



ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2023

Proudly serving the six counties



Worcestershire



The West Midlands



Gloucestershire



Staffordshire



Herefordshire



Shropshire

Charity Number 1143118
Company Number 07683841

GROUP TRUSTEE REPORT

For the year ended 31 March 2023

Charity and Company Registration

| | |
|---|--|
| Midlands Air Ambulance Charity (parent charity) | Registered Office: Airbase Avenue Neachley Shifnal Shropshire TF11 8UR |
| 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 From 3 July 2023, Airbase Avenue, Neachley Shifnal, Shropshire, TF11 8UR |
| Solicitors | Withers LLP | 16 Old Bailey, London, EC4M 7EG |
| Investment advisers | AFH Group | Buntsford Drive, Bromsgrove, B60 4JE |

GROUP TRUSTEE REPORT

For the year ended 31 March 2023

| Content - | Page |
|--|-------------|
| Chair's report | 3 |
| Chief Executive's report | 4 |
| Survivor case study | 5 |
| Trustee report, incorporating strategic report: | 7 |
| Our Charity - in brief | 7 |
| Delivering public benefit | 8 |
| Our vision, mission and values | 11 |
| Performance against Objectives - FY 2022-23 | 12 - 16 |
| Clinical excellence (12-13) | |
| Income generation , incorporating Financial Review (14) | |
| Organisational resilience (15) | |
| Our people (16) | |
| Future Plan - 2023 and beyond | 17 |
| Principal risks and uncertainties | 18 |
| Reserves policy | 19 |
| Structure and governance | 20 |
| Statement of Trustee responsibilities | 25 |
| Auditor's report | 31 |
| Consolidated statement of financial activities, including income and expenditure account | 35 |
| Consolidated and charity balance sheet | 36 |
| Consolidated statement of cash flows | 37 |
| Notes to the financial statements | 38 |

CHAIR'S REPORT



Keith Marriott
Chairman of the Board

I joined Midlands Air Ambulance Charity (MAAC) as a Trustee in January 2020 and have enjoyed being part of such a proactive organisation. Throughout this period the Charity team has continued to navigate a challenging health and economic environment, whilst celebrating several achievements and events. When our esteemed Chairman Roger Pemberton retired last year, I was honoured to take on the Chair role. I would like to take this opportunity to thank Roger for his 11 years' service to Midlands Air Ambulance both as Trustee and Chair. Roger has overseen a sustained period of growth and development concluding with his close involvement and absolute commitment in delivering our capital project, which will come to fruition in the forthcoming financial year, as the new facility which provides our airbase, headquarters and training venue.

My role as Chair for the charity is to lead the Board, which is ultimately responsible for the governance and strategic direction of the Charity. I pledge to dedicate my time to support my fellow Trustees and offer counsel and guidance to the Senior Leadership Team and wider charity.

As a progressive charity, we have undertaken a great deal of change in the last 12-months. Our independent healthcare status and Care Quality Commission (CQC) registration were both achieved in 2022. This has presented the organisation with a number of opportunities and enabled us to consider futureproofing the organisation by reinvesting in innovative medical and operational equipment and training to support specialist patient care.

As a charity founded within the communities we serve, I want to ensure we remain close to our supporters and encourage new support across our six counties. This can only be done by building meaningful relationships and demonstrating the impact of our helicopter led emergency medical service at the scene of an incident or accident when patients are in critical need and where we can make a lifesaving difference.

I am also keen to develop strong and effective relationships with corporate partners in the region, creating mutually beneficial relationships where we can support their employee engagement initiatives including such things as their health and wellbeing programmes as well as raising vital funds for the charity.

Our charity's ethos is always close to my heart, ensuring excellent patient care always comes first, and I would like to thank our clinical and non-clinical staff who work tirelessly to make this happen.

CHIEF EXECUTIVE'S REPORT



Hanna Sebright
Chief Executive

The FY 22/23 has been a significant period in Midlands Air Ambulance Charity's (MAAC's) history, concluding our first year as a CQC registered independent health care provider. The activity highlighted in this report shows how much has been accomplished by the team, which is in line with our ethos of continuous innovation and commitment to delivering clinical excellence.

