



MIDLANDS AIR AMBULANCE CHARITY

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2022

Charity Number 1143118
Company Number 07683841



Charity and Company Registration

| Midlands Air Ambulance Charity (parent charity) | | Registered Office: Hawthorn House, Dudley Road, Stourbridge, DY9 8BQ |
|---|--|--|
| Registered Charity Number (Charity Commission): 1143118 | | |
| Registered Company Number (Private company limited by guarantee, Companies House): 07683841 | | |
| Midlands Air Ambulance Trading Ltd (trading subsidiary) | | |
| Registered Company Number (Private Limited Company, Companies House): 08256466 | | |

Our advisers

| | | |
|----------------------------|----------------------------|---|
| Auditor | Cooper Parry Group Limited | Sky View, Argosy Road, East Midlands Airport, Castle Donington, Derby, DE74 2SA |
| Bankers | Barclays Bank plc | Queen Square, Wolverhampton, WV1 1DS |
| Company secretary | Nicola Rees | Hawthorn House, Dudley Road, Stourbridge, DY9 8BQ |
| Solicitors | Withers LLP | 16 Old Bailey, London, EC4M 7EG |
| Investment advisers | AFH Group | Buntsford Drive, Bromsgrove, B60 4JE |

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CHAIR'S REPORT



As I head into my final term as Chair of Midlands Air Ambulance Charity, I would like to reflect on the significant achievements delivered by the team during this financial year.

Essentially, FY21/22 can be described as a year of two parts. For the first six-months, the organisation continued to weather the metaphorical 'storm' generated by the pandemic, which impacted on clinical operations and fundraising efforts alike. The second phase of the year was about reconnecting, and it was heartening to see life returning to a level of normality. From late summer onwards, face-to-face fundraising activity started to return. A highlight included our 30th birthday exhibition 'Mission Critical', which facilitated community engagement by showcasing the inspirational stories of survivors from across our six-county region, an example of which is shared on page 5.

Alongside delivering business-as-usual activity such as fundraising for, and delivering, lifesaving critical care missions within the community, I'm particularly proud of two significant achievements which will support the long-term sustainability of Midlands Air Ambulance Charity:

- We achieved registration with the Care Quality Commission, securing our new status as an accredited independent emergency health care provider (find out more on page 7).
- Building work has progressed at pace on the site of our new Airbase and Headquarters which will provide enhanced operational facilities, alongside a centre of training excellence. I am looking forward to seeing the building take further shape over the next twelve months. Page 21 provides more details regarding the charity's new facility.

Other developments during the last twelve months have included achieving re-accreditation with Investors in Volunteers. This important recognition highlights the vital role that community ambassadors play in support of our lifesaving service. I am humbled and impressed by the amazing efforts of our volunteer team, who selflessly and willingly give up their time to make a very real difference and help save lives. This includes my colleagues who form the Board of Trustees, who I would like to thank for their hard work and support of the senior leadership team in navigating the organisation through the pandemic and the transformation projects highlighted above, which will leave a lasting legacy.

Roger Pemberton
Chairman of the Board of Trustees

**GROUP TRUSTEE REPORT
For the year ended 31 March 2022**

CHIEF EXECUTIVE'S REPORT



I would like to thank the Midlands Air Ambulance Charity family - including staff, volunteers, Trustees, supporters, donors and funders - who have enabled the Charity to successfully deliver our FY21/22 business plan.

Everyone has played their role in making sure we fulfilled our 365-day helicopter-led emergency service. This includes our clinical teams, whose skilled care, drive and determination has meant that this year alone they reached thousands of critically ill and injured patients, providing them with the best chance of survival and recovery. All of which, of course, was only made possible due to our dedicated fundraisers who have ensured that we continue to raise sufficient funds for our core service to enable future service developments.

We are currently on a journey of transformational change as an independent Care Quality Commission (CQC) registered healthcare provider. I am both honoured and excited to lead our 'one team' service, and to oversee a talented, multidisciplinary group of people committed to driving forward developments in pre-hospital critical care, whilst attending to some of the most traumatic incidents and medical emergencies.

Looking to the future, FY2022/23 marks the implementation of the organisation's new five-year strategic plan, which was developed in collaboration with our teams over the last twelve months (reference page 18). Whilst this strategic roadmap continues themes from our previous plan, it aims to create a step change in patient care based on data-led decision making. An example is the extension of our operational hours, via our fleet of critical care cars, meaning that we will provide a rapid response to patients in desperate need throughout the night.

We are committed to providing the region's population with the best possible pre-hospital emergency service by land and air, as it is the skills of our clinicians across both modes of transport which make the vital lifesaving difference. As a charity that was founded by the community it serves, the next twelve months will see the execution of our vision and mission giving wide benefit, positively impacting the lives of patients, donors, supporters and volunteers.

**Hanna Sebright
Chief Executive**

GROUP TRUSTEE REPORT
For the year ended 31 March 2022

SURVIVOR CASE STUDY

John Walton - Cardiac Arrest Survivor

John from Dudley, West Midlands, was playing squash with a friend at the local leisure centre. What started out as just another competitive match between the gents soon became a race against time to save John's life.



John, with his wife Diane, at the Charity's 'Mission Critical exhibition'

In January 2020, John, who was 71 at the time, was an active man enjoying his regular game of squash with his friend of 40 years, Clive. After thirty-five minutes of friendly competition, John became unwell rather quickly. His breathing became laboured, and his heart went into cardiac arrest. John then collapsed as he went to hit the squash ball and fell, bruising his face.

Clive, having realised what had happened to John, instantly began administering CPR and called for help from the leisure centre staff. To give John the best chance of survival, whilst another squash player called 999 for emergency services, staff members at the sports centre made use of the onsite defibrillator to take over from Clive's chest compressions.

Based on the severity of John's condition, a critical care paramedic for Midlands Air Ambulance Charity (MAAC) was also deployed to the scene via the service's critical care car. The rapid response combined with by the clinicians 'critical care' status means that MAAC can treat patients with advanced drugs and analgesia as well as perform certain lifesaving interventions at the incident scene.

In addition to the electro-cardiogram and oxygen that John was being treated with by land ambulance crews, the critical care paramedic administered glyceryl trinitrate (GTN) spray to expand John's blood vessels and a drug to thin John's blood to increase circulation around his heart, reducing the chances of a secondary cardiac arrest and making a vital difference.

GROUP TRUSTEE REPORT For the year ended 31 March 2022

Once John's condition had been stabilised, he was conveyed via land ambulance to New Cross Hospital, Wolverhampton. The Charity's critical care paramedic escorted John on-board the land ambulance, in case John's heart arrested again and his enhanced clinical skills were urgently required en route. John says: *"I went from working part-time and enjoying regular trips to the sports centre playing squash to spending 17 days in hospital following major surgery to my heart."*

"I just don't want to think what could have happened had it not been for Clive, the team at the leisure centre and Midlands Air Ambulance Charity's enhanced care."

The chances of surviving a cardiac arrest outside of the hospital environment is less than ten per cent. Therefore, the bystander CPR that John received on scene before emergency services arrived was imperative to saving John's life. This is why Midlands Air Ambulance Charity is committed to undertaking community training. We have two programmes to help equip adults and children with lifesaving skills, which supports our vision – *saving lives, by saving time.*

COMMUNITY ENGAGEMENT



MISSION
CONTROL

COMMUNITY:
Individual +
groups



SKYCHAMPS

EDUCATION
PROGRAMME

To find out more visit:
midlandsairambulance.com

/training - community
based training

/education - training
activity in schools, further
and high education

Help make our next mission possible!

If you would like to become a supporter of Midlands Air Ambulance Charity either by donating, volunteering, or running an event to raise funds we would love to hear from you:

Contact us:

Web - midlandsairambulance.com

Call - 0800 8 40 20 40

Email - info@midlandsairambulance.com

**GROUP TRUSTEE REPORT
For the year ended 31 March 2022**

TRUSTEE REPORT, INCORPORATING STRATEGIC REPORT:

Midlands Air Ambulance Charity - In brief

Since 1991, Midlands Air Ambulance Charity (MAAC) has been operating a lifesaving air ambulance service across the Midlands. Our operations constitute the largest operating region in England, making us one of the busiest air ambulances. During the last 30 plus years, our service has undertaken almost 68,000 missions, rapidly reaching and treating the most critically unwell and injured patients.

In early 2022, we achieved registration with Care Quality Commission (CQC). As an accredited independent health care provider, we are responsible for delivering a regional pre-hospital emergency service across six counties, serving a diverse and growing population in the communities of Gloucestershire, Herefordshire, Shropshire, Staffordshire, the West Midlands and Worcestershire.

Our service enables patients to receive vitally important hospital-level critical care in situ, before being conveyed to the most appropriate hospital or major trauma centre for their individual needs, giving them the best possible chance of survival and recovery.

We are operational 365 days a year. Our team of highly skilled clinical practitioners include both doctors and critical care paramedics. The teams administer out-of-hospital advanced clinical interventions and medicines via three helicopters, plus an 'over land' fleet of Rapid Response Vehicles and specialist Critical Care Cars.

Whilst we provide innovative pre-hospital treatment to critically ill and injured patients across the region, as a charity, we do not receive any Government funding for our daily missions. We rely on the generous support of the public, businesses and grant giving bodies in order to raise the £11 million plus needed each year to remain operational.

As part of our new five-year strategic plan, we are committed to delivering clinical excellence which focuses on developing and futureproofing our service with the creation of a new facility. Our new Airbase and Headquarters will enable further enhancements to our lifesaving service as well as providing a training centre of excellence for pre-hospital emergency care. To find out more, refer to the future plans section on page 18.

GROUP TRUSTEE REPORT For the year ended 31 March 2022

Delivering public benefit



Our charitable activities focus on providing lifesaving pre-hospital emergency medicine across an operating region of 5,200 square miles. We benefit the lives of six million people across all age groups, supporting diverse communities across a six-county area, comprising of rural and urban conurbations.

We are here to provide patient care where advanced clinical skills are needed outside the hospital environment, such as a road traffic collision, an individual who has had a heart-attack or fall at home or a trauma incident in an isolated rural area.

Our clinicians bring hospital-level procedures and medicines to the patient at the scene by both air and land. These include sedative techniques and anaesthesia, plus interventions such as amputations and intubation, which enable the doctors and critical care paramedics to take over a patient's breathing and stabilise their condition, giving them the best possible chance of survival and recovery.

On average, we reach patients within ten minutes, bringing the following interventions to the incident scene:

- *Advanced clinical care and skillset via our critical care paramedics and pre-hospital emergency medicine doctors*
- *Enhanced medicines to further support pain relief and sedation*
- *Hospital-level equipment to undertake surgical procedures*
- *Blood products for patients who need transfusions*

Alongside our core lifesaving service, the Charity is committed to enhancing the lives of local people and businesses via the provision of outreach programmes. Activities have involved health education and disease infection control training. For example, delivery of CPR training and our bleed control kit network. This activity has benefited adults as well as young people, via our popular education programmes called 'Sky Champs' and 'Mission Support Training' – see page 6 for more details.

GROUP TRUSTEE REPORT For the year ended 31 March 2022

Operational model



We work in partnership with two Ambulance Service Trusts who coordinate all responses to 999 calls within our six-county operating region. They request the dispatch of our fleet of helicopters and Critical Care Cars (CCC) for serious trauma cases or time critical medical emergencies

Our health partners include: (i) West Midlands Ambulance Service NHS Foundation Trust (WMAS) is our key health partner across Herefordshire, Shropshire, Staffordshire, the West Midlands and Worcestershire and (ii) South Western Ambulance Service NHS Foundation Trust (SWASFT) tasks us in the Gloucestershire region.

Clinical

Our strong collaborative relationship with WMAS and SWASFT ambulance services is based on a mutual core principle of providing the highest quality service and care for patients. Our team of highly skilled clinical practitioners include both helicopter emergency medical services (HEMS) doctors and critical care paramedics. The teams administer out-of-hospital advanced clinical interventions and medicines via three Airbus helicopters - a H145 and two EC135's. Additionally, our helicopter-led service is complemented by an 'over land' fleet of Rapid Response Vehicles and specialist CCC.

Aviation

Babcock Mission Critical Services (BMCS) has been an intrinsic part of our operations since 1991. As our aviation partner, they provide our Aircraft Operators Certification (AOC) and the specialist delivery team - the pilots and engineers - promote safety and excellence across flight operations. The Charity owns one H145, one E135, and leases a further E135 from BMSC.

