

Registered number: 05397840
Charity number: 1108989

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Trustees	Jonathan Trower, Chairman Darren Hayward Annalisa Ridsdill Smith Dr Pamzi Freij Clive Gilham Roy Marfleet Claire Smith Andrew Tunningley Ellisa Estrin Michelle Tennens
Company registered number	05397840
Charity registered number	1108989
Registered office	Flight House, The Business Centre, Earls Colne Business Park Earls Colne Colchester Essex CO6 2NS
Website address	www.ehaat.org
Company secretary	Brenda Playford
Executive Team	Jane Gurney – Chief Executive Officer Dr Neal Durge – Medical Director (until 19/01/23) Dr Gareth Davies – Senior Medical Advisor (appointed 12/06/23) Dr Tony Joy – Interim Medical Director (appointed 12/06/23) Dr Peter Sherren – Assistant Medical Director (until 31/12/22) Cliff Gale – Operations Director (Retired 31/12/22) Pam Withrington – Fundraising and Marketing Director Jonathan Ager – Finance Director Paul Curtis – Aviation & Operations Director (appointed 23/05/22)
Independent auditor	Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH
Bankers	Barclays Bank Plc 40 High Street Chelmsford Essex CM1 1 BE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Solicitors Nockolds LLP
Market Square
Bishop's Stortford
CM23 3UZ

Investment manager Abrdn plc
Bow Bells House
1 Bread Street
EC4M 9HH

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

Chairman's Introduction

I am pleased to report that the Charity had a very successful year to 31st March 2023, during the course of which much was achieved.

Firstly, and most importantly, we continued to provide our first-class, free-of-charge, pre-hospital emergency medical service across Essex and Hertfordshire. Our services were as much in demand as they ever have been, as the following table demonstrates.

	2023	2022
Medical Emergency	1,040	958
Road Traffic Collision	573	539
Other Trauma	859	895
Other Mission Types	144	162
Total	2,616	2,554

During the year, we welcomed inspectors from the Care Quality Commission (CQC) at both of our airbases as part of their regular inspection regime, our last inspection having taken place back in 2018. The CQC seek to rate the following five areas: effective, safe, caring, well led and responsive to people's needs.

I'm delighted to report that we were rated as Outstanding, the highest rating possible, at both airbases, in all five areas which is a result of which we are very proud, demonstrating the strength of the Charity across a wide range of disciplines.

The year to 31st March 2023 was an exciting one for the Charity as we embarked on an initiative to create a Centre for Excellence. Our vision is to build a leading research and education centre through which improvements in pre-hospital care are developed in order to achieve the best outcomes for people in our region and beyond. The initiative will expand our range of expertise and resources, requiring considerable future investment. A series of working groups involving both the clinical and charitable teams have developed an operational structure around four key pillars, namely Community; Research & Scholarship; Education and Training; and Innovation. These pillars will focus on the clinical domains of Head Injury, Cardiac Arrest and Patient Experience and Outcomes, which align with the majority of cases dealt with by our crews. Clinicians have now been appointed to lead most of these pillars and domains.

Following a two-year absence due to the pandemic, the AAUK Awards of Excellence returned this year, and we were shortlisted in 5 categories. I am delighted that we won the Innovation of the Year category for the development and introduction of the EHAAT Critical Care Training Passport.

In May 2022, we signed a contract to purchase our second AW169 aircraft. It is anticipated that this aircraft will be delivered to the UK in December 2023 for its medical fit out and be operational by March 2024. The operation of identical aircraft types is an important step towards our medium-term ambition of holding our own Air Operating Certificate. All of this will secure the long-term future of this Charity for the benefit of the people of Essex and Hertfordshire. However, it requires substantial expenditure and will only be possible if we continue to build our resources and enhance the financial strength of the Charity.

In December 2022, EHAAT started to fly HEMS night missions from its North Weald airbase. Therefore, the Charity is now able to deliver a service in the hours of darkness by helicopter during the shift period, rather than having to rely on Rapid Response Vehicles (RRVs). Flying night HEMS missions involves the use of Night Vision Imaging Systems (NVIS), allowing the pilots and crew to see in the dark, to identify landing sights and obstructions, using the infrared spectrum to convert the limited available light into a useable image.

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We bid farewell to Cliff Gale, our Operations Director, this year as he seeks to enjoy a well-earned retirement after almost 16 years with EHAAT. He handed over the reins to our new Aviation and Operations Director, Paul Curtis, an experienced military and HEMS pilot with a strong record in safety management and operations.

The year to 2023 has seen the continued slow recovery of the Charity's community and corporate fundraising programmes, both of which were adversely affected by the pandemic. Fundraising this year has seen the effects of the cost of living crisis impacting on individual donors. In particular, we have seen a slowdown in sign-ups to our Flight for Life Lottery, our biggest single source of income, coupled with an increase in cancellations from existing players.

Our popular Aeromed conference, a free to attend aeromedical conference, returned after a 2-year hiatus and was held at Ford Dunton Technical Centre. Speakers covered topics including responding to major incidents, protecting the mental health of first responders and Operation Pitting, the British military operation to evacuate over 15,000 people from Afghanistan.

I am pleased to report that EHAAT yet again demonstrated its financial resilience during the year, culminating in an Operating Surplus of £3.7m and overall reserves of £46.9m at the year end. Our reserves comprise both restricted reserves and unrestricted reserves. Unrestricted reserves are available to be spent on any of the Charity's purposes. Unrestricted reserves include both free reserves and reserves designated for purposes such as the purchase of our second helicopter. Due to the life-saving nature of our work, the Trustees take a cautious approach with regards to reserves, as closure of the service would be potentially catastrophic to the public we serve. Our Reserves Policy is to hold between 12 and 24 months of free reserves to safeguard the operation of our service for a prolonged period of time should our income fail as a consequence of an unexpected eventuality. At the year end, sufficient free reserves were held to fund 16 months of forecast expenditure, which excludes the £862k designated for the Centre for Excellence. The reserves policy is reviewed annually by the Trustees to ensure that any new or changed legislation or guidance is incorporated and to consider any changes in the circumstances of the Charity.

EHAAT is committed to increasing the diversification of its income sources to ensure a robust financial model which secures its service for the long term. The Trustees have determined that a key aspect of this is to grow an endowment fund which will deliver a new stream of investment income and offer additional security to the Charity into the future. The endowment fund will provide a particularly appropriate way of stewarding generous legacy gifts received by EHAAT with the goal of supporting the Charity for generations to come.

Our financial results demonstrate that we continue to be well supported by the people of Essex and Hertfordshire in spite of the increasing headwinds faced by the UK economy. However, we take nothing for granted and we know that we must continue to earn that loyal support by the work that is undertaken by our Executive Team and our staff every day of the year.

Therefore, finally, I would like to thank the Executive Team, all of our staff and volunteers for their hard work and dedication, to thank my fellow Trustees for their guidance and support and to welcome our latest addition to the Board of Trustees, Michelle Tennens.



Jonathan Trower

Chairman

Date: 27/9/2023

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Within the Trustees' Report is the Strategic Report, required under Section 414c(11) of the Companies Act 2011.

1. Structure, Governance and Management

The Trustees, who are also Directors of the Company for the purposes of the Companies Act, submit their annual report and the audited financial statements for the Group for the year ended 31 March 2023. The Board confirms that the Trustees' Report and financial statements of the Group comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in July 2014 (FRS102 SORP 2015).

a) Governing Document

Essex & Herts Air Ambulance Trust (EHAAT or the Charity) is a company limited by guarantee and was incorporated on 18th March 2005. It is governed by its Articles of Association, which were last amended on 22 March 2018. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per Member (the members being the Trustees).

b) Appointment of Trustees

Trustees are selected by reference to a matrix of skills and experience that has been established to ensure that the Charity's objectives can be met. The matrix includes clinical, budgeting and finance, legal, fundraising, marketing, commercial sales, public relations, IT, HR management, community and voluntary sector expertise, risk and strategic planning.

New Trustees are given an induction pack at an orientation meeting to brief them on both the Charity and their legal obligations under charity and company law. It includes the Articles of Association, a Duties of Charity Trustees booklet, and strategic and business plans. We also arrange for them to meet the CEO, Executive Team and the wider staff spending a day at the head office. Trustees are given specific Charity information as well as external training.

