lease appeal	-	133	133	-	-
DLRAA Helicopter lease appeal	-	725	725	-	-
WNAA Helicopter lease appeal	-	619	619	-	-
Lloyds Charities Trust	49	-	-	-	49
Various Other Trusts and Foundations	61	51	58	-	54
LIBOR Funding	499	-	-	-	499
	627	1,568	1,535	-	660

	Balance at 1 Jan 2019 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Balance at 31 Dec 2019 £'000
The Children's Air Ambulance – Incubator	18	-	-	-	18
CAA Helicopter lease appeal	-	94	94	-	-
DLRAA Helicopter lease appeal	-	487	487	-	-
WNAA Helicopter lease appeal	-	334	334	-	-
Lloyds Charities Trust	49	-	-	-	49
Various Other Trusts and Foundations	46	169	54	(100)	61
LIBOR Funding	499	-	-	-	499
Restricted Fixed Asset	76	-	76	-	-
	688	1,084	1,045	(100)	627

14. Restricted funds - continued

Purposes of restricted funds

The Children's Air Ambulance – Incubator was an appeal launched to purchase an incubator for TCAA before it was part of TAAS.

The CAA helicopter lease appeal represents funds received specifically towards CAA lease costs.

The DLRAA helicopter lease appeal represents funds received specifically towards DLRAA lease costs.

The WNAA helicopter lease appeal represents funds received specifically towards WNAA lease costs.

The Lloyds Charities Trust donated a granted to purchase a new detachable stretcher for one of our clinical partners (Evelina Children's Hospital or Great Ormond Street Hospital).

Various other trusts and foundations have provided donations for specific restricted projects.

The LIBOR funding was awarded to meet the capital costs associated with the two new Children's helicopters.

Restricted fixed asset fund represents funding received from various donors towards the purchase of fixed assets. This fund will be charged with the depreciation on assets purchased.

15. Unrestricted funds (group)

	1 Jan 2020 £'000	Incoming £'000	Outgoing £'000	Gains on Invest-ments £'000	Transfers £'000	31 Dec 2020 £'000
General funds	19,414	23,807	21,694	-	-	21,527
Investment revaluation reserve	-	-	-	460	-	460

	1 Jan 2019 £'000	Incoming £'000	Outgoing £'000	Gains on Invest-ments £'000	Transfers £'000	31 Dec 2019 £'000
General funds	14,942	27,832	23,460	-	100	19,414

Unrestricted funds (charity)

	1 Jan 2020 £'000	Incoming £'000	Outgoing £'000	Gains on Invest-ments £'000	Transfers £'000	31 Dec 2020 £'000
General funds	18,060	16,513	13,344	-	-	21,229
Investment revaluation reserve	-	-	-	460	-	460

	1 Jan 2019 £'000	Incoming £'000	Outgoing £'000	Gains on Invest-ments £'000	Transfers £'000	31 Dec 2019 £'000
General funds	14,009	18,653	14,702	-	100	18,060

16. Analysis of net assets between funds

	Unrestricted	Restricted	2020 Total	Unrestricted	Restricted	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	10,282	375	10,657	1,036	430	1,466
Net current assets	11,705	285	11,990	18,378	197	18,575
	21,987	660	22,647	19,414	627	20,041

17. Operating lease commitments

At 31 December 2020 the charitable group had future minimum lease payments under non-cancellable operating leases as set out below.

Group

	2020		2019	
	Land and Buildings £'000	Other items £'000	Land and buildings £'000	Other items £'000
Operating leases which expire:				
Within 1 year	1,441	6,556	1,571	7,014
Between 1 to 5 years	3,513	16,235	4,265	21,672
More than 5 years	998	3,300	1,692	-
	5,952	26,091	7,528	28,686

Charity

	2020		2019	
	Land and Buildings £'000	Other items £'000	Land and buildings £'000	Other items £'000
Operating leases which expire				
Within 1 year	93	6,519	93	6,847
Between 1 to 5 years	439	16,208	463	21,646
More than 5 years	-	3,237	69	-
	532	25,964	625	28,493

18. Financial Commitments

As a result of group registration arrangements for value added tax (VAT), the charitable company is jointly and severally liable together with other members of the group for any VAT due by the representative member of the group.

19. Membership

The Air Ambulance Service is incorporated under the Companies Act 2006 as a company limited by guarantee having no share capital. The liability of members to contribute towards the debts of the charity in the event of a deficit on winding up is limited to £1.

20. Controlling parties

In the opinion of the trustees, given the structure of the charity, there is no ultimate controlling party.

21. Related party transactions

Transactions with Trustees are disclosed in in note 7.

There were no other related party transactions in the year (2019: none)