Funding

Our Charity does not receive any Government funding for our daily missions. We are the people's air ambulance, as we rely on the generous support of the public, businesses and grant giving bodies to raise the £11 million plus needed each year to remain operational as well as to assist in developing our service by purchasing new medical equipment. This is achieved by fundraising activity and its growing network of street shops (refer to page 16 for more information).

MAAC continually monitors the economic environment and is currently considering the ongoing impact from the pandemic alongside the growing cost of living crisis, with inflation at a forty-year high. To protect public interest, our governance principles ring-fence up to two-years of operating costs, to protect the service.

GROUP TRUSTEE REPORT
For the year ended 31 March 2022
Our Vision, Mission and Values

Mission - to provide patients with outstanding pre-hospital care and life saving intervention through the operation of helicopter-led emergency medical services.

Through the provision of a regional helicopter-led emergency medical service ("HEMS") network, our mission is two-fold (i) to save lives and (ii) to improve survivors' quality of life. We are committed to evolving our service, with all developments being aligned to changing patient need.

Vision - Saving lives by saving time, today, tomorrow and in the future.

Focusing on a 'one team culture', our Board provides strong leadership and direction, supporting staff strategically to ensure efficient and effective tactical deployment across our clinical and non-clinical business areas.

Robust financial management, including the ability to demonstrate sustainable income generation activity alongside the appropriate use of funds, is key to ensuring organisational resilience. We utilise financial, operational and clinical data, to ensure the best use of charitable funds and we will continue to develop the service based on evidence-led patient outcome data.

We remain innovative and proactive and adapt to wider changing environments that directly impact our core purpose. Whilst our focus is on our helicopter-led service, central to our mission is the delivery of pre-hospital care; as such we have diversified our operations to deliver this via air and land.

| Our values | |
|--------------------|---|
| Receptive | We are open to new ideas and ways of working across our clinical and charity operations, providing total transparency to all stakeholders. |
| Respectful | We are a community-based organisation with a ' one team ' culture that embraces and encourages honesty . |
| Responsible | We aim to create the best possible future for everyone and strive to place sustainability at the heart of everything we do. |
| Relevant | We define success as continuous improvement and aim for excellence in our life-saving services and community projects. |
| Recognition | We value our relationships - with staff, supporters and the wider communities we serve - working together to achieve the best possible patient outcome. |

GROUP TRUSTEE REPORT
For the year ended 31 March 2022

Strategic Overview

The FY 2021/22 business plan comprised of four themes, as detailed below, including a combination of vital futureproof strategic projects, alongside important tactical activity. This period formed the final stage of successfully delivering the 2017 to 2022 strategic plan, which set the roadmap to developing a new Airbase and Headquarters – a vision that is now set to be a reality.

Below is a summary of key achievements undertaken between April 2021 – March 2022:

| Business plan FY 2021/22 | |
|---|---|
| Future proofing - strategic projects providing long-term organisational resilience and sustainability | <ul style="list-style-type: none"> ✓ A new five-year Group Strategic Plan was developed in collaboration with Trustees, staff, volunteers and key stakeholders. An incremental rolling plan methodology has been adapted, which encompasses an annual review of strategic intent to ensure that the organisation's strategy is responsive to macro and micro factors. ✓ Construction commenced at our new Airbase and Headquarters (ABHQ). The new operational facility will also incorporate a centre of clinical training excellence. Funding for the build phase of the project was achieved (reference page 60 for supporters). The build phase remains ongoing, with a completion date set in Spring 2023. ✓ We are proud to have become Care Quality Commission (CQC) registered. Achieving this accreditation supports our drive and commitment to addressing increased patient demand within the pre-hospital environment. ✓ A review of our clinical model resulted in changes to our service provision (i) we now directly employ all our clinicians, having previously had a secondment arrangement with West Midlands Ambulance Service Foundation Trust (WMAS) and (ii) we start the new financial year with enhanced out of hours service via our Critical Care Cars. |
| Continuous Improvement – this theme focuses on evolving and optimising delivery across the organisation | <ul style="list-style-type: none"> ✓ Objectives focusing on the Charity's clinical provision, centred on enhancing service provision, improving patient outcomes and mission capabilities. Developments have included: <ul style="list-style-type: none"> - Implementing HEMSbase a new data system for capturing clinical data, which will significantly enhance capabilities for developing the service. - Ultrasound scanning equipment across our critical care fleet and improved capabilities for carriage of blood products. ✓ Developments linked to wider business improvement plans and developing processes including the introduction of the RADAR data system to support with management of feedback reporting, including compliments, concerns and complaints, operational procedures and reporting to risk management. |

GROUP TRUSTEE REPORT
For the year ended 31 March 2022

| | |
|--|--|
| <p>Optimising income generation - this theme centres on income generation for our core service</p> | <ul style="list-style-type: none"> ✓ All activity undertaken is aligned to the organisation's Fundraising Strategy. The team have focused on maximising income generation opportunities, ranging from responding to turbulent environmental factors brought about by the pandemic to proactive activity such as community and corporate fundraisers and launching new activity such as the 'Rapid Response Raffle'. ✓ A comprehensive year-long programme was implemented to celebrate the Charity's 30th Birthday. The campaign provided an opportunity to reflect on past achievements over the last 30 years, whilst also considering future aspirations. Activity included a largescale touring exhibition which featured across the regions, telling stories of survivors from a diverse range of our mission categories. This was complemented by a poetry project, which was funded by the Arts Council, and offered a platform to patients, supporters, staff and volunteers. ✓ The retail network was expanded with the introduction of a sixth shop in Gloucestershire. Furthermore, the group's online sales of second-hand goods also experienced an uplift. This growth supports expansion plans of the retail portfolio - shops and online - moving forward. |
| <p>One-team - based on the Group ethos of 'one team' - it centres on 'our people power' - by placing our people at the heart of our organisational development.</p> | <ul style="list-style-type: none"> ✓ Focusing on our collective of clinical and non-clinical staff, volunteers and Trustees. Activity aims to support people, develop skills and capabilities, whilst recognising the hard work of the team. ✓ An organisation is only as good as its people, as such continuous professional development is a central theme. 100% of staff, across both the clinical and non-clinical teams, undertook training activity, ranging from online courses to formal qualifications alongside participation in coaching and mentoring programmes. ✓ Volunteers are key to the Charity's success. The organisation achieved accreditation of 'Investors in Volunteers'. Feedback from the IiV Assessor included - <i>"The quality of your staff and volunteers is evident. They are highly skilled, committed people, who are dedicated to the Charity. There is a great sense of teamwork"</i> |

GROUP TRUSTEE REPORT For the year ended 31 March 2022

Operational performance 2021-22

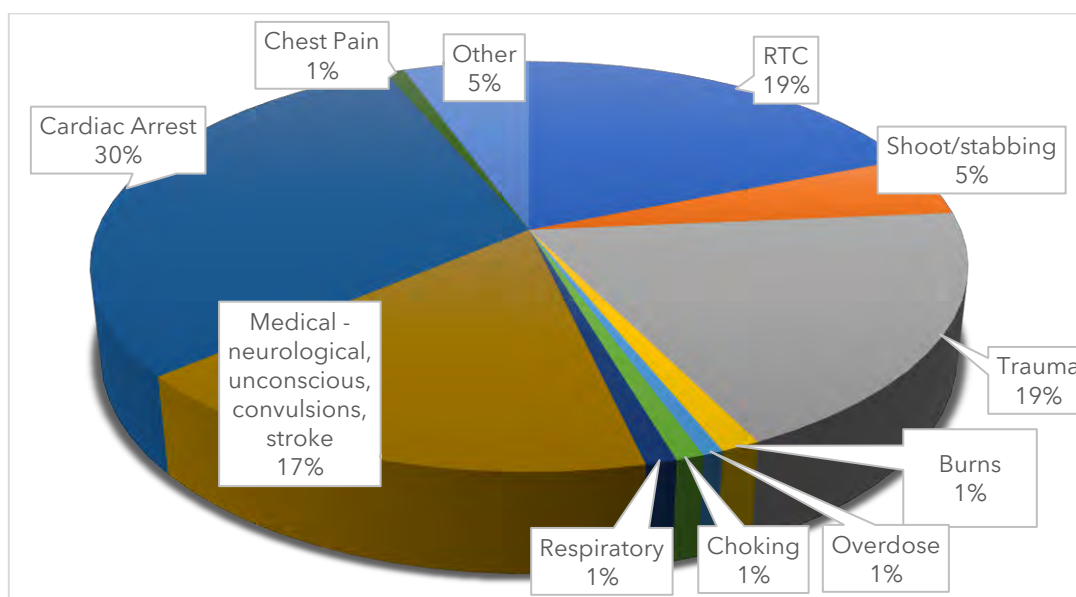
Our clinical teams were deployed to 4,479 patients via our fleet of helicopter ambulances and Critical Care Cars. On average they reached patients within ten minutes.

The mission ratio by despatch platform comprised (i) 56% was undertaken by our land-based Critical Care Cars response service and (ii) 44% was delivered by our air service via our bespoke emergency helicopter fleet.



Lifesaving service - by air and land, April 2021 - March 2022

Our critical care paramedics and pre-hospital emergency medicine doctors undertook an average of 12 incidents each day, administering advanced clinical interventions and medicines and equipment to the incident scene. Below is an overview of the missions that they attended by category. This shows that approximately three-quarters of missions attended were in response to a traumatic event / accident, with approximately 26% being medically orientated.



GROUP TRUSTEE REPORT For the year ended 31 March 2022

The impact of the pandemic on operations

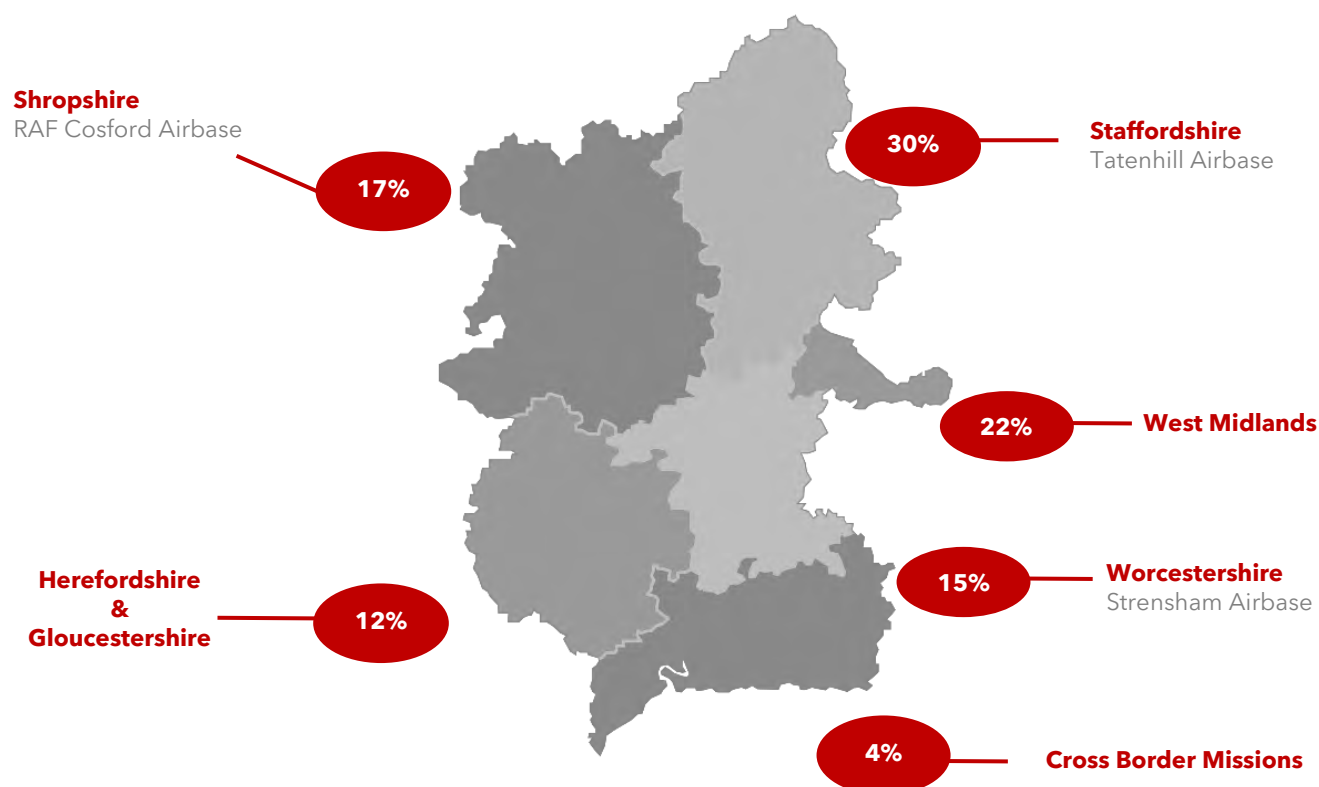
The effect of the pandemic has been prevalent for a significant section of the financial year. Government guidelines, which were in place for nine of the 12-months, included isolation rules which impacted on service provision. In keeping with our helicopter-led ethos, we took the decision to focus on our air operations when human resource was low, when clinicians had to isolate due to Covid, which impacted on the utilisation of our Critical Care Car fleet on occasion.