There is currently no upper limit to the time that an individual can be a Trustee, but one-third of all Trustees are required to retire by rotation each year and, if willing to continue, offer themselves for re-election.

c) Values

Our actions are guided by our values – **passionate** in going the extra mile; **professional** in treating everyone as they would wish to be treated; **innovative** in driving forward best clinical practice; **trustworthy** in working openly and honestly and **dedicated** because we care about the cause, our patients and each other; and **inclusive** in treating everyone in the way which we ourselves would like to be treated.

d) Organisation

The Board of Trustees which governs the Charity can have up to twelve members — there are currently ten Trustees with a quorum requirement of five at all meetings. The Board met five times during the period under review. The Trustees delegate the day-to-day management of the Charity to an Executive Team by means of a formal Scheme of Delegation. Committees comprised of both Trustees and Executive Team members are established where necessary to advise the Board on various strategic matters. There were five in operation during this financial year, and are listed below.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Committee/Group	Trustees
Investment Advisory Committee (established Nov '14)	Andrew Tunningley (Chair), Jonathan Trower, Clive Gilham
Audit and Risk Committee (established Sept 19)	Clive Gilham (Chair), Andrew Tunningley, Michelle Tennens
Nominations Committee (established Nov '20)	Darren Hayward (Chair), Jonathan Trower, Annalisa Ridsdill Smith
Retail Advisory Committee (established Sept '20)	Claire Smith (Chair), Annalisa Ridsdill Smith, Roy Marfleet
Clinical Committee (established May '22)	Ramzi Freij (Chair), Jonathan Trower, Ellisa Estrin

e) Pay policy for senior staff

The Trustees consider that the Board of Trustees and the Executive Team (as detailed on page 1) comprise the key management personnel of the Charity. Trustees are not remunerated. The pay, related policies and annual remuneration of the Chief Executive Officer are decided by the Trustees, whilst the pay for the remainder of the Executive Team is decided by the Chief Executive Officer after consultation with the Trustees.

When setting remuneration levels, the Charity aims to strike a balance between market-appropriate pay, the need to attract and retain people with the necessary skills we require, and the public's and our donors' expectations that the money which they entrust us with will be used wisely to provide a first-class helicopter emergency medical service.

It is central to achieving our objectives that the Charity can attract and retain high-performing senior leadership. Remuneration may vary depending on the job type, its complexity and the range of activities undertaken. It is validated objectively using market comparators such as salary survey data from charitable, private and public sectors as required. Independent advice from suitable third-party professionals is also sought where deemed to be necessary, coupled with benchmarking against comparable Air Ambulance charities and other third sector organisations.

We are committed to fairness in our remuneration practices and follow these guiding principles:

- Proportionality – fairness and consistency in line with appropriate benchmarks
- Rewarding Performance – ensuring an individual's remuneration is commensurate to their performance and personal contribution to the Charity
- Recruitment and Retention – enabling us to attract and retain valued staff
- Expertise and Experience – ensuring it is appropriate for the role
- Transparency – openness and clear communication about the process undertaken when setting remuneration levels across the organisation

f) Structure

The Charity has four wholly-owned subsidiaries: Essex & Herts Flight for Life Lottery Limited, Essex & Herts Flight for Life Lottery Operations Limited, Essex & Herts Flight for Life Lottery Critical Care Limited and Essex & Herts Air Ambulance Trading Limited. The principal purpose of these subsidiaries is to operate weekly lotteries together with raffles and to account for the Charity's trading activities respectively. The profits of all companies are donated to the Charity under a Deed of Covenant.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

g) Code of Governance

The Trustees look to promote good governance throughout the Charity, continuing to ensure we operate, where applicable, in line with best practice as set out in the Charity Code of Governance. During the 2020-21 financial year, as part of this process, EHAAT engaged a specialist to perform a Board Effectiveness Review to consider its activity and function. From this review process, the Trustees gained reassurance that the Charity already met the majority of recommended practice detailed in the Code and are making progress on areas identified where improvements could be made. A follow up review will be undertaken in 2023/24 to continue to measure progress.

h) Related Parties

Trustees and members of the Executive Team are the people who can control or significantly influence our Charity, and so they disclose their interests in a register which is reviewed annually by the Board of Trustees as a whole. In addition, there are occasional transactions which directly involve individual Trustees, and when Trustees consider these arrangements, the relevant Trustee leaves the Board Meeting for such business. All such transactions which arose during this financial year are disclosed in this annual report within Note 25.

2. Objectives and Activities

a) Objectives

The objective of the Charity is to assist in relieving pain and sickness by the operation of a pre-hospital emergency medical service for the counties of Essex and Hertfordshire and surrounding areas. The service is provided mainly by helicopter with additional rapid response vehicles. The Charity may also perform such other charitable purposes for the relief of pain and sickness consistent with this objective as the Trustees shall determine at their discretion.

b) Public Benefit

The Trust provides a free of charge, pre-hospital emergency medical service that assists people in our geographical area, and adjacent areas, with serious illness or injuries helping to save lives. In shaping the objectives of the Trust for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit.

c) Activities

Essex & Herts Air Ambulance, unlike the NHS emergency services, is a charity providing HEMS for the seriously ill and injured of Essex, Hertfordshire and surrounding areas. Our fundraising activities are planned to optimise our income to fund this life-saving service and build the Charity's brand awareness. Transparency and good governance are recognised as being essential to maintain the trust and support of members of the public and their resulting financial generosity.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

3. Strategic Report

Achievements and Performance

a) Operations

In December 2022, EHAAT started to fly HEMS night missions from its North Weald airbase, meaning the Charity is now able to deliver the same level of service in the hours of darkness by helicopter during the shift period, rather than having to rely on RRVs. Flying night HEMS missions involves the use of Night Vision Imaging Systems, allowing the pilots and crew to see in the dark, to identify landing sights and obstructions, using the infrared spectrum to convert the limited available light into a useable image.

The EHAAT owned AW169 helicopter, based at North Weald, has been in operation since 2017. Since its introduction, it has flown 3,142 HEMS missions, accumulating 1,500 flight hours, attending over 2,360 patients. The Earls Colne based MD902 helicopter continues to operate under a lease agreement, providing identical aircrew and equipment to mirror the life-saving service provided from the North Weald base. The Earls Colne helicopter is due for replacement with a second AW169 on order and is expected to become operational in early 2024.

The purchase of the new AW169 was agreed in Q1 2022 and will bring an improvement in operational capability to the region. The new aircraft is faster, has a greater payload capacity and is able to fly for longer due to its greater fuel endurance than the MD902 it will be replacing.

Both aircraft are currently maintained by SAS, who also provide pilots and co-pilots. SAS and representatives of the Charity meet twice a year to formally review the contractual arrangements and ensure compliance. We have partnered with SAS since 2008 and are contracted with them through to 2027, but we monitor the industry more widely to ensure that we continue to receive value for money for a safe, secure and high-quality service. The SAS provided operation is audited annually by the Civil Aviation Authority to ensure compliance with the latest regulations and industry best practice.

The partnerships EHAAT has with EEAST and the wider NHS continue to be strengthened with regular meetings and information sharing on best practice, to ensure EHAAT remains at the cutting edge of pre-hospital care delivery for the people of the region. EHAAT also works closely with other air ambulance charities, including East Anglian Air Ambulance, Air Ambulance Charity Kent Surrey Sussex, MAGPAS and Thames Valley Air Ambulance (TVAA). EHAAT continues to work with other UK Air Ambulance charities, particularly those that have their own Air Operations Certificate (AOC). Strategically, EHAAT also aspires to have its own AOC in the future in order to give it full independence and oversight of all of the aviation processes. This will help make EHAAT more agile in responding to future changes in operational practices, together with allowing greater control across all operational matters.

EHAAT continue to operate four Volvo XC90s as RRVs, which go on-line when the helicopter shift time ends, when the weather is too bad to fly, or when the helicopters require servicing. This allows the teams to continue to respond to incidents in the region from our North Weald and Earls Colne bases when the helicopters are unavailable. Last year, EHAAT Teams responded to 1,225 incidents using the RRVs.

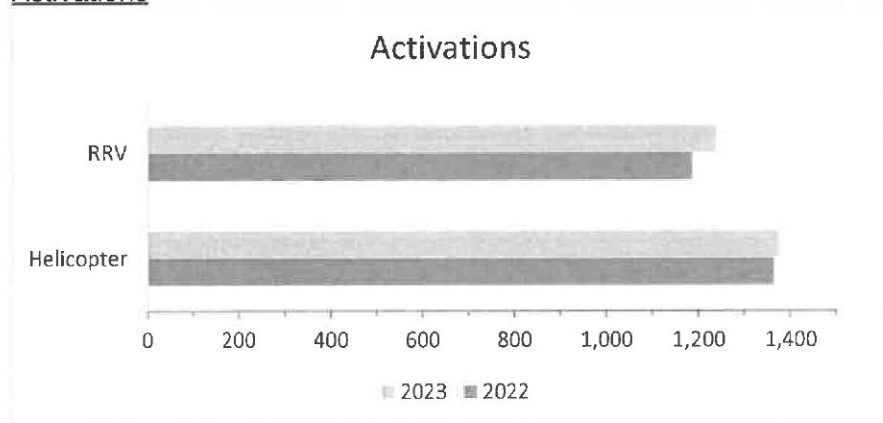
In the COVID-19 pandemic recovery period, the operation continues to develop, moving back to a new normal work tempo with overall activations having increased by 5% from the previous year. Overall, EHAAT Critical Care Teams are now treating more patients than the previous year.