The Charity has been managing the increased costs relating to continued requirement of personal protective equipment and enhanced cleaning regimes. Whilst restrictions have currently been reduced as we enter the new financial year (FY22/23), we are mindful of potential winter surges moving forward and have planned accordingly.

Air operations

Operating from strategically located air bases, our advanced critical care clinicians attended 1,980 missions cross the six-county area. This represented a 1.6% increase when compared to the previous financial year.

Each of our three aircraft carries a crew of three: a pilot and two specialist paramedics or a single critical care paramedic and flight doctor. Our helicopters are fitted with full life-support medical equipment and medicines. The missions attended are shown below.



GROUP TRUSTEE REPORT For the year ended 31 March 2022

Critical care cars operations



We operate a fleet of Critical Care Cars, which provide a rapid despatch method frequently used in urban areas. These cars have the same lifesaving skillset and equipment as our helicopters and are coordinated by the critical care paramedic team.

During FY21/22, these vehicles were dispatched to 2,499 medical emergencies such as cardiac arrests, heart attacks, strokes and respiratory issues.

Our people

Staff

We remain proud of our silver level Investors in People accreditation, which was achieved in 2021, as this is only achieved by 15% of participating organisations. We are working hard to retain this industry standard, as part of this we undertake an annual survey. In FY21/22 our employees showed overwhelming positive sentiment. Headlines include:

- **Workforce pride** - 100% proud to work for the Charity
- **Sense of belonging** - 100% feel MAAC is a great place to work
- **Values-led** - 100% feel treated with dignity and respect

Since obtaining Care Quality Commission (CQC) registration, the organisation is embarking on a change management programme. This follows the organisation's direct employment of Critical Care Paramedics, and related clinical support staff, which has resulted in our employee-base almost doubling from 53 staff to 93. Additionally, the full complement includes another 20-35 doctors, who contribute to the service, via bank contract arrangements.

Volunteers

Our family of volunteers play a pivotal role in helping to raise awareness and funds for our lifesaving service - without them we simply could not operate. This is why the organisation is proud to have been re-accredited its Investors in Volunteers quality standard. The assessor commented: *"The quality of your staff and volunteers is evident. They are highly skilled, committed people, who are dedicated to the Charity. There is a great sense of teamwork"*

GROUP TRUSTEE REPORT
For the year ended 31 March 2022
Financial performance - raising lifesaving funds

Every year we work hard to raise vital funds for our core £11 million lifesaving operations. Our staff, suppliers and volunteers tirelessly work within the six regions we serve to raise income. Our aim each year is to raise sufficient funds to cover all expenditure, as well as generate additional monies in order to be able to invest in future projects and to purchase new medical equipment to support our daily missions.

We rely on donations from the public, businesses and grants from awarding bodies to fund our lifesaving service. Our service would not be possible without the fantastic contributions of both funds and time made by our supporters, volunteers and corporate partners. A summary of our income by core stream for the FY 2021-22 is as follows:

| Income stream | Description | % |
|---|---|------------|
| Legacies and in memoriam | Gifts in wills and donations in memory of a loved one | 35.4 |
| Lottery | Weekly lottery draw, £1 per play | 32.3 |
| Grants | Restricted and unrestricted funds received from grant making trusts and other bodies | 17.8 |
| Donations and fundraising events | Cash donations from the public and fundraising events held, including monthly amounts received via direct debit or standing order | 6.4 |
| Charity shops | Income from sale of donated goods through our regional charity shops | 3.8 |
| Other | Other income, including investment income | 2.7 |
| Corporate partners | Donations and sponsorship from regional companies | 1.6 |
| Total | | 100 |

The impact of Covid

Over the last 12-months, as the pandemic continued, the Charity proactively pursued every opportunity to raise funds during an ever-changing environment. For almost six months, our key income streams relating to the Charity's (i) person-to-person fundraising; (ii) shops and (ii) our programme of events and other fundraising activity were adversely affected by national restrictions which aimed to contain the virus. As such, the impact of COVID-19 was largely felt in the reduction of one-off donations from individuals, community groups and corporate entities, where funding was down by approximately 56% based on pre-pandemic levels. To counter the impact on traditional income streams, the team used alternative fundraising methods, focusing largely on online activity.

GROUP TRUSTEE REPORT For the year ended 31 March 2022

Despite these challenges the organisation still achieved over 92% of its income via fundraising tactics, which resulted in an unrestricted surplus before unrealised gains on investments of £3,752,000 - a prospect which seemed remote during many points of the year.

The surplus will help futureproof the Charity. It will support our governance principle of retaining up to twenty-four months of operating costs, ensuring business continuity of our lifesaving service. Refer to page 25 to find out more about our reserves policy.

The favourable end of year position was delivered by proactively focusing on:

- maintaining and growing income from sustainable sources, such as the lottery and direct debits. The Charity is incredibly grateful for committed giving as it provides certainty, facilitating medium- and long-term planning.
- funding from grant giving bodies and trusts sources.
- effective and efficient legacy administration.

These results illustrate the public benefit delivered by the Charity. It is testament to the resilience of our dedicated workforce, volunteer fundraisers and loyal supporters, who have collectively worked hard to raise vital funds for missions. Despite this position, we are pragmatic and understand that communities and businesses across the Midlands will feel the cost-of-living crisis. Therefore, we remain cautiously optimistic about the future and the forthcoming financial year.

Our Fundraising Standards and Promise

We are committed to upholding the highest fundraising standards:

- The Charity is registered with the *Fundraising Regulator*, the independent regulator of charitable fundraising in England, Wales and Northern Ireland who advocate best practice for the sector.
- We are an active member of *The Chartered Institute of Fundraising*
- We strive to ensure that our fundraising adheres to Data Protection legislation as set out by the *Information Commissioners Office*, key *Charity Commission* guidance and the *Code of Fundraising Practice*.
- As stated in *Our Donor Promise*, our approach to fundraising is based on the principles of responsibility, transparency and honesty. Please refer to our website for more details - www.midlandsairambulance.com/legal/donor-promise

Where appropriate, we work in partnership with reputable professional fundraisers and commercial participators to raise funds - with robust written agreements and monitoring programmes in place, and in line with our Ethical Fundraising Policy.

GROUP TRUSTEE REPORT For the year ended 31 March 2022

Important sources of sustainable income, in particular the lottery and committed giving, are delivered in partnership. All canvassers working on our behalf are committed to abiding by the guidelines laid out within Our Canvassing Code of Practice (published on our website). Arrangements for these are outlined below:

- *Our Lifesaving Lottery* - we are a Gambling Commission licenced operator and a member of the Lotteries Council, adhering to a strict set of codes and conditions of practice, including social responsibility and the protection of vulnerable people. Our Charity's lottery is managed under contract with an external lottery company, Tower Lotteries, who is licensed by the Gambling Commission as an External Lottery Manager.
- *Sustainable regular giving income* - our Charity outsources some telephone fundraising to an external telephone agency, Unity4, which works to The Chartered Institute of Fundraising's Public Fundraising Certification Programme. This activity enables committed giving, such as donations provided via direct debits, which helps the Charity with achieving much needed longer-term financial support.
- *Our 'Rapid Response Raffle'* was delivered in partnership with Woods Valldata who supported us with production and governance of this new fundraising venture for FY21/22. Due to the success of this project and support uptake, it is envisaged that this will be repeated in the forthcoming financial year.

We work in partnership with a range of commercial participators who generously donate to our Charity while selling their goods or services. For example, donating a percentage of every product sold - all of whom are detailed on our website: www.midlandsairambulance.com/supporterbenefits

Future plan - 2022 and beyond

Our new five-year strategy

A key output from FY21/22 was the production of the Charity Group's five-year strategy for the period 2022-2027, which was developed in collaboration with the Senior Leadership Team, employees, volunteers, the Board of Trustees and key business partners.

The five-year plan outlines the roadmap to fulfilling our new status as an independent healthcare provider, a step change which has been essential in order to evolve our pre-hospital emergency helicopter-led medical service. It defines the journey as we embark on moving our registration status towards securing an outstanding CQC rating. The period of transformation will be underpinned by sound financial planning to ensure that the Midlands Air Ambulance Charity Group maintains long-term resilience.

GROUP TRUSTEE REPORT For the year ended 31 March 2022

This rolling strategic plan will enable the ongoing appraisal and analysis of our operating environment, defining our development needs in relation to opportunities and/or challenges. As part of the annual revisions, our core planning principles will be reviewed where necessary while maintaining a focus on our stated strategic mission, vision and values.

As a charity that is funded by the community it serves, in line with our values, our strategy will positively impact the six-county service area and community engagement will be a critical theme. As detailed below, a strategy framework has been developed for delivery and is based on the implementation of **four core pillars** which are underpinned by **four enabling themes**.



A review of our clinical model in FY 21/22, will result in a series of changes to our clinical service provision strategy from April 2022 onwards - we will directly employ all our clinicians, having previously had a secondment arrangement with West Midlands Ambulance Service Foundation Trust. Additionally, as a newly registered CQC emergency healthcare provider, we are now fully responsible for our clinical governance. The rationale regarding enhancing our clinical model is based on long term development aspirations of our lifesaving service. These include:

- Extending our service by area and time where it is needed most, developments include:
 - The Northern Critical Care Car which will increase our capacity to attend medical emergencies across Staffordshire, which has been identified as a cardiac arrest incident hot spot area.
 - The introduction of a twilight Critical Care Car service (1400 - 0200hrs) for the southern counties of Worcestershire, Herefordshire and Gloucestershire.
- Ensuring long-term efficiencies within the region's supply chain, by nurturing future clinical talent, to bolster our resilience and futureproof our service.

GROUP TRUSTEE REPORT
For the year ended 31 March 2022

- Introducing innovative medical equipment and further adoption of advanced techniques for use at the scene of a traumatic incident or medical emergency.
- Extending our operating hours upon completion of our purpose-built airbase and charity headquarters. From 2023 overnight accommodation will be available for the clinical crew, which will enable the extension of our operational reach into the night across the whole of the region.

| Business Objectives - FY22/23 | Headlines |
|--|---|
| <p>Clinical excellence To deliver a patient-focused pre-hospital emergency helicopter service, based on an ethos of clinical excellence and optimum delivery of our team, in order to provide the best outcomes for those that are critical ill or injured.</p> | <ul style="list-style-type: none"> • Clinical thought leadership - showcasing MAAC's emergency pre-hospital critical care service and expertise. • Strensham Airbase - review site development needs. • Further developing our clinical services and region-wide provision through extending operations via the fleet of Critical Care Cars. • Implementing an 'after care' service via the introduction of a patient liaison team. • Enhance skill sets via robust training programme which will also help to diversify the clinical portfolio. |
| <p>Income generation To enable business transformation over the next five years, income generation will embrace innovation and diversification, focusing on a growth rate of 3% per annum.</p> | <ul style="list-style-type: none"> • Enhanced regional engagement - implementation of six county plans. • Diversify the funding portfolio - by seeking additional sources in line with the changing status of the organisation. • Develop the retail portfolio and increase volume / value of the physical shop network, as well as via online sources |
| <p>Organisational resilience To futureproof the organisation by enhancing operations to ensure resilience, sustainability and success</p> | <ul style="list-style-type: none"> • Embed the information governance framework across the organisation. • Further enhance internal and external communications following CQC registration. • Accreditation status (Trusted charity and Governance Framework) evaluate programmes and reaccredit as relevant. • Industry benchmarking project to understand best practice within the PHEM's sector |
| <p>Our People To place collaboration at the heart of our working practice, by developing our people, growing our regional networks and supporting the communities we serve.</p> | <ul style="list-style-type: none"> • Safeguarding programme - build upon existing activity to ensure best practice across clinical and non-clinical teams (training programme, processes and procedures). • Volunteers Strategy - develop a roadmap for creating a sustainable and inclusive volunteer network. • Group wide resource - implementing training matrix and developing a supporting working environment which considers health and wellbeing. |

GROUP TRUSTEE REPORT For the year ended 31 March 2022

Looking to the future - our new Airbase and Headquarters

The vision of developing a new Airbase and Headquarters was initially featured within the Charity's strategic plan. The project started in 2017 and involved a site selection process, which reviewed over 500 potential locations across the Shropshire / Staffordshire boarder to bring benefit to patients across the whole of the Midlands region. A full planning application was submitted in late October 2020 for Neachley Lane Cosford, following an extensive public consultation programme with local residents and businesses.

As part of the organisation's commitment to continuous improvement, the new facility will help future-proof the service for decades to come. It will feature a state-of-the-art clinical training facility, complete with simulation suite, which will be fundamental to delivering the advanced training programmes required for our clinicians. This will ensure the critical care team are equipped to treat the increasingly complex patient cases and will enhance our daily lifesaving service.

Enabling work started on site in spring 2021, with construction phase following nearer the end of the year. The final phase of the project is expected to be completed in mid-2023. The new facility will complement the Charity's existing air ambulance-led service across the six Midlands counties.



**Construction progress
April 2022**

**GROUP TRUSTEE REPORT
For the year ended 31 March 2022**

Principal risks and uncertainties



The organisation operates a comprehensive risk management process, in order to manage and mitigate risk including:

- MAAC's Risk Register
- Risk Management Policy
- Statement of Internal Control
- Quality Management System
- Risk assessments.

The Charity's Audit and Risk Committee has responsibility for ensuring an effective risk management process is in place, annually reviewing and approving the Risk Management Strategy. Risks are regularly reviewed and managed by the appropriate Committee and / or Trading Subsidiary Board, and all significant risks are reported and reviewed at each Board of Trustees meeting where management and mitigation measures are discussed and agreed.

As for many organisations, the principal risks and uncertainties faced by MAAC across the year were due to the impact of the Covid-19 pandemic. Due to the mitigating actions taken by the Board of Trustees, Senior Leadership Team, and wider team (staff and volunteers), MAAC has further demonstrated resilience for another year. This has provided significant public benefit as we have ensured service continuity. This ongoing operational performance has been appreciated by the resident and business community alike and supported us in achieving a surplus position, rather than the deficit that many other charities face. This will not only enable service delivery but also service development, providing enhanced operations across the six-county area.

Looking to the future, we remain mindful of the public's available levels of 'discretionary' spend and the uncertainty this may bring regarding income generation. In response to the continued impact of the adverse economic conditions, we will continue to work to implement new approaches and strategies to mitigate against these risks and ensure ongoing resilience and sustainability.

GROUP TRUSTEE REPORT
For the year ended 31 March 2022

Principal risks across the year - aligned to the new five-year strategic plan

| Core organisational pillar | Sample risks |
|-----------------------------------|--|
| Clinical excellence | <ul style="list-style-type: none"> • Breach in controls, policies and/or standard operating processes, which leads to CQC action e.g., warning notice • Catastrophic event preventing full/partial service delivery |
| Income generation | <ul style="list-style-type: none"> • Impact of external factors (e.g., adverse economic conditions or events) hampering income potential • Underperformance of a key third-party income sources adversely impacting on income generation • Reputational issues affecting brand perception |
| Organisational resilience | <ul style="list-style-type: none"> • Disruption risk challenges, e.g., major cyber attack • Major incident rendering our building inoperable |
| Our People | <ul style="list-style-type: none"> • Insufficient progress in developing the Group's equality diversity and inclusion agenda • Challenges in recruiting and/or retaining quality volunteers • Failure to embed the desired organisational culture |

The Impact of COVID-19

The pandemic (COVID-19) still presented challenges across every business sector during the year.

Despite the intense pressure of the situation, our clinical and non-clinical staff continued to work incredibly hard, showing loyalty and commitment. The fundraising teams aimed to extend support with key stakeholder and supporter groups, including our corporate partners and volunteers.

During this time, we accessed both the Job Retention Scheme and Local Restriction Support Grants for the Group.

GROUP TRUSTEE REPORT
For the year ended 31 March 2022

Investment powers and policy

The Articles of Association of the Charity provide the Trustees with the power to: 'deposit or invest the Charity's funds in any manner as may be thought fit, but only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the sustainability of investments and the need for diversification.' In addition, the Articles support the delegation of the management of investments to a financial expert.

Trustees recognise that they have a duty to protect the Charity's funds and to ensure that investments are balanced and protected. They have put in place an investment policy, which sets the framework in which investments are made and managed within the Charity. In setting the policy, Trustees consider ethical matters and risk.

When investment decisions are made the timing of the planned use for the reserves is considered, and investments are made to ensure that funds are available when required.

Pay policy

The pay of all charity staff, including the Senior Leadership Team, is reviewed annually by the Human Resources and Remuneration Committee, who make recommendations to the Board of Trustees for approval. Due to the pandemic, the Charity did not undertake its Annual Employee Pay Review process which usually considers inflation, salary benchmarking and the organisation's financial performance. However, the salary benchmarking project did commence which reviewed some job roles against similar roles in other organisations which led to some increases in salary levels. We continue to review the wider employee benefits package.

Taxation

As a registered charity, we have charitable status with HMRC. The trading subsidiary does not have charitable status for corporation tax purposes and is registered for VAT. From 1 April 2015 air ambulance charities have been eligible for partial recovery of the VAT incurred on expenditure under Section 33 of VAT Notice 1001.

GROUP TRUSTEE REPORT
For the year ended 31 March 2022

Reserves Policy

The Trustees have established a reserves policy which is reviewed annually by the Audit and Risk Committee and approved by the Board. The Policy is intended to ensure the Charity can continue to accomplish its aims and to make certain that enough funds are held to fund capital projects, such as building enhancements, acquisition of a new helicopter or the purchase of rapid response vehicles.

At the year-end, total Group reserves stood at £50,773,000 (2021: £43,399,000). Of this amount, £29,083,000 (2021: £26,138,000) is made up of either restricted reserves or can only be realised by disposing of tangible fixed assets and the investment portfolio, which leaves the free reserves of the Group at £21,690,000 (2021: £17,261,000).

Reserves are categorised into three main headings:

Restricted reserves - are held where funds have been received by the Charity for a specific purpose. These funds are ring-fenced and held in restricted reserves until the intended expenditure has been incurred. Restricted reserves at the end of the reporting period were £123,000 (2021: £170,000).

Designated reserves - are allocated to fund projects and initiatives agreed by the Trustees. Total designated reserves at the end of the financial year were £28,960,000 (2021: £25,968,000). In prudently planning the Trustees will endeavour to set aside designated funds to acquire assets and equipment to ensure that the Charity continues to provide the most efficient and effective service possible.

Unrestricted reserves - are those reserves which are neither restricted nor designated. This type of reserve is held in part to provide a cash safety buffer. Should the Charity's income fall, the reserve will enable us to maintain the core service we provide to our communities, whilst allowing enough time for us to develop alternative sources of funding or to revise planned expenditure. Due to the employment of the clinical staff the Trustees approved the increase of the level of unrestricted reserves that is set aside to cover future expenditure if there is a fall in income, which equates to up to twenty-four months. In addition, as we are also committed to ensuring our services are available for future generations, unrestricted reserves are used for the accumulation of funds towards the costs of significant future developments and capital purchases. Total unrestricted reserves at the end of the reporting period were £21,690,000 (2021: £17,261,000), of which £19,814,000 (2021: £10,300,000) equates to fifteen months running costs.

GROUP TRUSTEE REPORT
For the year ended 31 March 2022

Structure and governance

Quality Assurance and Standards

As part of our commitment to quality management and continuous improvement, the organisation has been awarded the following accreditations.

- Care Quality Commission – registration
- Investors in People (Silver Level)
- The Governance Forum’s Governance Framework quality mark.
- Investors in Volunteers
- NCVO’s Trusted Charity quality standard (Level 2)

Alongside this, the organisation has been recognised in the following industry awards – The Asian Chamber of Commerce; The Black Country Chamber of Commerce; Pride of Birmingham; and Birmingham Post Business Awards.

Key management personnel

The senior leadership team forms the key management personnel of the Charity who are responsible for directing, controlling, running, and operating the Charity’s clinical and non-clinical strategy and tactics on a day-to-day basis. The senior leadership team comprises:

| Senior Leadership Team | |
|------------------------|--|
| Hanna Sebright | Chief Executive Officer |
| Emma Gray | Chief Operating Officer |
| Karen Kingham | Finance Director |
| Ian Roberts | Registered Manager |
| Ian Jones | Air Operations Manager (seconded from WMAS) |
| Mark Nash | Medical Lead (seconded from WMAS) |

**GROUP TRUSTEE REPORT
For the year ended 31 March 2022**

Administration and finance

The charitable purpose, and fundraising to support that activity, is always at the forefront of our minds, but we also strive to ensure that we keep our administrative and financial systems and processes fit for purpose and cost effective.

The Charity uses "ThankQ" a customer relationship management (CRM) system to assist with donor administration alongside enhancing our stewardship with donors and supporters. The Group works hard to ensure that it remains compliant with the General Data Protection Regulation (GDPR). To achieve this, we continually train our staff in areas such as customer service and data protection, and we recognise their achievements and successes in staff awards for which nominations and voting is undertaken by fellow staff members.

Our aim is to keep our administration and finance costs at less than 12 per cent of the income received, and we are pleased to be able to record that for this financial year we spent only 4.63 per cent of our income on support and governance costs.

Compliments, Complaints and Feedback

| FY period | #'s Received |
|------------------|---------------------|
| 2020/21 | 40 |
| 2021/22 | 17 |

Our compliments, complaints and feedback policy are published on our website, as part of our ethos to enable continuous improvement. Information can be found as follows:

www.midlandsairambulance.com/contact-us/feedback

For FY 2021/22, complaints were down by 57%. Key feedback areas included: incidents related to canvassing and general small-scale concerns regarding administration and service from our retail and charity operations. Whilst it is regrettable that individuals have had a negative experience with the charity, each case has assisted in learnings that will hopefully prevent a repeat incident.

We are dedicated to improving how we track and manage compliments, complaints and feedback, as supporter and stakeholder feedback - both positive and negative - helps to further develop our operations. Moving forward, we have introduced a new system called RADAR that will significantly increase our effectiveness and efficiency, alongside enhancing our reporting capabilities, which will be utilised for FY22/23 and beyond.

GROUP TRUSTEE REPORT
For the year ended 31 March 2022

Our Group Structure

Midlands Air Ambulance Charity is a charitable company - registered in England and Wales as a charity with the Charity Commission and with Companies House as a private company limited by guarantee.

Midlands Air Ambulance Charity (MAAC) has one wholly owned trading subsidiary, Midlands Air Ambulance Trading Ltd (MAATL), which is registered with Companies House as a private limited company and whose portfolio includes MAAC's charity shops and other areas of income generation, such as merchandise. MAATL gift aids back its profits to the parent charity MAAC to help fund MAAC's helicopter-led emergency medical services. The organisation's work with key delivery partners - more details can be found on page 9.

Our Governing Document and Charitable Objects

The organisation's Articles of Association clearly define the following charitable objects:

- To assist in relieving sickness by the operation of a helicopter-led emergency medical service within the West Midlands, Shropshire, Staffordshire, Warwickshire, Hereford and Worcester, Gloucestershire and in such other areas as may be requested by appropriate authorities.

and

- Such other charitable purposes for the relief of sickness, including clinical research and development, substitute clinical emergency services where the provision of Helicopter Emergency Medical Services (HEMS) is impracticable and such other activities consistent with the above object as the Trustees may in their absolute discretion determine.

The Articles provide for such matters as the:

- number of trustees/directors appointed.
- frequency in which trustee/director meetings are held, and how they are conducted.
- powers available to the trustees/directors in decision making.

In addition, the Trustees/Directors recognise that they have a duty and responsibility to comply with requirements and guidance issued by the Charity Commission. These include, but are not limited to:

- ensuring that the charitable Group complies with charity law, and prepares reports on what it has achieved, submission of annual returns and financial statements as required by law.
- ensuring that the charitable Group remains true to the charitable purpose and objectives set out in its governing document.
- complying with the requirements of other legislation, and any other regulators, which govern

GROUP TRUSTEE REPORT For the year ended 31 March 2022

the activities of the charitable Group.

- acting with integrity and avoiding any personal conflicts of interest or misuse of charity funds or assets.
- ensuring that the Charity is, and will remain, solvent.
- using charitable funds and assets reasonably, and only in furtherance of the Charity's objects.
- avoiding undertaking activities that might place the Charity's funds, assets or reputation at undue risk.
- taking special care when investing the funds of the Charity or borrowing funds for the Charity to use.