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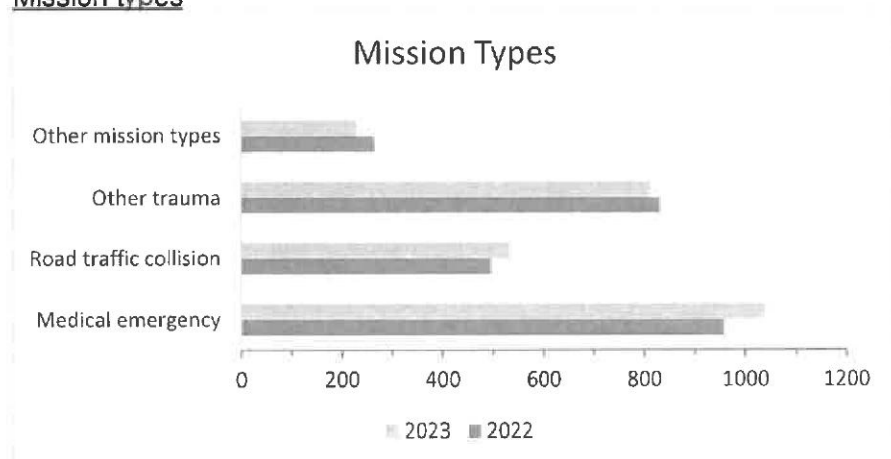
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Operational performance data provides the following results:

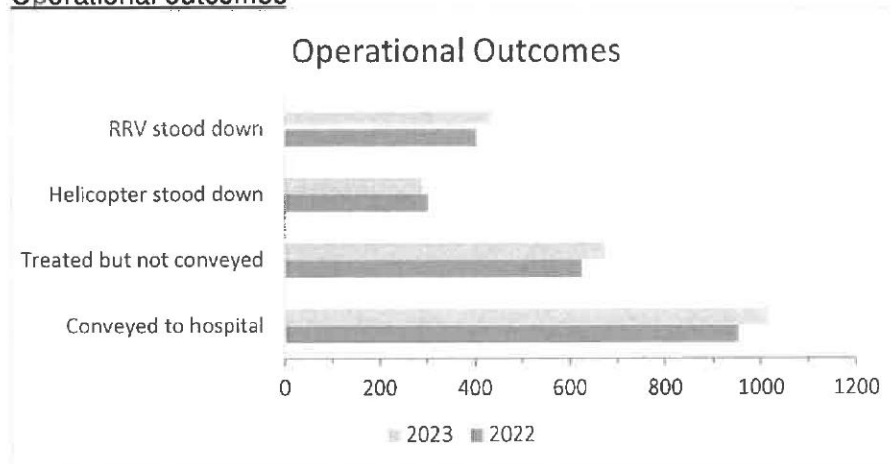
Activations



Mission types



Operational outcomes



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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Carbon Footprint

The Trustees have given the Charity a clear objective to introduce initiatives to reduce its carbon footprint. To evidence any reduction in our impact, an external company, Carbon Footprint Ltd, has been engaged for the last 3 years to assess and report our emissions.

An important part of this work was around the construction of EHAAT's new airbase at North Weald, which was completed in February 2021. It was designed with environmental considerations as a priority and achieved an energy performance certificate (EPC) grading of A, the highest possible. The work at North Weald removed its dependence on liquid propane gas as a heating fuel. The results with regard to electricity costs for the new 24/7 building are impressive, with monthly costs that are less than the average domestic bill. This achievement is put down to the fact that the new airbase went above and beyond the required building regulations, with additional initiatives incorporated that included the installation of photovoltaic (PV) panels on the roof, motion sensor lighting inside the building, and an all-electric heating and cooling system.

For EHAAT, sustainability is not just isolated to North Weald; it is also being carried across to its airbase at Earls Colne. The decision was made to replace its antiquated oil-based heating system with a modern, all electric installation. PV panels were also installed on the hangar roof.

As primarily an operator of two helicopters, there is no getting away from the fact that EHAAT is a carbon hungry operation, especially when it comes to fuel. Consequently, future innovations, such as the development of sustainable aircraft fuel are being monitored closely as well as carbon offsetting projects. Two out of the fleet of four rapid response vehicles are now plug-in hybrid vehicles, and the order has been placed for two further hybrid vehicles, which will mean all of the RRV fleet will be hybrid by the end of 2023.

EHAAT's nine charity shops across the region, as well as its donation centre in Stevenage, provide a sustainable and ethical option for when people dispose of unwanted goods, promoting reuse and recycling to reduce landfill and make a positive difference to the UK's carbon footprint.

As well as electric vehicle charging points being installed at both airbases and charity headquarters at Earls Colne, additional steps have been implemented to improve waste segregation and recycling.

The Charity is currently engaging in various initiatives to help reduce its carbon footprint, which include:

- Carbon offsetting – Tree planting at its Earls Colne Airbase
- Sites being sought for consideration to plant many more trees in Essex and Hertfordshire
- Charity vehicles changed to hybrid models
- Telematics installed on all vehicles to monitor driving efficiency and safety
- Reducing the number of office printers
- Switching utilities to a green tariff in 2023

The third year of assessing its carbon footprint has shown a reduction of 21.2% in absolute emissions. By achieving this, EHAAT has qualified to use the Carbon Footprint Standard branding. This can be used on all marketing materials, including website and customer tender documents, to demonstrate EHAAT's carbon management achievements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

b) Clinical

Clinical Leadership

During the year, we have appointed two new roles, Head of Patient Safety and Quality together with a new Clinical Manager. Both appointees were previously seconded to us from the East of England Ambulance Service (EEAST) as Critical Care Paramedics, so they come to us with a wealth of experience and are already very familiar with our clinical operation.

During the year, our Medical Director, Dr Neal Durge, left the Charity. We took this opportunity to review the structure of the senior clinical leadership team and have appointed Dr Tony Joy as interim Medical Director supported by Dr Gareth Davies as Senior Medical Adviser, to help with this process. Both have been associated with the Charity for a number of years.

Clinical Service

Our focus is the patients and communities which we serve. Over the last twelve months, we have responded to 2,616 calls within Essex, Hertfordshire and the surrounding areas, treating 1,903 people.

The patients to whom we are mobilised are often the sickest or most injured patients in the region, requiring levels of care that are ordinarily only available in a hospital. Once on scene, our critical care teams provide clinical leadership, enhanced clinical decision-making and perform hospital-level interventions. Combined with rapid transport to facilities that offer definitive care, all of these skills allow us to support and achieve enhanced patient outcomes.

To further enhance patient outcomes, our service continues to support the development and growth of clinical pathways with our receiving hospitals. This ensures that our patient's treatment is not delayed and means that we often bypass local hospitals to deliver our patients to specialist care.

An example of this is the new pathway that has been established with the Basildon Cardio-Thoracic Centre. Our clinicians transfer patients directly to the unit rather than going via the emergency department. This development allows patients who are affected by cardiac events to be transported directly to a specialist cardiac facility. Despite being relatively new, this pathway is showing significant benefits and contributing to successful outcomes.

We are very pleased to report that we will be taking part in the Swift Blood trial, which is being led by the NHS Blood and Transplant service. The study will look at whether giving whole blood instead of red blood cells and plasma pre-hospital will reduce the number of deaths 24 hours after injury and reduce the need for further large blood transfusions when patients arrive at the hospital.

Clinical Team

Our Clinical team, which includes Critical Care Paramedics from EEAST, Flight Doctors, Pre-hospital Emergency Medicine (PHEM) Trainees (also doctors), our Consultants and our Emeritus Doctors, continues to deliver twenty-four-hour care across the region.

The Critical Care Paramedics are the mainstay of the clinical operation. Seconded to us from EEAST for up to six years, they support our doctors who rotate through the organisation at a higher rate, supporting the delivery of high-quality clinical care.

The consultant group provide oversight of the clinical operation, undertaking peer review and supervisory shifts. They are also available to support the clinical team outside of the operational arena for debriefing and support.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

The Emeritus Doctors are doctors who have completed a fixed-term secondment with us and have returned to their training programme or substantive role within the NHS. We are very fortunate to retain the services of the Emeritus team, who provide not only support, guidance and supervision to our new team but also offer a level of resilience to cover sickness and annual leave.

A significant benefit of both the Consultant group and the Emeritus team is that they help us retain organisational clinical knowledge and clinical skills by ensuring that the lessons learned are shared and retained.

The Clinical Risk and Safety Committee, which has representatives from all areas of the operational team, meets monthly to discuss all reported incidents, which can include both clinical and administrative issues. Through this process, we identify a range of themes and trends to include issues that may need reporting to equipment manufacturers. Through this group, we are able to ensure that learning is captured and education is delivered which maintains and improves the safety of our clinical operation.

Centre for Excellence

Since its conception at the Strategy Day in 2021, we have been working hard to bring the vision for a Centre for Excellence to life. This has involved a series of working group events held throughout the year to include both clinical and non-clinical members of staff as well as expert guest speakers. This series of events enabled us to shape the overall strategy and embark on recruiting for key positions, including Head Injury Lead, Education Lead and a Community Lead. The first job for these new recruits is to write detailed strategies for their individual areas of responsibility, building upon the work done to date. The Centre for Excellence Lead for Education has already established neuroanatomy refresher training, which will be built upon by our new Academic Lead for Head Injury to incorporate some pioneering treatments for traumatic brain injury.

Welfare & Support

We recognise that wellbeing and performance are linked. Improving our team's ability to handle pressure and balance work and home life pressures can lead to improved individual and organisational performance.

We understand that our team may need additional support at times. Our commitment to wellbeing is demonstrated by having different layers of support on offer that includes Mental Health First Aiders, our Wellbeing Working Group, Chaplain support, and Psychotherapy support. We are committed to creating an open culture where the team feel able to talk about mental health confidentially. To demonstrate this, we have signed the 'Charter for Employers Positive about Mental Health', registering as a 'Mindful Employer' and also introducing Freedom to Speak Up champions.

We have also signed up to the McQueen charter, inspired by the late air ambulance doctor Dr Carl McQueen, which is a new initiative which aims to improve mental health and wellbeing in the workplace by helping employers create safe, positive and open environments where staff feel their mental health is prioritised, able to discuss their mental health and are supported to access.

We have been very busy this year, contributing to multiple studies, audits and ongoing research. We have also had several publications generated by our own team. As the Centre for Excellence continues to grow, we expect that this kind of activity will increase further in the future. In our quest for continual improvement, we recently commissioned an external independent review into our culture, which we will utilise to enhance our overall people strategy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Clinical Governance

We continue to have our Death and Disability (D&D) sessions at our North Weald airbase, where previous cases are reviewed to monitor the quality of patient care for the purpose of learning. The D&D days have been further enhanced with the addition of Clinical Pathology correlation days in which a forensic pathologist uses injury patterns and post-mortem findings to further enhance the sessions, allowing us to learn from patients who have, sadly, died. An entire day is devoted to case review, audited against standard operating procedures and good practice guidelines, and chaired by a Consultant in Pre-Hospital Care. These meetings are highly valued by the clinical team, not just from a learning perspective but also from an ongoing health and wellbeing perspective.

Care Quality Commission

The anticipated CQC inspection took place, for which we were well prepared, thanks to our commissioning of an external company to conduct an audit/inspection of the service against the current CQC inspection framework. This produced positive results and guided and focused us in certain areas, most importantly, how we collate and present evidence. This work and commitment were well timed, as in August 2022, we received notification that an inspection would be taking place, and we entered into our inspection period (14 days). Over 320 separate pieces of evidence were reviewed and submitted as part of the inspection. The outcome of the inspection was a rating of Outstanding across all five areas inspected.

We continue to monitor standards internally through our governance system and audits. Patient experience remains at the forefront of our service delivery and we strive to continue to raise the bar in care delivery and patient outcomes. The CQC Working Group meet regularly to maintain understanding and horizon scan for changes or challenges that might affect service delivery.

Patient Liaison

The Patient & Family Liaison Team have been working hard to host a backlog of base visits caused by the pandemic, and we are also progressing with support and visits for all of our more recent patients, families, and friends who wish to have contact with us. Visits include meeting those who have lost a loved one to supporting those who have recovered from an incident. Every effort is being made to be inclusive in all base visits by inviting EEAST ambulance and other emergency services partners to the airbases.

Due to the sensitivities of this role, it is often a challenge to share feedback and outcomes, however, on a fundraising platform one of our families wrote.

"If you could donate to the Essex & Herts Air Ambulance Crew, who have been fantastic. All the paramedics and ambulance crews were outstanding, but in particular, the air ambulance crew have gone above and beyond. They have been in touch to let us know how deeply the crew have been affected and how we have been in their thoughts day and night. The crew there that morning offered to meet with me and the children at any point if we felt that would help and to show (my son) the helicopter so he won't be scared of seeing one in the future. I just hope anyone ever faced with anything like this can face the same service. "

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We offer support to staff and volunteers across the Charity who have regular contact with patients and families in their varying roles. Our programme of reaching out to patients, their families and supporting EHAAT's team will be extending further as we develop our clinical liaison capacity in 2023.

We are developing our research and service evaluation by exploring patient and family experiences to inform care, developing our patient survey to a much wider group with electronic QR feedback, and being able to increase the capacity of the service to reach out to more patients, their families, the wider community, and stakeholders that are touched by our service.

Training

Training and education remain an integral component of EHAAT operations and clinical governance. The Critical Care Passport, for which EHAAT won the Innovation of the Year Award at the Air Ambulance UK Award Ceremony in November 2022, is a compliance tool which undergoes weekly review to ensure the team is rehearsing the most complex scenarios and interventions with the use of our immersive Simulation Suite. Moulages are undertaken during shift or as part of the D&D meetings which are held every week. Our Simbody mannequins add an additional layer of realism to our training, and we are currently pursuing a grant to fund an additional child and premature baby mannequin.

The EHAAT Pre-Hospital Care Course for EHAAT clinicians has evolved in the last 12 months and is now a 7-day, intensive course which also includes a whole day in the cadaveric anatomy laboratory, preparing clinicians for multiple pre-hospital surgical interventions. We invite our colleagues from the emergency services to take part in the course, not only to support the scenarios but also to promote cross-service communication and more efficient working. EHAAT team members are also supported financially to attend conferences and undertake examinations such as the Diploma in Immediate Medical Care (Royal College of Surgeons Edinburgh).

Our Student Elective Programme remains very busy, with students from across the globe competing for places. The students contribute to knowledge with the projects and audits they undertake, some of which manifest as academic posters which are displayed at conferences. A mini elective has been established for personnel from 16 Medical Regiment (RAMC); another successful partnership which has supported our EHAAT Pre-Hospital Care Course.

The virtual lecture series, which takes place one evening a month, continues to draw a large international audience and attracts a lot of positive feedback from attendees.

We achieved a record number of CPR public training sessions on the national Restart a Heart Day, as 682 adults and children practised CPR at Lakeside Shopping Centre in Thurrock in September 2022. The event not only raised awareness of our work but taught life-saving skills and raised over £500 in public donations.

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c) Fundraising

Building on the resilience, agility and creativity our teams demonstrated in the face of change and uncertainty, we continued to diversify our income streams whilst identifying new ways to engage with supporters. Despite the challenges of the cost-of-living crisis, we were delighted to see the return of crucial community events such as Strictly Air Ambulance. We also worked hard to raise awareness of our work through targeted social media campaigns and other digital marketing initiatives. By developing and implementing these strategies, the Charity remains committed to ensuring its life-saving work can continue well into the future.

Our key sources of income throughout the year included;

Retail Division

Retail saw some significant change throughout this year, with the introduction of a new head of department in July 2022. We've also welcomed two ecommerce team members and a Donation Centre Manager. As a result, we have shifted our operational focus and seen significant steps forward in terms of development and growth. We have been particularly focused on the delivery of our ecommerce division and operational standards within shops, with our retail team working diligently to improve in these areas.

The opening of our Letchworth shop has been a major success, drawing in high footfall and raising awareness throughout the local community. With some collective operational focus, we have seen our average transaction value and gift aid contribution across the estate continue to grow as we improve retail standards within our shops. Ecommerce has been another high-performing area. We are now starting to see how we can leverage the potential of this platform with a particular focus on product, quality and audience. Additionally, we have made significant strides in optimising our back-of-house operational procedures, laying a solid foundation for continued growth and success.

Major Benefactor Programme

We appointed a Head of Philanthropy in February 2022, and one year on, the new major giving strategy is well underway. During the initial phase, we conducted extensive research and a feasibility study, which informed the development of a four-strand strategy approved by the Trustees in June 2022.

- Delivering a capital campaign towards the new AW169 helicopter
- Establishing a mid to high-level giving programme
- Developing an effective donor journey for existing givers
- Defining an ambitious vision as embodied in the Centre for Excellence

The first strand of this strategy, the capital campaign, has been the primary focus for 2022-23. Preparatory work included the development of a campaign plan, brand and materials. We also implemented a reporting structure and event format. A campaign board was initiated in the autumn, and we launched our 'Building our Future Fleet' campaign with the first event in October. By the end of March 2023, 14 campaign gifts and pledges had been secured, totalling £82k (including gift aid).

With support and leadership from the executive, trustees and senior volunteers, this strategy will be founded on the development of long-term relationships with donors and potential donors by engaging them with our work. By forging new relationships and deepening existing ones, the campaign will serve as a strong foundation for our major benefactor programme in the future.

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Regular Giving

Regular giving continues to grow in importance as a source of income. Using both canvassing and telemarketing, we recruited over 1,723 new regular givers during the year, bringing the total number of active regular givers to 4,706. Cumulative income for the year is £420k, with a further £51k claimed in associated Gift Aid.

We also introduced a loyalty programme, 'Thank You Calling', where both staff and volunteers called our regular givers to thank them for their support. This engagement and recognition of their gift helps with attrition levels and, in some cases, results in supporters kindly increasing the amount given.