Statement of trustee responsibilities

The Trustees are pleased to present their annual report together with the consolidated financial statements of the Charity and its subsidiary for the year ending 31 March 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act 2006 purposes.

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

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

- select suitable accounting policies and apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the Group and obliged to take reasonable steps for the

GROUP TRUSTEE REPORT
For the year ended 31 March 2022

prevention and detection of fraud and other irregularities.

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

The Board of Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit and it is satisfied that the Charity's activities do provide public benefit. MAAC's public benefit is demonstrated in page 8 and 13-14 of this report.

The Trustees and Directors

Our Board of Trustees are responsible for ensuring the organisation is effectively governed and run, and that it achieves its charitable purposes for the public benefit. The Trustee structure comprises of no less than seven trustees and no more than ten trustees.

The organisation has an annual governance programme which is based on guidance from the Charity Commission, the Fundraising Regulator and other key bodies, such as the UK Charity Governance Code. Each year a Board Effectiveness Review is undertaken.

As MAAC is both a registered charity and private company limited by guarantee (a charitable company), Trustees are also company Directors and therefore beholden to both charity and company law. MAAC's trading subsidiary, MAATL, has its own separate Board of Directors.

The two tables below list the Trustees / Directors, all of whom volunteer their time to bring valued experience to the Charity from a range of backgrounds and sectors:

| Midlands Air Ambulance Charity - Board of Trustees / Directors | | |
|---|---|--------------------|
| Name | Position | Resignation |
| R Pemberton | Chair of Board of Trustees | |
| K Bailey | | |
| G Dellenty | | |
| R Douglas | Chair of Audit and Risk | |
| N Hooper | | Resigned 29.9.2021 |
| A Lennox | Chair of Human Resources and Remuneration | |
| E Marriott | Chair of Fundraising and Clinical Standards | |
| Dr V McVey | | |
| W Saleem | | |

GROUP TRUSTEE REPORT
For the year ended 31 March 2022

| Midlands Air Ambulance Trading Ltd. - Board of Directors | |
|---|-----------------------------|
| T Sehgal | Chair of Board of Directors |
| L Bagnall | |
| E Marriott | |
| H Sebright | |

The Charity is committed to equality, diversity and inclusion, ensuring all components are reflected across all structures. The gender composition of the board is 6 male (75%), 2 female (25%). Our Annual Board of Trustee Skills Audit includes the diversity of trustees' backgrounds and perspectives to identify imbalances and gaps. Because of the complexity of our organisation, it is key that we achieve a balanced portfolio of skill sets in key areas, including but not limited to - medical/clinical; aviation; commercialisation; finance; governance; legal and HR. MAAC commits to annually reporting on the Board of Trustee composition and make-up, which is detailed below:

Appointment of Trustees

MAAC is committed to an open, transparent and fair appointment process for trustees. A Board Skills Audit is undertaken annually, and trustee vacancies are widely publicised to fulfil the specific skills needed. A Nominations Sub-Committee carries out the appointments process and makes recommendations to the Board, with candidates' appointments being based on the majority decision of the Trustees.

Appointments are made for a term of four years, and trustees may then be reappointed for a further term of four years. Once a trustee has served two terms consecutively, he/she may be reappointed for a further term of four years but only after he/she has ceased to act as a trustee for at least a year. The Board has discretion to appoint a trustee for a further consecutive term in appropriate circumstances.

Trustee Induction and Development

A comprehensive induction programme is provided to all new trustees, which supports them in understanding their duties and responsibilities, gain an understanding of the factors affecting the Charity and its trading subsidiary, and to contribute fully to Board meetings. The induction programme includes a range of activities e.g., Trustee Welcome and Induction Pack (including key documents); meetings with the Senior Leadership Team and Operational Managers; site visits across all areas (charity, clinical and retail operations).

All trustees have an annual Individual Trustee Performance Review with the Board Chair, which includes discussion of any areas where a trustee needs further support, training or development. During the year, several MAAC trustees attended The Governance Forums' Effective Board

GROUP TRUSTEE REPORT
For the year ended 31 March 2022

Programme. The Board Chair also has an annual performance review (based on 360-degree feedback from the trustees).

Trustee indemnity insurance

The Charity holds Trustees and Director's indemnity insurance cover with a Limit of Liability of £1,000,000 (2021: £1,000,000), the cost is not separable from the total cost of insurance.

Related parties and related party transactions

Under charity accounting rules, charities are required to disclose transactions (for example, payments for services) with persons and entities closely connected to the Charity or its trustees. As part of monitoring such transactions, MAAC ensures a Register of Interests is maintained (as per MAAC's Conflicts of Interest Policy). MAAC Trustees are required to declare conflicts of interest, both at the beginning of each Board or Committee meeting and within their Declaration of Interest form (completed annually and when conflicts of interest change). At the close of each financial year, trustees are also required to complete a Related Party Transaction Form.

MAAC Trustees give their time freely as volunteers and receive no remuneration or other benefits from the Charity for their work. MAAC's related party transaction disclosure is as follows:

- Details of Trustee expenses (£160) are disclosed in note 11 to the Financial Statements.
- MAAC Trustees reported no related party transactions for this reporting period.
- Details of other related party transactions are disclosed in note 22 to the Financial Statements.

Our Decision-Making Structure (including Committees)

As recommended by the Charity Governance Code, the Board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

MAAC's Scheme of Delegation clearly sets out matters specifically reserved for the Board, matters delegated to Board Committees and matters delegated to the Senior Leadership Team. MAAC's Scheme of Delegation makes clear that the Board's focus is on strategy, performance and assurance (not operational day-to-day matters), with the Board retaining legal responsibility and oversight where aspects are delegated to committees, advisors, staff, volunteers or contractors.

The Board of Trustees currently has four sub-committees (with Terms of References adopted by each):

GROUP TRUSTEE REPORT
For the year ended 31 March 2022

| Committees |
|----------------------------------|
| Audit and Risk |
| Human Resources and Remuneration |
| Fundraising |
| Clinical Standards |

The Board has delegated day-to-day management to the Chief Executive and the Senior Leadership Team. In all respects, this only relates to matters that are within the strategic plan, the business plan and budgets that have been approved by the Board.

Exemptions from disclosure

MAAC has taken no exemptions from disclosures.

Funds held as custodian trustee on behalf of others

There are no such funds held by the Charity or its subsidiary.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware, and
- the Trustees, having made the enquiries of fellow directors and the Group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director to make themselves aware of any relevant audit information, and to establish that the auditor is aware of that information.

This report was approved by trustees on 27th July 2022 and is signed on their behalf by



Roger Pemberton
Chairman

INDEPENDENT AUDITOR'S REPORT**To the members and trustees of Midlands Air Ambulance Charity**

Opinion

We have audited the financial statements of Midlands Air Ambulance Charity ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, 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 the Parent Charitable Company's affairs as at 31 March 2022 and of the incoming resources and application of resources, including its income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT**To the members and trustees of Midlands Air Ambulance Charity**

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

INDEPENDENT AUDITOR'S REPORT**To the members and trustees of Midlands Air Ambulance Charity**

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 29 and 30, the Trustees (who are also the Directors of the Parent 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 Groups' and Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our assessment focussed on key laws and regulations the Group and Parent Charitable Company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Group and Parent Charitable Company and how the Group and Parent Charitable Company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Group's and Parent Charitable Company's control environment and how the Group and Parent Charitable Company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;

INDEPENDENT AUDITOR'S REPORT**To the members and trustees of Midlands Air Ambulance Charity**

- obtaining an understanding of the Group's and Parent Charitable Company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

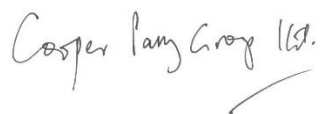
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

A further description of our responsibilities 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 Auditors' report.

Use of our report

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



Glen Bott FCA
Senior Statutory Auditor

For and on behalf of:

COOPER PARRY GROUP LIMITED

Chartered Accountants

Statutory Auditors

Date: 9 August 2022

Sky View, Argosy Road, East Midlands Airport, Castle Donington, Derby, DE74 2SA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

including consolidated income and expenditure account for the year ending 31 March 2022

| | Note | Unrestricted funds £'000 | Designated funds £'000 | Restricted funds £'000 | Total funds 2022 £'000 | Total funds 2021 £'000 |
|--|------|-----------------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Income: | | | | | | |
| Donations and legacies | 2 | 13,516 | - | 2,269 | 15,785 | 12,459 |
| <i>Income from charitable activities:</i> | | | | | | |
| Hospital transfers | | - | - | - | - | 4 |
| <i>Income from other trading activities:</i> | | | | | | |
| Trading activities | 3 | 698 | - | - | 698 | 411 |
| Fundraising events | 4 | 113 | - | - | 113 | 51 |
| Investment Income | 5 | 491 | - | - | 491 | 508 |
| Other Income | | 18 | - | 936 | 954 | 480 |
| Total income | | 14,836 | - | 3,205 | 18,041 | 13,913 |
| Expenditure | | | | | | |
| <i>Costs of raising funds</i> | | | | | | |
| Trading activities | 3 | 585 | - | - | 585 | 404 |
| Fundraising activities and events | 4 | 3,189 | - | 12 | 3,201 | 2,370 |
| Investment Management costs | 5 | 46 | - | - | 46 | 39 |
| <i>Expenditure on charitable activities</i> | | | | | | |
| Aircraft and base costs | 6 | 5,163 | - | - | 5,163 | 5,615 |
| Patient care and support | 6 | 2,101 | 88 | - | 2,189 | 2,238 |
| Total expenditure | | 11,084 | 88 | 12 | 11,184 | 10,666 |
| Net Gain on investments | 15 | 517 | - | - | 517 | 2,475 |
| Net income/(expenditure) | | 4,269 | (88) | 3,193 | 7,374 | 5,722 |
| Transfers between funds | | 160 | 3,080 | (3,240) | - | - |
| Net Movement in Funds | | 4,429 | 2,992 | (47) | 7,374 | 5,722 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 17,261 | 25,968 | 170 | 43,399 | 37,677 |
| Total funds carried forward | | 21,690 | 28,960 | 123 | 50,773 | 43,399 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Detailed comparative data for 2021 is included in Note 9.

CONSOLIDATED AND CHARITY BALANCE SHEETS as at 31 March 2022

| | Note | Group 2022 £'000 | Group 2021 £'000 | Charity 2022 £'000 | Charity 2021 £'000 |
|--|------|------------------------|------------------------|--------------------------|--------------------------|
| Fixed assets: | | | | | |
| Tangible assets | 13 | 11,724 | 10,039 | 11,697 | 10,015 |
| Intangible assets | 14 | - | 1 | - | 1 |
| Investments | 15 | 15,919 | 15,019 | 15,919 | 15,019 |
| Total Fixed Assets | | 27,643 | 25,059 | 27,616 | 25,035 |
| Current assets: | | | | | |
| Stock | | 42 | 34 | - | - |
| Debtors | 16 | 1,294 | 1,542 | 1,392 | 1,738 |
| Short term deposits | | 9,584 | 8,046 | 9,584 | 8,046 |
| Cash at bank and in hand | | 13,900 | 10,029 | 13,690 | 9,871 |
| Total Current Assets | | 24,820 | 19,651 | 24,666 | 19,655 |
| Liabilities: | | | | | |
| Creditors falling due within one year | 17 | 1,690 | 1,311 | 1,608 | 1,277 |
| Net Current Assets | | 23,130 | 18,340 | 23,058 | 18,378 |
| Total Assets less Current Liabilities | | 50,773 | 43,399 | 50,674 | 43,413 |
| Creditors: amounts falling due after more than one year | | - | - | - | - |
| Net Assets | | 50,773 | 43,399 | 50,674 | 43,413 |
| The reserves of the Charity: | | | | | |
| Unrestricted reserves | 19 | 21,690 | 17,261 | 21,591 | 17,275 |
| Designated reserves | 19 | 28,960 | 25,968 | 28,960 | 25,968 |
| Restricted reserves | 19 | 123 | 170 | 123 | 170 |
| Total Charity Reserves | | 50,773 | 43,399 | 50,674 | 43,413 |

The Charity has prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The surplus generated by the Charity for the financial year was £7,261,000 (2021: £5,715,000).

The notes at pages 41 to 62 form part of these accounts.

The accounts were approved by Trustees on 27th July 2022 and are signed on their behalf by



Roger Pemberton, Chairman

CONSOLIDATED STATEMENT OF CASHFLOWS for the year ending 31 March 2022

| | Group 2022 £'000 | Group 2021 £'000 |
|---|------------------------|------------------------|
| Cash used in operating activities | 7,766 | 4,372 |
| Cash flows from investing activities | | |
| Dividends and Interest from investments | 62 | 123 |
| Purchase of fixed assets | (2,419) | (1,503) |
| (Increase)/Decrease in short term deposits | (1,538) | 2,448 |
| Cash (used in) investing activities | (3,895) | 1,068 |
| Cash used in financing activities | - | - |
| Increase in cash and cash equivalents in the year | 3,871 | 5,440 |
| Cash and cash equivalents at the beginning of the year | 10,029 | 4,589 |
| Total cash and cash equivalents at the end of the year | 13,900 | 10,029 |

RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2022 £'000 | Group 2021 £'000 |
|--|------------------------|------------------------|
| Net income for the period | 7,374 | 5,722 |
| Depreciation and amortisation charges | 734 | 780 |
| Movement on investments | (517) | (2,475) |
| Dividends, and interest from investments | (445) | (468) |
| (Increase)/Decrease in stocks | (8) | 2 |
| Decrease in debtors | 248 | 735 |
| Increase in creditors | 379 | 76 |
| Net cash in from operating activities | 7,766 | 4,372 |

ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2022 £'000 | Group 2021 £'000 |
|---|------------------------|------------------------|
| Cash in hand | 13,900 | 10,029 |
| Total cash and cash equivalents at the end of the year | 13,900 | 10,029 |

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

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

Basis of preparation

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

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

Use of estimates and judgements

When preparing the financial statements, the Trustees and management make a number of judgements, estimates and assumptions on the way in which assets, liabilities, income and expenditure is recognised and measured.

The loan to the trading company by the Charity has been recognised at the present value in recognition of the changes required by FRS 102. The loan has been issued on an interest free basis. The present value of this loan has been recognised based on an assumed interest rate of 0.1%, which represents the prevailing market rate of interest for similar loans.

Going concern

These accounts have been prepared on the basis that the Charity is a going concern. The Trustees consider that there are sufficient reserves to secure the future of the Charity for at least the next 12 to 18 months from the date of signing the accounts.

Basis of consolidation

These accounts consolidate those of the Charity and its wholly owned subsidiary Midlands Air Ambulance Trading Limited. These are adjusted, where necessary, to conform to group accounting policies. The individual results of the Trading Company are included in Note 3. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity have not been presented in accordance with the exemption afforded by section 408 of the Companies Act 2006. The Charity surplus before gains/losses on investments for 2022 was £6,744,000 (2021: £3,240,000). This is made up of Income £17,343,000 (2021: £13,502,000) and Expenditure £10,599,000 (2021: £10,262,000).

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies continued

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity, which the Trustees have decided, at their discretion, to set aside to use for a specific purpose. Restricted funds are donations that the donor has specified are to be solely used for particular purposes or purchases.

Income

All income is reported gross when raised by the Charity or its agents. Any fee charged by a third party and deducted from the amount collected before it is remitted to the Charity is not offset against income but is reported as a fundraising expense.

Income is recognised in full within the Statement of Financial Activities as soon as the following three factors can be met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the Charity;
- Probability – it is more likely than not that the economic benefits associated with the transaction or gift will flow to the Charity;
- Measurement – the monetary value or amount of the income can be measured reliably, and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

a) Legacies

Legacies are included in the Statement of Financial Activities when all the criteria for income recognition have been met. In addition, where the entitlement and probability criteria have been met, but the monetary value is not completely certain, then if reliability can be placed on a partial receipt, that income also will be included in the Statement of Financial Activities.

b) Event income

Income received in advance of an event is deferred if the event takes place after the year-end, unless that income is non-refundable.

c) Gifts in kind

Assets donated to the Charity for its own use are included in the Statement of Financial Activities as incoming resources at the market value at the time of the gift.

Assets and gifts made for conversion into cash and subsequent application by the Charity are included in the accounting period in which the item/s are sold at the sale value.

d) Volunteers and supporters

The Charity benefits greatly from the involvement and enthusiastic support of its many volunteers and supporters, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies continued

e) Grants

Due to the COVID-19 pandemic the Group claimed Coronavirus Job Retention Scheme and Local Restrictions Support Grants during the year. These grants, when receivable, are accounted for within other income. For the year to 31 March 2022 this was £11,602 (2021: £338,437).

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

a) Allocation of overhead and support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the Charity's air ambulance operations. These costs have been allocated between the cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

Costs of fundraising activities include the costs of supporting donors, volunteers, and all events, which bring in income to the Charity, as well as the costs of the Lottery, and events run by the Charity itself.

b) Operating leases

The Charity classifies the lease of premises and the helicopters as operating leases; as the title to the asset remains with the lessor. Rental charges are charged according to the terms of the agreement. Full details are provided in Note 18.

c) VAT recovery

Government changes in VAT legislation in April 2015, has enabled air ambulance charities to recover a proportion of the VAT suffered on costs, in accordance with Section 33 of VAT Notice 1001. Any irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Balance Sheet

The Balance Sheet reflects the resources available to the Charity, and identifies any restrictions placed on their use.

a) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and depreciated over their estimated useful economic lives on a straight-line basis.

Depreciation is charged in each main class of tangible asset as follows:

| | |
|---------------------------------|-------------------------|
| Leasehold property improvements | 20% straight-line basis |
| Office equipment | 20% straight line basis |
| Computers | 20% straight-line basis |
| Motor vehicles | 33% straight-line basis |

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies continued

| | |
|--------------------------------------|---|
| Helicopters | 5% straight-line basis |
| Assets in the course of Construction | Depreciation is only applied when assets are brought into use |

b) Intangible assets

Intangible assets e.g., software is capitalised at cost and amortised as follows:

| | |
|----------|-------------------------|
| Software | 20% straight-line basis |
|----------|-------------------------|

c) Investments

Investment funds are stated at market value at the Balance Sheet date. The Statement of Financial Activities includes the net gain or loss during the financial year. Detailed analysis of the changes in investment value during the year is set out in Note 15. Investments in Group undertakings are stated at cost.

d) Financial instruments

The Charity 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.

e) Stock

Stock is included at the lower of cost or net realisable value, on a first in, first out basis. Donated items of stock are recognised at fair value, which is the amount the Charity would have been willing to pay for the items on the open market.

f) Debtors

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

g) Short term deposits

The Charity categorises short term deposits as those funds intended to be held in accounts for five years or less.

h) Creditors and provisions

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies continued

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments, cash at bank and in hand, and short-term deposits which are held at fair value.

Financial assets held at amortised cost comprise trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital.

Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, accruals, and provisions.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the Trustees in the application of these accounting policies may have significant effect on the financial statements and estimates with the potential for a significant risk of material adjustment in the next year.

The areas where these judgements and estimates have been made include the following for the Group:

a) Amortisation, depreciation and residual values

The Trustees have reviewed the asset lives and associated residual values of all tangible and intangible fixed asset classes and have concluded that the asset lives, and residual values are appropriate.

b) Accrued income

Accrued income includes legacy income amounts. In recognising accrued legacy income, the Trustees have approved the approach that the management team take in recognising the probability of receiving each legacy. Each legacy is carefully assessed to determine an appropriate allowance which reflects the possibility of not subsequently receiving the full legacy income amounts that the Charity is aware of. The allowance is based on the circumstances behind each legacy and the probability of receiving the income.

NOTES TO THE FINANCIAL STATEMENTS

2. Income from donations and legacies

| | 2022 £'000 | 2021 £'000 |
|----------------------------|---------------|---------------|
| Donations | 1,754 | 1,395 |
| Lottery and regular giving | 5,607 | 5,372 |
| Legacies and in memorium | 6,151 | 4,698 |
| Grants | 2,273 | 994 |
| | 15,785 | 12,459 |

Of the grant income received during the year £2,269,238 is restricted in its use (2021: £571,000). Further details of the grants received are set out in Note 19.

3. Trading activities

The wholly owned trading subsidiary Midlands Air Ambulance Trading Company Limited is incorporated in the United Kingdom (company number 08256466) and pays profits, which are surplus to trading requirements, to the Charity under the gift aid scheme.

The trading company operates charity shops selling clothing, furniture etc., sells merchandise and generates recycling income. The summary financial performance of the subsidiary is:

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Statement of Comprehensive Income | | |
| Turnover | 698 | 411 |
| Cost of sales | (26) | (18) |
| Gross profit | 672 | 393 |
| Administrative expenses | (559) | (386) |
| Operating profit | 113 | 7 |
| Donation to Midlands Air Ambulance | - | - |
| Taxation | - | - |
| Retained profit | 113 | 7 |

| | 2022 £'000 | 2021 £'000 |
|---------------------------------------|---------------|---------------|
| Balance Sheet | | |
| Fixed assets | 27 | 24 |
| Current assets | 286 | 213 |
| Current liabilities | (139) | (138) |
| Liabilities > 1 year | (76) | (114) |
| Total net assets/(liabilities) | 98 | (15) |

| | | |
|-----------------------------------|-----------|-------------|
| Share capital and reserves | 98 | (15) |
|-----------------------------------|-----------|-------------|

NOTES TO THE FINANCIAL STATEMENTS

4. Fundraising events and activities

The Charity raises its income through a range of activities and initiatives, which includes but is not limited to running its own events as identified below:

| | 2022 £'000 | 2021 £'000 |
|---------------------------|---------------|---------------|
| Income from events | | |
| Charity managed events | 113 | 51 |
| | 113 | 51 |

The costs of generating all the funds, including those included in Note 2 to the accounts, for the year were:

| | 2022 £'000 | 2021 £'000 |
|-------------------------------------|---------------|---------------|
| Costs of charity fundraising | | |
| Fundraising events | 125 | 12 |
| Marketing | 1,350 | 1,050 |
| Fundraising services | 479 | 362 |
| General fundraising | 1,247 | 946 |
| | 3,201 | 2,370 |

5. Investment income and fees

| | 2022 £'000 | 2021 £'000 |
|------------------------------|---------------|---------------|
| Income | | |
| Fixed asset investments | 429 | 385 |
| Interest on deposit accounts | 62 | 123 |
| | 491 | 508 |
| Costs | | |
| Investment management costs | 46 | 39 |
| | 46 | 39 |

The income and costs outlined above have been recognised in the Statement of Financial Activity in year. The fixed asset investment is held as a long-term investment. Its market value at the end of the accounting period is shown in the Balance Sheet, and the unrealised gain for the financial year has also been included on the Statement of Financial Activity. All of the Group's investment income is held in UK bank accounts.

NOTES TO THE FINANCIAL STATEMENTS

6. Charitable activities

| | Aircraft & Airbase Costs £'000 | Patient Welfare & Support £'000 | 2022 Total £'000 | 2021 Total £'000 |
|------------------------------------|---|--|---------------------------------|---------------------------------|
| Aircraft running costs | 3,794 | - | 3,794 | 3,601 |
| Aircraft and airbase equipment | 5 | - | 5 | 270 |
| Airbase running costs | 105 | - | 105 | 95 |
| Depreciation | 672 | - | 672 | 736 |
| Paramedic and clinical staff costs | - | 1,719 | 1,719 | 1,783 |
| Medical supplies and PPE | - | 27 | 27 | (17) |
| General Expenditure | - | 111 | 111 | 20 |
| Tasking costs | - | 83 | 83 | 88 |
| Support costs | 552 | 234 | 786 | 1,203 |
| Governance | 35 | 15 | 50 | 74 |
| Total | 5,163 | 2,189 | 7,352 | 7,853 |

Expenditure on charitable activities was £7,352,000 (2021: £7,853,000) of which £7,264,000 was unrestricted (2021: £7,476,000) and £88,000 was restricted (2021: £377,000).