In Memory and Legacy Income

Our 'in memory' income remained strong during this period, with £356k received for the year. At the start of the year, we created a special area on our website, powered by Much Loved, which provides a place where those who have lost someone dear to them can donate in memory, set up tributes, and remember their loved ones. We are touched that people across Essex, Hertfordshire and surrounding areas continue to think of the Charity at such a difficult time.

A legacy gift reflects a person's desire to make a lasting contribution long after they are gone. We sensitively promote Gifts in Wills across various media platforms such as radio, local press and social media. The income received in the year ended 31st March 23 was £3.4m, an increase of 45%.

Flight for Life Lottery and Raffles

Our weekly lottery remains the main source of income for the Charity and plays a crucial role in raising awareness of EHAAT's life-saving work. We seek to recruit new players who we hope will join us on a supporter journey, keeping up to date with charity news while potentially helping to make a difference in other ways, such as leaving us a gift in their will or becoming a volunteer. During the year, the cost of living crisis impacted the number of people joining the lottery together with increased levels of attrition amongst existing players. We finished the year with 98,057 individuals playing 178,853 weekly chances in the draw.

We contract two professional canvassing organisations which represent our values to the wider community. Through contractual terms and conditions, regular meetings and training, we ensure they follow the Charity's values and that their activities are closely monitored. Any complaints received are followed up with the canvassing companies concerned and are reported to the Board of Trustees every month. During 2022-23, we received 7 such complaints, out of 29,582 new sign-ups. The activities of these organisations are also regulated by the Gambling Commission and Fundraising Regulator. In our efforts to help protect vulnerable people, we require all canvassers to be Dementia Friends and to attend a dementia awareness training course. Underage players are not permitted to join the Lottery; we also limit the number of chances players may have in the lottery.

During the year, we reverted to operating the lottery with a single licence with the Gambling Commission. This follows a change in legislation to increase the maximum turnover cap from £10m to £50m. Operating with a single licence enables EHAAT to reduce administration costs for the day-to-day management of the lottery.

Our three raffles – Spring/Summer/Autumn generated a total income of £243k, which is significantly down on 2021/22 (£382k), reflecting reductions in discretionary spending by the public during the ongoing cost of living crisis.

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Air Ambulance Week

During Air Ambulance Week (5th to 11th September 2022), we joined other UK air ambulances in a campaign titled 'Critical Moments – Lifesaving Difference' to raise awareness of the life-saving work carried out by critical care teams. Thousands of supporters and volunteers came together to raise the profile of air ambulances across the UK. We also published a dedicated landing page on our website to drive donations and spread the word across social media. One video we released featured our celebrity ambassador Ray Winstone, as he highlighted key mission statistics and called on people across Essex and Hertfordshire to donate £5 to share their support. The week coincided with the mass catering episode of Celebrity MasterChef 2022, filmed at our North Weald airbase, which aired on BBC One on Tuesday, 6th September 2022.

Volunteers

Our dedicated team of volunteers continue to play a crucial role in raising awareness of our life-saving work, assisting with support in our local communities and helping to increase income. At year-end, we were supported by 433 volunteers, up from 412 volunteering for us at the end of last year.

National Volunteers' Week took place during the first week of June as we celebrated and thanked our volunteers for their generosity and hard work. We shared a series of volunteers' stories online and across social media, raising awareness of their amazing contributions.

In November, we also had the pleasure of hosting Vision 23 at our North Weald airbase, where over 50 volunteers attended. Many of those unable to attend in person joined via Zoom as the Executive Team outlined plans for the future.

During the year, the Volunteer Forum conducted its regular quarterly meetings. At their meeting in December, the action plan for 2023 was discussed, which included new fundraising initiatives, volunteer recruitment, CPR demonstrations, and building a sense of volunteer community whilst promoting wellbeing. The team also discussed ideas for the upcoming 25th anniversary of the Charity.

New Celebrity Ambassador – Lisa Snowdon

In September, Lisa Snowdon joined us as a Celebrity Ambassador to increase awareness of our life-saving work. Lisa was crowned the Winner of Celebrity MasterChef 2022 and visited our North Weald airbase during filming of the hit BBC cooking show. Since then, she has been collaborating with our fundraising team to develop opportunities to showcase the work of our Charity and co-hosted Strictly Air Ambulance 2023 at Charter Hall in Colchester, an event which raised just over £19k for EHAAT.

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TRUSTEES' REPORT (CONTINUED)
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d) Financial Review

The consolidated accounts are for Essex and Herts Air Ambulance Trust and its wholly owned trading subsidiaries Essex & Herts Flight for Life Lottery Limited, Essex & Herts Flight for Life Lottery Operations Limited, Essex & Herts Flight for Life Lottery Critical Care Limited and Essex & Herts Air Ambulance Trading Limited.

The financial highlights of the year include:

- Total incoming resources increased by 13.6% to £17.6m (2022 - £15.5m).
- Total resources expended increased by 14.9% to £14m (2022 - £12.1m).
- Operating Surplus increased by 8.8% to £3.7m (2022 - £3.4m).
- Retained reserves increased to £46.9m (2022 - £44.4m). Of this, £25.2m is designated funds which includes £5m designated for the creation of an expendable endowment trust, £862k is designated for the Centre for Excellence and £19.3m is designated for fixed assets which includes the existing aircraft; the capital commitment relating to the second AW169, and with the airbase at North Weald.

A breakdown of amounts held in specific funds for restricted, unrestricted and designated purposes is shown in note 18 of the financial statements.

Income Generation

Our regular sources of income continued to recover, with donations and collection tins up by £414k (28.4%) from last year and are now back to pre-pandemic levels. Retail income from our charity shops continued to grow and was up £240k (34%), with events income also up £37k (30%). Lottery sales were flat as we saw lottery growth stall with new players simply replacing those cancelling their memberships. Reported total group income (incoming resources) increased in total by £2.1m (13.6%) over the previous year. In addition to the increases in donations and charity shop income already highlighted, this included particularly strong legacy income in the year, which at £3.4m was up over £1m on the previous year.

Resources Expended

Total group expenditure (resources expended) increased by £1.9m (14.9%) in the year. This was mainly driven by increased expenditure on Charitable Activities, including the introduction of NVIS which meant additional training costs together with an increase in helicopter operating hours over the winter months. We also saw cost inflation particularly impacting aviation fuel costs earlier in the year and other ongoing helicopter flying time and service costs. The year also saw recruitment and expenditure start for the Centre for Excellence initiative which was minimal in 2021/22.

Performance Summary

Increases in income meant that despite the cost increases detailed above, the operating surplus was maintained at £3.7m, up slightly on the previous year.

Our net cash balances and investments at the year end were £36.3m, up £1.6m from last year.

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Reserves Policy

Unrestricted reserves are freely available to be spent on any of the Charity's purposes; these amounts are contained within the General Fund. In this context, reserves exclude tangible fixed assets held for the Charity's use. The Trustees aspire to hold between 12 and 24 months of total expenditure in unrestricted general reserves to safeguard the operation of the service should our income fail or in the event of an unexpected eventuality. Current unrestricted general reserves represent 16 months' forecast total expenditure. Taking into account the continuing economic uncertainty coupled with the current strategy to expand both service delivery and related fundraising activities significantly in the medium term, the Trustees consider the current levels of reserves to be appropriate in ensuring the Charity remains robust – and can continue to operate during this period of great uncertainty. The uncertainty over future income streams and increased expenditure brought about by the coronavirus pandemic, sudden higher inflation and the invasion of Ukraine have demonstrated the importance of a robust reserves policy to protect the Charity. Below is a breakdown of the reserves the Charity has.

	2023	2022
Total reserves	46,881,615	44,418,505
Less:		
Designated reserves	(25,169,097)	(19,238,721)
Restricted reserves	(45,432)	(876,132)
Free reserves	21,667,086	24,303,652

Investments

Our investment portfolio, managed by abrdn (formerly known as Aberdeen Standard Capital), decreased in market value across the period by £773k, having a market value at the year end of £23.3m. This is a notional loss only; our investments are held for the medium to long term and are made using professional investment advice. We consider the security of our investments, our future funding needs and market returns available for a given level of risk.

Cash reserves of £1.6m were held in two liquidity funds managed by abrdn and £7.5m in a Euro liquidity fund also managed by abrdn. The Euros were purchased when the commitment was made to purchase a second AW169 which will be invoiced in Euros. This was to limit the Charity's exposure to movements in foreign exchange rates between the date of commitment and the final purchase date. The Trustees' treasury management policy is designed to ensure that the primary objectives of safeguarding EHAAT's assets and limiting its risk are balanced with the achievement of a satisfactory return. Security, liquidity and yield are each assessed for their appropriate balance within the application of the treasury policy.

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e) Plans for the future

Clinical

Due to the constantly changing nature of medicine, it will come as no surprise that we are regularly reviewing or introducing new equipment or procedures. This is not always as simple as it sounds, and as a group, the Senior Clinical Leadership Team (SCLT) meet to discuss research and create standard operations procedures to support those introductions.