7. Analysis of governance and support costs

The Charity monitors expenditure on administration costs during the year against a KPI (Key Performance Indicator) set by the Board. At the year-end costs of the governance function are identified and are apportioned over the charitable activities. The basis of apportionment and the analysis of these costs are set out below.

| | Aircraft & Airbase Costs £'000 | Patient Welfare & Support £'000 | 2022 Total £'000 | 2021 Total £'000 | Basis of Allocation |
|------------------|---|--|---------------------------------|---------------------------------|-----------------------------|
| Governance | 35 | 15 | 50 | 74 | Time spent on Board matters |
| Business Support | 552 | 234 | 786 | 1,203 | Proportional to spend |
| Total | 587 | 249 | 836 | 1,277 | |

8. Net income/(expenditure) for the year

This is stated after charging:

| | 2022 £'000 | 2021 £'000 |
|---|-----------------------|-----------------------|
| Operating leases | 3,171 | 3,092 |
| Depreciation of tangible fixed assets | 734 | 775 |
| Amortisation of intangible assets | 1 | 5 |
| Audit fees | 14 | 13 |
| Fees payable to the auditor for other services | - | 1 |
| Fees payable to the auditor for corporation tax compliance services | - | 1 |

NOTES TO THE FINANCIAL STATEMENTS

9. Consolidated Statement of Financial Activities 2021

| | Unrestricted funds £'000 | Designated funds £'000 | Restricted funds £'000 | Total funds 2021 £'000 |
|--|--------------------------------|------------------------------|------------------------------|------------------------------|
| Income: | | | | |
| Donations and legacies | 11,888 | - | 571 | 12,459 |
| <i>Income from charitable activities:</i> | | | | |
| Hospital transfers | 4 | - | - | 4 |
| <i>Income from other trading activities:</i> | | | | |
| Trading activities | 411 | - | - | 411 |
| Fundraising events | 51 | - | - | 51 |
| Investment income | 508 | - | - | 508 |
| Other income | 480 | - | - | 480 |
| Total income | 13,342 | - | 571 | 13,913 |
| Expenditure | | | | |
| <i>Costs of raising funds</i> | | | | |
| Trading activities | 404 | - | - | 404 |
| Fundraising activities and events | 2,363 | - | 7 | 2,370 |
| Investment management costs | 39 | - | - | 39 |
| <i>Expenditure on charitable activities</i> | | | | |
| Aircraft and base costs | 5,377 | - | 238 | 5,615 |
| Patient care and support | 2,106 | - | 132 | 2,238 |
| Total expenditure | 10,289 | - | 377 | 10,666 |
| Net gain/(loss) on investments | 2,475 | - | - | 2,475 |
| Net income and net movement in funds for the year | 5,528 | - | 194 | 5,722 |
| Transfers between funds | (9,941) | 10,016 | (75) | - |
| Net Movement in funds | (4,413) | 10,016 | 119 | 5,722 |
| Reconciliation of funds | | | | |
| Total funds brought forward | 21,674 | 15,952 | 51 | 37,677 |
| Total funds carried forward | 17,261 | 25,968 | 170 | 43,399 |

NOTES TO THE FINANCIAL STATEMENTS

10. Analysis of staff costs, and the cost of key management personnel

| | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Salaries and wages | 1,520 | 1,184 |
| Social security costs | 151 | 106 |
| Employer's costs of defined contribution pension scheme | 42 | 38 |
| Employer's costs of defined benefit pension scheme | 44 | 34 |
| | 1,757 | 1,362 |

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds. During the year closed and open directions were received for the NHS Pension scheme. The open direction has allowed staff to be enrolled into the scheme if within the period of twelve months preceding the commencement of employment, they were in an employment in which they were entitled to participate. At 31 March 2022 there were six (2021: five) members of staff who are members of the NHS Pension scheme, which is a defined benefit scheme. Contribution rates are set by the pension scheme. It is not possible to identify the Charity's share of the underlying assets or liabilities within the scheme.

The Charity offers all other employees the opportunity to join a defined contribution pension scheme. From March 2016 staff are auto enrolled, but each individual can subsequently choose to opt out, in accordance with the legislation. The Charity matches employee contributions to a maximum level which has been set and reviewed by the Trustees. In addition, the Charity maintains death in service insurance cover for staff.

The number of employees receiving remuneration in excess of £60,000 for the period was as follows:

| | 2022 | 2021 |
|---------------------|--------------|--------------|
| | £'000 | £'000 |
| £60,000 - £70,000 | 1 | - |
| £70,000 - £80,000 | - | 1 |
| £90,000 - £100,000 | 2 | - |
| £110,000 - £120,000 | - | 1 |
| £130,000 - £140,000 | 1 | - |
| | 4 | 2 |

Contributions made in year to pension schemes for higher paid employees amounted to £33,027 (2021: £19,809).

The key management personnel comprise the Chief Executive Officer, Chief Operating Officer, Finance Director and Registered Manager, (2021: Chief Executive Officer, Chief Operating Officer and Finance Director). The total employee benefits of the key management personnel for the year were £458,057 (2021: £352,442).

During the year there were no (2021: six) termination payments made which amounted to £nil (2021: £20,977).

NOTES TO THE FINANCIAL STATEMENTS

10. Analysis of staff costs, and the cost of key management personnel continued

The holiday year-end is coterminous with the financial year-end. Staff can carry forward up to five days, in exceptional circumstances, approved by the Senior Leadership Team. Therefore, a provision of £5,166 (2021: £23,139) has been made in the accounts.

11. Trustee remuneration and expenses

The Charity Trustees were neither paid nor received any benefits from employment with the Charity or its subsidiary in the year (2021: £nil). Expenses amounting to £160 (2021: £nil) were reimbursed to 1 (2021: 0) trustee during the year. No charity Trustees received payment for professional or other services supplied to the Charity (2021: £nil).

The Charity holds trustees and directors Indemnity insurance cover of £1,000,000 (2021: £1,000,000), but the cost is not separable from the total cost of insurance.

12. Staff numbers

The average monthly numbers of employees (including casual and part-time staff) during the year were as follows:

| | 2022 Number | 2021 Number |
|---------------------------|----------------|----------------|
| Fundraising | 18 | 20 |
| Logistics | 4 | 4 |
| Administration and HR | 6 | 6 |
| Finance | 5 | 4 |
| Clinical | 3 | - |
| Trading | 17 | 17 |
| Average head count | 53 | 51 |

NOTES TO THE FINANCIAL STATEMENTS

13. Tangible fixed assets

Consolidated

| | Aircraft | Land & Buildings | Equipment & Fittings | Computers | Vehicles | Assets in the course of construction | Total |
|----------------------------|---------------|------------------|----------------------|------------|------------|--------------------------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost: | | | | | | | |
| As at 1 April 2021 | 10,938 | 793 | 807 | 101 | 451 | 1,401 | 14,491 |
| Additions | - | - | 9 | 26 | 85 | 2,299 | 2,419 |
| Reclassification | - | - | 153 | - | - | (153) | - |
| As at 31 March 2022 | 10,938 | 793 | 969 | 127 | 536 | 3,547 | 16,910 |
| Depreciation: | | | | | | | |
| As at 1 April 2021 | 2,631 | 768 | 657 | 54 | 342 | - | 4,452 |
| Charge for the year | 545 | 12 | 120 | 14 | 43 | - | 734 |
| As at 31 March 2022 | 3,176 | 780 | 777 | 68 | 385 | - | 5,186 |
| Net Book Value | | | | | | | |
| At 1 April 2021 | 8,307 | 25 | 150 | 47 | 109 | 1,401 | 10,039 |
| At 31 March 2022 | 7,762 | 13 | 192 | 59 | 151 | 3,547 | 11,724 |

REPORT OF THE TRUSTEES
For the year ended 31 March 2022
13. Tangible fixed assets continued
Charity

| | Aircraft | Land & Buildings | Equipment & Fittings | Computers | Vehicles | Assets in the course of construction | Total |
|----------------------------|-----------------|---------------------------------|-------------------------------------|------------------|-----------------|---|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost: | | | | | | | |
| As at 1 April 2021 | 10,938 | 793 | 744 | 78 | 451 | 1,401 | 14,405 |
| Additions | - | - | 2 | 18 | 85 | 2,299 | 2,404 |
| Reclassification | - | - | 153 | - | - | (153) | - |
| As at 31 March 2022 | 10,938 | 793 | 899 | 96 | 536 | 3,547 | 16,809 |
| Depreciation: | | | | | | | |
| As at 1 April 2021 | 2,630 | 768 | 604 | 47 | 341 | - | 4,390 |
| Charge for the year | 546 | 12 | 111 | 9 | 44 | - | 722 |
| As at 31 March 2022 | 3,176 | 780 | 715 | 56 | 385 | - | 5,112 |
| Net Book Value | | | | | | | |
| At 1 April 2021 | 8,308 | 25 | 140 | 31 | 110 | 1,401 | 10,015 |
| At 31 March 2022 | 7,762 | 13 | 184 | 40 | 151 | 3,547 | 11,697 |

14. Intangible assets
Consolidated

| | Software £'000 | Total £'000 |
|--------------------------------------|---------------------------|------------------------|
| Cost: | | |
| As at 1 April 2021 and 31 March 2022 | 31 | 31 |
| Amortisation: | | |
| As at 1 April 2021 | 30 | 30 |
| Charge for the year | 1 | 1 |
| As at 31 March 2022 | - | - |
| Net Book Value | | |
| At 1 April 2021 | 1 | 1 |
| At 31 March 2022 | - | - |

REPORT OF THE TRUSTEES
For the year ended 31 March 2022
14. Intangible assets continued
Charity

| | Software £'000 | Total £'000 |
|--------------------------------------|---------------------------|------------------------|
| Cost: | | |
| As at 1 April 2021 and 31 March 2022 | 26 | 26 |
| Amortisation: | | |
| As at 1 April 2021 | 25 | 25 |
| Charge for the year | 1 | 1 |
| As at 31 March 2022 | 26 | 26 |
| Net Book Value | | |
| At 1 April 2021 | 1 | 1 |
| At 31 March 2022 | - | - |

15. Investments (Group and Charity)

The Charity's investment policy is outlined within the Trustee's report and is reviewed annually. The investments held at year-end were:

| | 2022 £'000 | 2021 £'000 |
|---|-----------------------|-----------------------|
| Market value at 1 April | 15,019 | 12,199 |
| Income on investments reinvested | 429 | 385 |
| Less investment management costs | (46) | (40) |
| Net gain on revaluation | 517 | 2,475 |
| Market value at 31 March | 15,919 | 15,019 |
| Historical cost at period end | 12,958 | 12,601 |
| Increase in the value of investments | 900 | 2,820 |

REPORT OF THE TRUSTEES
For the year ended 31 March 2022

15. Investments continued

In addition to the above managed investment the Charity holds the following investment in subsidiary undertakings.

| | 2022 | 2021 |
|--|-------------|-------------|
| | £ | £ |
| Midlands Air Ambulance Trading Limited | 1 | 1 |

The investment represents a 100% holding of the issued share capital of Midlands Air Ambulance Trading Limited, a subsidiary undertaking which was incorporated on 17 October 2012 and commenced to trade on 7 December 2012.

16. Debtors

| | Group | | Charity | |
|----------------------------|--------------|--------------|----------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 1 | 3 | - | - |
| Prepayments | 495 | 424 | 472 | 412 |
| Accrued income | 699 | 913 | 699 | 913 |
| Amount due from subsidiary | - | - | 142 | 227 |
| VAT recoverable | 88 | 191 | 77 | 184 |
| Other debtors | 11 | 11 | 2 | 2 |
| | 1,294 | 1,542 | 1,392 | 1,738 |

Amounts due to the Charity from the subsidiary include an agreed loan, which at 31st March 2022 showed amounts due within one year £38,000 (2021: £38,000) and amounts due in more than one year of £76,000 (2021: £114,000).