Some of the workstreams currently under review by the team are:

- The introduction of Video Laryngoscopy
- Regional Anesthesia (targeted analgesia)
- Introduction of arterial lines (invasive blood pressure monitoring)
- Reducing the weight of the medical bags (we often land some distance from the scene)
- The neuroprotective bundle
- Post ROSC cardiac arrest management

Operations

The Charity is looking at ways it can extend its coverage by helicopter when the weather conditions deteriorate, through the implementation of a Global Navigation Satellite System (GNSS) approach into Earls Colne. This would allow the helicopters to return to base when cloud or visibility would have ordinarily prevented the flight.

The Charity is also consulting with other local air ambulance charities to help improve the availability of night hospital helipads in the region, as there are currently no Major Trauma Centres that can be accessed by helicopter at night within the Essex and Hertfordshire region. The current number of hospital helipads that can be used at night within the region is very limited. The Charity wishes to improve this position, ensuring our patients have access to the same network of hospitals by day or night.

Fundraising

We remain focused on reaching new audiences and increasing the size of our supporter base. This includes driving 25% more traffic to our new website, due to be launched at the start of 2023/24; building our charity shop retail presence in the high street by opening new shops and growing our ecommerce division; establishing a major giving culture beyond the current capital campaign to support the future of the Charity in its objective to diversify income sources; to grow our legacy income with the offer of a free will writing service; attracting more people to visit our airbase Visitor Centres; and continuing to drive the growth of our Lottery, which is how many supporters first join us.

We will aim to obtain communications consent for all new supporters added to our CRM system so that we can effectively keep in touch with as many supporters as possible. For 2023/24, we are planning to hold a Thankathon event when staff, volunteers and Trustees will spend the day calling as many of our supporters as they can to thank them for their support. Moreover, we also plan to attract new supporters and keep existing supporters engaged by combining a variety of exciting fundraising and marketing initiatives. We also recognise the power and potential of digital fundraising and are seeking to further modernise and broaden the way in which we work.

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TRUSTEES' REPORT (CONTINUED)
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Underpinning all of our work to generate income is our newly established Supporter Care Team, tasked with providing exemplary supporter care in our communications with supporters. Our vision is to create supporter journeys for our different supporter groups that meet their needs and keep them engaged and connected with the Charity.

25th Anniversary

As we approach the Charity's 25th anniversary, plans are underway to celebrate this significant milestone, which will run from June to September 2023. A 25-year logo will be designed to be used on all anniversary collateral, and we will create commemorative flags for each airbase, special window vinyl for our charity shops, as well as 'thank you' stickers, pin badges and other supporting items. The communications team will deliver a targeted mailing with tailored messages to 50,000 contacts. By reflecting on our 25-year journey, celebrating our milestones, and thanking our supporters, we aim to inspire even more people to support our life-saving work.

f) Development of Key Partnerships and Relationships

We continue to work closely with our neighbouring air ambulances, including EAAA, MAGPAS Air Ambulance, London's Air Ambulance, Thames Valley Air Ambulance and Air Ambulance Charity Kent Surrey Sussex, sharing knowledge and operating practices. Our relationship with EEAST continues as we work closely with the new senior management team in post at EEAST.

We continue to work with our colleagues at Anglia Ruskin University in relation to our research programme.

AAUK continue to bring the wider UK Air Ambulance communities together and have launched a new platform for engagement and interaction. The AAUK portal will be a useful tool for sharing information and best practice.

We have also developed a relationship with Essex of University following Jane Gurney's Honorary Doctorate, which has enabled a new partnership for us to help inspire the clinicians of the future.

g) Principal Risks and Uncertainties

The Trust operates a bespoke risk management software system. The Trustees have a risk management approach that comprises:

- An ongoing review of the risks the Charity may face, with risks being entered onto a risk register. The Executive Team reviews risk every month. The register is discussed at least once a year at board meetings and at every Audit & Risk Committee meeting.
- The establishment of systems and procedures to mitigate those risks
- The implementation of procedures designed to minimise any potential impact on the Trust should those risks materialise
- Use of a risk management system for all clinical occurrences, reviewed by the Clinical Risk and Safety Committee.

The Trustees consider that the most significant risks to the Charity are the financial impacts of a sustained period of high inflation, financial and operational risks associated with a cyber-attack and reputational risk due to adverse publicity against the Charity or charity sector in general impacting our ability to raise funds.

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TRUSTEES' REPORT (CONTINUED)
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Trustees' Responsibilities in Relation to the Financial Statements

The Trustees (who are also directors 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 Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of their incoming resources and application of resources, including the income and expenditure, of the charitable company and the 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 Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company and the group will continue in operation

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

In accordance with company law, as the Charity's trustees, we certify that:

- So far as we are aware, there is no relevant audit information of which the Trust's auditors are unaware
- As the Trustees of the Charity, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Charity's auditors are aware of the information

Auditors

A resolution will be considered to reappoint Crowe UK LLP as auditors to the Trust for the ensuing year.

Approved by order of the members of the Board of Trustees on 27/9/2023 and signed on their behalf by:



Jonathan Trower

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESSEX & HERTS AIR AMBULANCE TRUST

Opinion

We have audited the financial statements of Essex & Herts Air Ambulance Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESSEX & HERTS AIR AMBULANCE TRUST
(CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESSEX & HERTS AIR AMBULANCE TRUST
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the company 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, Charities Act 2011 and SORP 2015.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the board meeting minutes;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

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(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESSEX & HERTS AIR AMBULANCE TRUST
(CONTINUED)

Use of our report

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



Ian Weekes (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor
Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH

Date: 20th December 2023

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	38,458	6,079,756	6,118,214	4,565,960
Charitable activities	5	35,940	57,172	93,112	105,601
Other trading activities	6	2,085,425	8,713,345	10,798,770	10,512,847
Investments	7	-	618,722	618,722	334,066
Total income		2,159,823	15,468,995	17,628,818	15,518,474
Expenditure on:					
Raising funds		419,509	4,712,394	5,131,903	4,932,172
Charitable activities		2,558,019	6,261,300	8,819,319	7,205,321
Total expenditure		2,977,528	10,973,694	13,951,222	12,137,493
Operating surplus		(817,705)	4,495,301	3,677,596	3,380,981
Net (losses)/gains on investments		-	(1,214,487)	(1,214,487)	620,655
Net (expenditure)/income		(817,705)	3,280,814	2,463,109	4,001,636
Transfers between funds	18	(12,995)	12,995	-	-
Net movement in funds		(830,700)	3,293,809	2,463,109	4,001,636
Reconciliation of funds:					
Total funds brought forward		876,132	43,542,373	44,418,505	40,416,869
Net movement in funds		(830,700)	3,293,809	2,463,109	4,001,636
Total funds carried forward		45,432	46,836,182	46,881,614	44,418,505

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

The notes on pages 31 to 53 form part of these financial statements.

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05397840

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	3,192	11,734
Tangible assets	13	19,303,726	11,026,987
Investments	14	32,437,175	31,928,373
		<u>51,744,093</u>	<u>42,967,094</u>
Current assets			
Stocks	15	16,809	29,727
Debtors	16	1,971,645	1,093,407
Cash at bank and in hand		3,901,303	2,728,805
		<u>5,889,757</u>	<u>3,851,939</u>
Creditors: amounts falling due within one year	17	(10,752,235)	(2,400,528)
Net current liabilities / assets		<u>(4,862,478)</u>	<u>1,451,411</u>
Total net assets		<u><u>46,881,615</u></u>	<u><u>44,418,505</u></u>
Charity funds			
Restricted funds	18	45,432	876,132
Unrestricted funds	18	46,836,183	43,542,373
Total funds		<u><u>46,881,615</u></u>	<u><u>44,418,505</u></u>

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

The financial statements were approved and authorised for issue by the Trustees on 27/9/2023 and signed on their behalf by:


Jonathan Trower

The notes on pages 31 to 53 form part of these financial statements.

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 05397840

COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	3,192	11,734
Tangible assets	13	19,303,726	11,026,987
Investments	14	32,437,179	31,928,377
		<u>51,744,097</u>	<u>42,967,098</u>
Current assets			
Stocks	15	16,809	29,727
Debtors	16	4,204,114	2,308,755
Cash at bank and in hand		1,086,272	1,142,255
		<u>5,307,195</u>	<u>3,480,737</u>
Creditors: amounts falling due within one year	17	(10,169,677)	(2,029,330)
Net current liabilities / assets		<u>(4,862,482)</u>	<u>1,451,407</u>
Total net assets		<u><u>46,881,615</u></u>	<u><u>44,418,505</u></u>
Charity funds			
Restricted funds	18	45,432	876,132
Unrestricted funds	18	46,836,183	43,542,373
Total funds		<u><u>46,881,615</u></u>	<u><u>44,418,505</u></u>

The Company's net movement in funds for the year was £2,463,109 (2022 - £4,001,640).

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

The financial statements were approved and authorised for issue by the Trustees on 27/5/2023 and signed on their behalf by:



Jonathan Trower

The notes on pages 31 to 53 form part of these financial statements.

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Cash flows from operating activities		
Net cash generated in operating activities	2,294,200	4,795,849
Cash flows from investing activities		
Dividends, interests and rents from investments	618,722	334,066
Proceeds from the sale of tangible fixed assets	-	19,000
Purchase of tangible and intangible assets	(1,176,520)	(798,678)
Proceeds from sale of investments	16,084,537	6,924,395
Purchase of investments	(16,648,441)	(11,817,522)
Net cash used in investing activities	(1,121,702)	(5,338,739)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	1,172,498	(542,890)
Cash and cash equivalents at the beginning of the year	2,728,805	3,271,695
Cash and cash equivalents at the end of the year	3,901,303	2,728,805

The notes on pages 31 to 53 form part of these financial statements

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Essex and Herts Air Ambulance Trust is a company limited by guarantee (registered number 05397840) which is incorporated and domiciled in England. It is also registered as a charity with the Charity Commission (registered number 1108989). The address of the registered office is The Business Centre, Earls Colne Business Park, Earls Colne Colchester, Essex, CO6 2NS.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the going concern assertion by assessing the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

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

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

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.2 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

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

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity. For example, the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset being transferred to the charity. Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Goods donated for resale are included in the accounts when the items are sold.

The Charity receives grants in respect of furthering its charitable activities. Income from grants is recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Dividend income is recognised as the charity's right to receive payment is established.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

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

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes costs incurred seeking voluntary contributions through donations, costs of trading activities and the running of fundraising events during the reporting period; and
- Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Salary costs are attributed to projects based on direct salary costs. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with the use of the resources. All costs were allocated on the basis of staff time, with the exception of property costs which were allocated by areas used.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

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

All expenditure is inclusive of irrecoverable VAT.

2.4 Government grants

Grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.5 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.6 Intangible assets and amortisation

Intangible assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

Amortisation is provided on the following basis:

Computer software	- 25 % straight line
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2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Long-term leasehold property	-
Short-term leasehold property	- Straight line over the length of the lease
Helicopter	- 20 years straight line
Motor vehicles	- 2-4 years straight line
Fixtures and fittings and computer equipment	- 2-4 years straight line
Assets under construction	- Nil
Clinical equipment	- 3-4 years straight line

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.8 Investments

The investments held by the charity are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value using the quoted market price. All gains and losses are taken to the Statement of Financial Activities as they arise.

The statement of financial activities includes the net gains and losses on revaluation and disposals throughout the year.

Current asset investments are short term deposits and are held at face value. These include cash on deposit and cash equivalents with a maturity of less than one year.

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

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.10 Debtors

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

2.11 Cash at bank and in hand

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

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

2.13 Financial instruments

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

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.15 Pensions

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

2.16 Fund accounting

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

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

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

- Depreciation rates for tangible fixed assets
- Residual value and useful life of helicopter

Critical areas of judgment:

- Income recognition of legacies and grants

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Donations	38,458	1,741,878	1,780,336
Legacies	-	3,371,274	3,371,274
In-memoria	-	355,592	355,592
Collection Tins	-	90,500	90,500
Donated services	-	520,512	520,512
	<u>38,458</u>	<u>6,079,756</u>	<u>6,118,214</u>

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations	38,774	1,329,480	1,368,254
Legacies	-	2,325,985	2,325,985
In-memoria	-	310,111	310,111
Collection Tins	-	88,930	88,930
Donated services	-	472,680	472,680
	<u>38,774</u>	<u>4,527,186</u>	<u>4,565,960</u>

5. Income from charitable activities

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Grant-making trusts	<u>35,940</u>	<u>57,172</u>	<u>93,112</u>

ESSEX & HERTS AIR AMBULANCE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Income from charitable activities (continued)

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Grant-making trusts	18,353	87,248	105,601

6. Income from other trading activities

Income from non charitable trading activities

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Income from lottery	2,085,425	7,581,120	9,666,545
Fundraising events	-	159,128	159,128
Merchandise sales	-	22,307	22,307
Charity shop income	-	949,290	949,290
Other	-	1,500	1,500
	<u>2,085,425</u>	<u>8,713,345</u>	<u>10,798,770</u>

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Income from lottery	9,666,594	-	9,666,594
Fundraising events	-	122,150	122,150
Merchandise sales	-	14,332	14,332
Charity shop income	-	709,771	709,771
	<u>9,666,594</u>	<u>846,253</u>	<u>10,512,847</u>

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Dividends	616,583	616,583
Interest	2,139	2,139
	<u>618,722</u>	<u>618,722</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Dividends	334,066	334,066
	<u>334,066</u>	<u>334,066</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Helicopter Emergency Medical Service	7,821,234	998,085	8,819,319
	<u>7,821,234</u>	<u>998,085</u>	<u>8,819,319</u>
	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Helicopter Emergency Medical Service	6,506,181	699,140	7,205,321
	<u>6,506,181</u>	<u>699,140</u>	<u>7,205,321</u>

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Depreciation	828,448	702,809
Helicopter and Rapid Response Vehicle	3,743,268	2,852,196
Clinical costs	2,712,878	2,576,636
Airbase premises costs	398,818	374,540
Centre for Excellence	137,821	-
Total 2023	7,821,233	6,506,181

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	787,442	531,900
Operations and support costs	101,021	96,998
Other employment costs	90,714	53,470
Governance costs	18,909	16,772
	998,086	699,140

9. Governance costs

	2023 £	<i>2022 £</i>
Auditors' remuneration	32,000	28,500
Trustees meetings	893	2,147
Trustee indemnity insurance	1,962	1,962
Legal, consultancy and other fees	(705)	(768)

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Staff costs

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Wages and salaries	2,452,828	<i>1,789,694</i>	2,452,828	<i>1,789,694</i>
Social security costs	246,398	<i>172,764</i>	246,398	<i>172,764</i>
Contribution to defined contribution pension schemes	140,602	<i>110,508</i>	140,602	<i>110,508</i>
	<u>2,839,828</u>	<i><u>2,072,966</u></i>	<u>2,839,828</u>	<i><u>2,072,966</u></i>

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

	Group 2023 No.	<i>Group 2022 No.</i>
Charitable activities	12	<i>8</i>
Raising funds	31	<i>28</i>
Lottery	3	<i>3</i>
Retail	26	<i>25</i>
	<u>72</u>	<i><u>64</u></i>

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

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £70,001 - £80,000	3	<i>-</i>
In the band £80,001 - £90,000	1	<i>-</i>
In the band £90,001 - £100,000	1	<i>1</i>
In the band £120,001 - £130,000	-	<i>1</i>
In the band £130,001 - £140,000	1	<i>-</i>

The total amount of employee benefits received by key management personnel is £715,807 (2022 - £459,294). This includes bonus amounts earned but not yet paid. The charity considers its key management personnel to be the Trustees and the Executive Team as listed in the charity information page.

There was an amount due at the year end to one member of Key Management Personnel of £17,500 (2022 - £17,500).

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, Trustee expenses of £151 (2022 - £NIL) have been incurred.

12. Intangible assets

Group and Company

	Computer software £
Cost	
At 1 April 2022	115,893
At 31 March 2023	<u>115,893</u>
Amortisation	
At 1 April 2022	104,159
Charge for the year	8,542
At 31 March 2023	<u>112,701</u>
Net book value	
At 31 March 2023	<u>3,192</u>
At 31 March 2022	<u>11,734</u>

ESSEX & HERTS AIR AMBULANCE TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Tangible fixed assets

Group and Company

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation						
At 1 April 2022	5,569,969	7,055,314	433,268	458,136	650,793	14,167,480
Additions	278,662	8,649,421	-	235,036	-	9,163,119
At 31 March 2023	<u>5,848,631</u>	<u>15,704,735</u>	<u>433,268</u>	<u>693,172</u>	<u>650,793</u>	<u>23,330,599</u>
Depreciation						
At 1 April 2022	593,687	1,627,324	294,294	200,245	424,943	3,140,493
Charge for the year	254,033	354,023	57,256	135,699	85,369	886,380
At 31 March 2023	<u>847,720</u>	<u>1,981,347</u>	<u>351,550</u>	<u>335,944</u>	<u>510,312</u>	<u>4,026,873</u>
Net book value						
At 31 March 2023	<u>5,000,911</u>	<u>13,723,388</u>	<u>81,718</u>	<u>357,228</u>	<u>140,481</u>	<u>19,303,726</u>
At 31 March 2022	<u>4,976,282</u>	<u>5,427,990</u>	<u>138,974</u>	<u>257,891</u>	<u>225,850</u>	<u>11,026,987</u>

Plant and machinery includes Assets Under Construction of £8,645,940 (2022: £nil).