17. Creditors: amounts falling due within one year

| | Group | | Charity | |
|------------------------------------|--------------|--------------|----------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade creditors | 1,265 | 912 | 1,223 | 901 |
| Accruals | 310 | 352 | 279 | 338 |
| Other creditors | 37 | 26 | 28 | 26 |
| Taxation and social security costs | 78 | 21 | 78 | 12 |
| | 1,690 | 1,311 | 1,608 | 1,277 |

REPORT OF THE TRUSTEES
For the year ended 31 March 2022

18. Commitments under operating leases

At 31st March Group companies had commitments under operating leases set out below. In accordance with FRS 102 these are stated at the minimum lease payments.

| | Land & Buildings £'000 | Helicopters £'000 | 2022 £'000 | 2021 £'000 |
|--------------------------|---|------------------------------|-----------------------|-----------------------|
| Within one year | 69 | 2,901 | 2,970 | 2,982 |
| Within two to five years | 53 | - | 53 | 34 |
| | 122 | 2,901 | 3,023 | 3,016 |

19. Reserves

Consolidated - Current Year

| | Balance 1 April 2021 £'000 | Incoming Resources £'000 | Outgoing Resources £'000 | Transfers/ Gains and Losses £'000 | Balance 31 March 2022 £'000 |
|---|---|---|---|--|--|
| Restricted reserves | | | | | |
| County Air Ambulance Trust | 162 | - | - | (47) | 115 |
| Home Office | 5 | - | - | - | 5 |
| Birmingham City Council | 2 | - | - | - | 2 |
| The Hospital Saturday Fund | 1 | - | - | - | 1 |
| Arts Council | - | 12 | (12) | - | - |
| Secretary of State for Health and Social Care | - | 936 | - | (936) | - |
| County Air Ambulance | - | 1,000 | - | (1,000) | - |
| Denise Coates Foundation | - | 1,090 | - | (1,090) | - |
| Rowlands Trust | - | 25 | - | (25) | - |
| Henry Surtees Foundation | - | 10 | - | (10) | - |
| Wynn Foundation | - | 3 | - | (3) | - |
| Anonymous Trust | - | 3 | - | (3) | - |
| The Batchworth Trust | - | 5 | - | (5) | - |
| Lillian Farmer | - | 80 | - | (80) | - |
| Ricky Latham | - | 1 | - | (1) | - |
| Aico | - | 11 | - | (11) | - |
| M6 Toll | - | 11 | - | (11) | - |
| Ibstock Brick | - | 8 | - | (8) | - |
| David Collins | - | 10 | - | (10) | - |
| | 170 | 3,205 | (12) | (3,240) | 123 |
| Designated reserves | | | | | |
| Fixed asset fund | 13,090 | - | - | 273 | 13,363 |
| Aircraft development | 1,500 | - | - | - | 1,500 |
| Capital Project fund | 10,878 | - | - | 1,048 | 11,926 |
| Clinical Costs fund | 500 | - | (88) | 1,759 | 2,171 |
| | 25,968 | - | (88) | 3,080 | 28,960 |
| Unrestricted reserves | | | | | |
| Expenditure fund | 10,300 | - | - | 9,514 | 19,814 |
| Development plan | 1,500 | - | - | - | 1,500 |
| General fund | 5,461 | 14,836 | (11,084) | (8,837) | 376 |
| | 17,261 | 15,353 | (11,084) | 677 | 21,690 |
| Total reserves | 43,399 | 18,041 | (11,184) | 517 | 50,773 |

REPORT OF THE TRUSTEES
For the year ended 31 March 2022
19. Reserves continued
Consolidated - Prior Year

| | Balance 1 April 2020 £'000 | Incoming Resources £'000 | Outgoing Resources £'000 | Transfers/ Gains and Losses £'000 | Balance 31 March 2021 £'000 |
|------------------------------|---|---|---|--|--|
| Restricted reserves | | | | | |
| County Air Ambulance Trust | 36 | 457 | (256) | (75) | 162 |
| Home Office | 5 | - | - | - | 5 |
| Birmingham City Council | 9 | - | (7) | - | 2 |
| The Hospital Saturday Fund | 1 | - | - | - | 1 |
| Kildare Charitable Trust | - | 100 | (100) | - | - |
| Lions Club International | - | 14 | (14) | - | - |
| | 51 | 571 | (377) | (75) | 170 |
| Designated reserves | | | | | |
| Fixed asset fund | 12,916 | - | - | 174 | 13,090 |
| Aircraft development | 1,500 | - | - | - | 1,500 |
| Capital Project fund | 1,536 | - | - | 9,342 | 10,878 |
| Clinical Review fund | - | - | - | 500 | 500 |
| | 15,952 | - | - | 10,016 | 25,968 |
| Unrestricted reserves | | | | | |
| Expenditure fund | 10,135 | - | - | 165 | 10,300 |
| Development plan | 1,500 | - | - | - | 1,500 |
| General fund | 10,039 | 13,342 | (10,289) | (7,631) | 5,461 |
| | 21,674 | 13,342 | (10,289) | (7,466) | 17,261 |
| Total reserves | 37,677 | 13,913 | (10,666) | 2,475 | 43,399 |

REPORT OF THE TRUSTEES
For the year ended 31 March 2022

19. Reserves continued

Charity - Current Year

| | Balance 1 April 2021 £'000 | Incoming Resources £'000 | Outgoing Resources £'000 | Transfers/ Gains and Losses £'000 | Balance 31 March 2022 £'000 |
|---|---|---|---|--|--|
| Restricted reserves | | | | | |
| County Air Ambulance Trust | 162 | - | - | (47) | 115 |
| Home Office | 5 | - | - | - | 5 |
| Birmingham City Council | 2 | - | - | - | 2 |
| The Hospital Saturday Fund | 1 | - | - | - | 1 |
| Arts Council | - | 12 | (12) | - | - |
| Secretary of State for Health and Social Care | - | 936 | - | (936) | - |
| County Air Ambulance | - | 1,000 | - | (1,000) | - |
| Denise Coates Foundation | - | 1,090 | - | (1,090) | - |
| Rowlands Trust | - | 25 | - | (25) | - |
| Henry Surtees Foundation | - | 10 | - | (10) | - |
| Wynn Foundation | - | 3 | - | (3) | - |
| Anonymous Trust | - | 3 | - | (3) | - |
| The Batchworth Trust | - | 5 | - | (5) | - |
| Lillian Farmer | - | 80 | - | (80) | - |
| Ricky Latham | - | 1 | - | (1) | - |
| Aico | - | 11 | - | (11) | - |
| M6 Toll | - | 11 | - | (11) | - |
| Ibstock Brick | - | 8 | - | (8) | - |
| David Collins | - | 10 | - | (10) | - |
| | 170 | 3,205 | (12) | (3,240) | 123 |
| Designated reserves | | | | | |
| Fixed asset fund | 13,090 | - | - | 273 | 13,363 |
| Aircraft development | 1,500 | - | - | - | 1,500 |
| Capital Project fund | 10,878 | - | - | 1,048 | 11,926 |
| Clinical Costs fund | 500 | - | (88) | 1,759 | 2,171 |
| | 25,968 | - | (88) | 3,080 | 28,960 |
| Unrestricted reserves | | | | | |
| Expenditure fund | 10,300 | - | - | 9,514 | 19,814 |
| Development plan | 1,500 | - | - | - | 1,500 |
| General fund | 5,475 | 14,138 | (10,499) | (8,837) | 277 |
| | 17,275 | 14,138 | (10,499) | 677 | 21,591 |
| Total reserves | 43,413 | 17,343 | (10,599) | 517 | 50,674 |

REPORT OF THE TRUSTEES
For the year ended 31 March 2022

19. Reserves continued

Charity - Prior Year

| | Balance 1 April 2020 £'000 | Incoming Resources £'000 | Outgoing Resources £'000 | Transfers/ Gains and Losses £'000 | Balance 31 March 2021 £'000 |
|------------------------------|---|---|---|--|--|
| Restricted reserves | | | | | |
| County Air Ambulance Trust | 36 | 457 | (256) | (75) | 162 |
| Home Office | 5 | - | - | - | 5 |
| Birmingham City Council | 9 | - | (7) | - | 2 |
| The Hospital Saturday Fund | 1 | - | - | - | 1 |
| Kildare Charitable Trust | - | 100 | (100) | - | - |
| Lions Club International | - | 14 | (14) | - | - |
| | 51 | 571 | (377) | (75) | 170 |
| Designated reserves | | | | | |
| Fixed asset fund | 12,916 | - | - | 174 | 13,090 |
| Aircraft development | 1,500 | - | - | - | 1,500 |
| Capital Project fund | 1,536 | - | - | 9,342 | 10,878 |
| Clinical Review fund | - | - | - | 500 | 500 |
| | 15,952 | - | - | 10,016 | 25,968 |
| Unrestricted reserves | | | | | |
| Expenditure fund | 10,135 | - | - | 165 | 10,300 |
| Development plan | 1,500 | - | - | - | 1,500 |
| General fund | 10,061 | 12,932 | (9,887) | (7,631) | 5,475 |
| | 21,696 | 12,932 | (9,887) | (7,466) | 17,275 |
| Total reserves | 37,699 | 13,503 | (10,264) | 2,475 | 43,413 |

REPORT OF THE TRUSTEES
For the year ended 31 March 2022

19. Reserves continued

Restricted funds

The Charity is grateful for the support of the following organisations for their support for the purchase or development of important projects:

| Grant Fund | Purpose |
|---|---|
| County Air Ambulance Trust | Purchase crew uniforms, clinical equipment, hangar adaptations and critical care car. |
| Home Office | Undertake external bleed control training |
| Birmingham City Council | Purchase bleed control kits |
| The Hospital Saturday Fund | Purchase of equipment to facilitate CPR training for the general public |
| Arts Council | To fund events held during the thirtieth anniversary of the charity |
| Secretary of State for Health and Social Care | Grant funding for the capital build of the new airbase and headquarters. This is the final year of funding for which the total given was £1,266,022 |
| County Air Ambulance | Grant funding towards the capital build of the new airbase and headquarters |
| Denise Coates Foundation | Funding towards the capital build of the new airbase and headquarters |
| Rowlands Trust | Funding towards the capital build of the new airbase and headquarters |
| Henry Surtees Foundation | Funding towards the capital build of the new airbase and headquarters |
| Wynn Foundation | Funding towards the capital build of the new airbase and headquarters |
| Anonymous Trust | Funding towards the capital build of the new airbase and headquarters |
| The Batchworth Trust | Funding towards the capital build of the new airbase and headquarters |
| Lillian Farmer | Legacy towards the capital build of the new airbase and headquarters |
| Ricky Latham | Donation towards the capital build of the new airbase and headquarters |
| Aico | Donation towards the capital build of the new airbase and headquarters |
| M6 Toll | Donation towards the capital build of the new airbase and headquarters |
| Ibstock Brick | Donation towards the capital build of the new airbase and headquarters |
| David Collins | Donation towards the capital build of the new airbase and headquarters |

REPORT OF THE TRUSTEES
For the year ended 31 March 2022
19. Reserves continued

All the funds are restricted to the purpose for which they were given. Where costs have been capitalised, the balance is transferred to unrestricted reserves once the grant has been spent.

Designated funds

The fixed asset fund is set aside to cover the cost of fixed assets used by the Charity for charitable purposes.

Funds have been set aside for the development of our owned aircraft G-OMAA, and G-RMAA in order to ensure these aircraft remain fit for purpose throughout their useful lives. Expenditure in this regard is not time limited.

A capital project fund has been set aside for the capital build of a new Airbase and Headquarters building at Neachley Lane, Cosford.

Trustees have set aside a clinical costs fund to cover the future increased costs of the clinical service.

20. Analysis of net asset by fund

| Current Year | Restricted Funds £'000 | Designated Funds £'000 | Unrestricted Funds £'000 | 2022 Total £'000 |
|--|---------------------------------------|---------------------------------------|---|---------------------------------|
| Tangible and intangible fixed assets | 47 | 11,677 | - | 11,724 |
| Investments | - | - | 15,919 | 15,919 |
| Cash at bank and in hand | 76 | 17,283 | 6,125 | 23,484 |
| Other net current (liabilities)/assets | - | - | (354) | (354) |
| Total | 123 | 28,960 | 21,690 | 50,773 |

| Prior Year | Restricted Funds £'000 | Designated Funds £'000 | Unrestricted Funds £'000 | 2021 Total £'000 |
|--|---------------------------------------|---------------------------------------|---|---------------------------------|
| Tangible and intangible fixed assets | 75 | 9,965 | - | 10,040 |
| Investments | - | - | 15,019 | 15,019 |
| Cash at bank and in hand | 95 | 16,003 | 1,977 | 18,075 |
| Other net current (liabilities)/assets | - | - | 265 | 265 |
| Total | 170 | 25,968 | 17,261 | 43,399 |

REPORT OF THE TRUSTEES
For the year ended 31 March 2022
21. Financial instruments

| | 2022 | 2021 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 39,402 | 33,093 |
| Financial assets that are debt instruments measured at amortised cost | 13 | 15 |
| | 39,415 | 33,108 |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | 1,784 | 1,428 |
| | 1,784 | 1,428 |

21. Financial instruments (continued)

Financial assets measured at fair value through profit or loss comprise of investments, cash at bank and in hand, and short-term deposits.

Financial assets measured at amortised cost comprise trade debtors, and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, and other creditors.

22. Related party transactions

Transactions occurred during the year between the Charity and trading company. For the Charity the income was £335,000 (2021: £60,000) and expenditure was £287,668 (2021: £121,500). Money owed to the Charity from the trading company was £27,990 (2021: £75,321).

No trustee or other person related to the Charity had any personal interest in any contract or transaction entered into by the Charity during the period.

During the period none of the Trustees, or members of the key management staff, or parties related to them, has undertaken any material transactions with any related parties.

23. Capital Commitments

At 31 March 2022 there were capital commitments of £7,297,031 (2021: £nil)