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14. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2022	31,928,373
Additions	16,648,441
Disposals	(16,084,537)
Revaluations	(763,314)
Dividends retained	520,446
Foreign exchange movement	187,766
At 31 March 2023	<u>32,437,175</u>
Net book value	
At 31 March 2023	<u>32,437,175</u>
At 31 March 2022	<u>31,928,373</u>

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14. Fixed asset investments (continued)

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2022	4	31,928,373	31,928,377
Additions	-	16,648,441	16,648,441
Disposals	-	(16,084,537)	(16,084,537)
Revaluations	-	(763,314)	(763,314)
Dividends retained	-	520,446	520,446
Foreign exchange movement	-	187,766	187,766
At 31 March 2023	4	32,437,175	32,437,179
Net book value			
At 31 March 2023	4	32,437,175	32,437,179
At 31 March 2022	4	31,928,373	31,928,377

15. Stocks

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Finished goods and goods for resale	16,809	29,727	16,809	29,727

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16. Debtors

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Due within one year				
Trade debtors	4,067	8,290	4,067	8,290
Amounts owed by group undertakings	-	-	2,255,865	1,246,568
Other debtors	716	694	510	460
Prepayments and accrued income	278,922	341,367	255,732	310,381
Tax recoverable	106,332	115,410	106,332	115,410
Legacy Debtor	1,581,608	627,646	1,581,608	627,646
	<u>1,971,645</u>	<u>1,093,407</u>	<u>4,204,114</u>	<u>2,308,755</u>

17. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Trade creditors	618,187	357,446	619,515	344,008
Amounts owed to group undertakings	-	-	-	213,398
Other taxation and social security	71,442	48,516	71,442	48,516
Other creditors	560,804	538,209	3,673	2,879
Accruals and deferred income	9,501,802	1,456,357	9,475,047	1,420,529
	<u>10,752,235</u>	<u>2,400,528</u>	<u>10,169,677</u>	<u>2,029,330</u>

	Group 2023 £	<i>Group 2022 £</i>
Deferred income at 1 April 2022	506,836	479,095
Resources deferred during the year	516,360	506,836
Amounts released from previous periods	(506,836)	(479,095)
	<u>516,360</u>	<u>506,836</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Fixed asset fund	11,038,721	-	(894,922)	9,163,119	-	19,306,918
Helicopter fund	7,200,000	-	-	(7,200,000)	-	-
Centre of excellence	1,000,000	-	(137,821)	-	-	862,179
Designation for expendable endowment	-	-	-	5,000,000	-	5,000,000
	<u>19,238,721</u>	<u>-</u>	<u>(1,032,743)</u>	<u>6,963,119</u>	<u>-</u>	<u>25,169,097</u>
General funds						
General Funds - all funds	<u>24,303,652</u>	<u>15,468,996</u>	<u>(9,940,951)</u>	<u>(6,950,124)</u>	<u>(1,214,487)</u>	<u>21,667,086</u>
Total Unrestricted funds	<u>43,542,373</u>	<u>15,468,996</u>	<u>(10,973,694)</u>	<u>12,995</u>	<u>(1,214,487)</u>	<u>46,836,183</u>
Restricted funds						
Restricted Fund	<u>876,132</u>	<u>2,159,823</u>	<u>(2,977,528)</u>	<u>(12,995)</u>	<u>-</u>	<u>45,432</u>
Total of funds	<u><u>44,418,505</u></u>	<u><u>17,628,819</u></u>	<u><u>(13,951,222)</u></u>	<u><u>-</u></u>	<u><u>(1,214,487)</u></u>	<u><u>46,881,615</u></u>

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18. Statement of funds (continued)

The designated funds for the new helicopter are the anticipated costs of purchasing the new helicopter airframe only. £1m has been designated for expenditure on our Centre for Excellence initiative less expenditure incurred in the current year.

Of the restricted funds, £29,572 (2022 - £nil) represent the funds received from the "Future Fleet" appeal. The remaining funds represent funds received from donors for the purchase of scanning equipment and vehicles.

EHAAT operates in a high-risk environment using cutting edge procedures and technologies in order to move and act fast to save lives. Without regular and continued support our service simply could not run. As part of a plan to commit to the long term sustainability of the charity, the Trust is currently in the process of creating a separate expendable endowment fund using a formal trust deed. £5m has been designated in anticipation of the creation of this fund. This is with the intention the fund will be separately invested for the long term to deliver a stream of investment income to support our services for generations to come.

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18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2022</i>
	£	£	£	£	£	£
Unrestricted funds						
Designated funds						
Fixed asset fund	11,012,200	-	(772,153)	798,674	-	11,038,721
Helicopter fund	-	-	-	7,200,000	-	7,200,000
Centre of excellence	-	-	-	1,000,000	-	1,000,000
	<u>11,012,200</u>	<u>-</u>	<u>(772,153)</u>	<u>8,998,674</u>	<u>-</u>	<u>19,238,721</u>
General funds						
General Funds - all funds	<u>27,779,586</u>	<u>5,794,753</u>	<u>(1,487,992)</u>	<u>(8,403,350)</u>	<u>620,655</u>	<u>24,303,652</u>
Total Unrestricted funds	<u>38,791,786</u>	<u>5,794,753</u>	<u>(2,260,145)</u>	<u>595,324</u>	<u>620,655</u>	<u>43,542,373</u>
Restricted funds						
Restricted Fund	<u>1,625,083</u>	<u>9,723,721</u>	<u>(9,877,348)</u>	<u>(595,324)</u>	<u>-</u>	<u>876,132</u>
Total of funds	<u><u>40,416,869</u></u>	<u><u>15,518,474</u></u>	<u><u>(12,137,493)</u></u>	<u><u>-</u></u>	<u><u>620,655</u></u>	<u><u>44,418,505</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	19,303,726	19,303,726
Intangible fixed assets	-	3,192	3,192
Fixed asset investments	-	32,437,175	32,437,175
Current assets	45,432	5,844,325	5,889,757
Creditors due within one year	-	(10,752,235)	(10,752,235)
Total	45,432	46,836,183	46,881,615

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	11,026,987	11,026,987
Intangible fixed assets	-	11,734	11,734
Fixed asset investments	-	31,928,373	31,928,373
Current assets	876,132	2,975,807	3,851,939
Creditors due within one year	-	(2,400,528)	(2,400,528)
Total	876,132	43,542,373	44,418,505

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

	Group 2023 £	<i>Group 2022 £</i>
Net income for the year (as per Statement of Financial Activities)	2,463,109	4,001,636
Adjustments for:		
Depreciation and amortisation charges	894,922	772,153
Losses/(gains) on investments	55,103	(786,682)
Dividends, interests and rents from investments	(618,722)	(334,066)
Loss/(profit) on the sale of fixed assets	-	(19,000)
Decrease in stocks	12,918	5,575
Decrease/(increase) in debtors	(878,238)	355,383
Increase in creditors	365,108	800,850
Net cash provided by operating activities	2,294,200	4,795,849

21. Analysis of cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>
Cash in hand	3,901,303	2,728,805
Total cash and cash equivalents	3,901,303	2,728,805

22. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	2,728,805	1,172,498	3,901,303
	2,728,805	1,172,498	3,901,303

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23. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £140,602 (2022 - £110,508). Contributions totalling £3,606 (2022 - £2,792) were payable to the fund at the balance sheet date and are included in creditors.

24. Operating lease commitments

At 31 March 2023 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Land, buildings and helicopter				
Not later than 1 year	2,962,989	2,422,009	2,962,989	2,422,009
Later than 1 year and not later than 5 years	9,482,869	9,412,866	9,482,869	9,412,866
Later than 5 years	2,987,306	3,896,614	2,987,306	3,896,614
	<u>15,433,164</u>	<u>15,731,489</u>	<u>15,433,164</u>	<u>15,731,489</u>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Company 2023 £	<i>Company 2022 £</i>
Land and building lease costs	369,102	373,869
Helicopter lease costs	<u>2,545,600</u>	<u>1,970,306</u>

25. Related party transactions

Information about related party transactions and outstanding balances is outlined below:

D Hayward is a Trustee of the Charity and is also a partner in a firm of solicitors, Nockolds. During the year the Charity purchased legal services from Nockolds, amounting to £20,202 including VAT (2022 - £15,167). There was £13,686 outstanding at the year end (2022 - £12,627).

Other than the above and the transactions identified within Note 11, there have been no other related party transactions.

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26. Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Registered office or principal place of business	Class of shares	Holding	Included in consolidation
Essex and Herts Flight For Life Lottery Limited	04269794	Same as parent company - see company information page	Ordinary	100%	Yes
Essex & Herts Air Ambulance Trading Limited	03739217	Same as parent company	Ordinary	100%	Yes
*Essex & Herts Flight For Life Lottery Operations Limited	11995048	Same as parent company	Ordinary	100%	Yes
*Essex & Herts Flight For Life Lottery Critical Care Limited	11995133	Same as parent company	Ordinary	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
Essex and Herts Flight For Life Lottery Limited	7,581,121	1,196,824	6,384,297	2
Essex & Herts Air Ambulance Trading Limited	52,815	14,265	25,613	2
*Essex & Herts Flight For Life Lottery Operations Limited	1,532,192	228,530	1,303,662	2
*Essex & Herts Flight For Life Lottery Critical Care Limited	553,233	185,109	368,124	2

*Indirect subsidiaries