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

Looking to the next financial year, we will move into our new purpose-built airbase and headquarters on the Shropshire/Staffordshire border as part of our commitment to our 'one team' culture - bringing the charity and clinical operations together and providing our Critical Care Paramedics and Intensivist Doctors with much improved operational and training facilities. This development will further strengthen our existing network of airbases and satellite sites to support patient care and futureproof our lifesaving service.

We remain proactive and adaptive to wider changing environments that directly impact our core purpose. Our service operates 365 days of the year - that must not cease. Indeed, we are looking to further expand our operational hours. I am therefore encouraging the team to look at new and innovative ways to raise funds to literally keep the blades turning.

As part of our dedication to patient care, it is important we are agile to cope with the demands of the future, including the increasing complexity of patients' needs. With a new patient data system now in place, we will give further focus to trends that we identify with our mission, so we can adapt our service to meet these needs swiftly.

Ultimately, we are committed to supporting the growth of our pre-hospital service to ensure we can rapidly reach and treat those in desperate need on a daily basis for decades to come.

GROUP TRUSTEE REPORT For the year ended 31 March 2023

SURVIVOR CASE STUDY

Sarah Washington - Trauma Survivor

In Trentham, near Stoke-on-Trent, Staffordshire, 24-year-old Sarah Washington and her friend Gabby were out riding their horses.

However, spending quality time together soon turned into a traumatic episode for the two young friends.



Sarah Washington and MAAC Critical Care Paramedic Tom Waters

At noon one sunny summer day, Sarah and Gabby were riding their horses in the remote area of Hanchurch Woods. Whilst negotiating some steep terrain, they came to a gate. Gabby dismounted to open the gate and as Sarah walked through the gate, something spooked her horse, causing it to bolt.

Sarah's foot was unfortunately caught in the stirrup. She was dragged along the rough ground by the horse. Thankfully her foot was finally freed as the horse galloped off. Despite wearing the appropriate head protection, Sarah was knocked unconscious after suffering multiple blows to the head as she was dragged along the path.

Gabby found Sarah unresponsive and instantly dialled 999.

Gabby explains: *"I was really concerned about the noises that Sarah was making, they didn't sound human. Her breathing sounded guttural, and her body kept shaking uncontrollably."*

Due to the remote location and the severity of the incident, an ambulance and the Midlands Air Ambulance helicopter from RAF Cosford were dispatched. First on scene was the land ambulance. Within minutes the helicopter landed in a nearby field and Dr Malcolm Russell MBE, a pre-hospital emergency medicine doctor, and Tom Waters, critical care paramedic, made it to the scene.

Whilst Sarah had thankfully not sustained any severe physical injuries, the Midlands Air Ambulance enhanced clinical team who assessed her on scene were concerned that Sarah had sustained a traumatic brain injury.

GROUP TRUSTEE REPORT
For the year ended 31 March 2023

Tom Waters explains: *"When we arrived on scene, Sarah was in an agitated state which is commonly seen in patients with traumatic brain injuries.*

"In order to protect Sarah's brain from suffering further injury, we placed her into an induced coma by performing a procedure called a rapid sequence induction (RSI). This meant we could protect her airway and breathe for her should she take a turn for the worse."

Tom and Malcolm treated Sarah enroute to the nearest major trauma centre at Royal Stoke Hospital. Sarah then underwent further assessments and a procedure where a pressure monitor (ICP bolt) was inserted into her skull to monitor and reduce the pressure on her brain.

After a month in critical care, Sarah was moved to the Acute Rehabilitation Trauma Unit (ARTU) to continue her recovery.

Sarah explains: *"I was then transferred to Haywood Hospital to further my rehabilitation.*

"I always knew just how important air ambulances were, but before my accident I wasn't fully aware that Midlands Air Ambulance is a charity. It's only recently that I learned it relies solely on donations from the public to fund its lifesaving missions.

"I love Midlands Air Ambulance; they are my absolute heroes. Without them I would not have got the critical care that I needed so rapidly, nor would I be here without them."

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:

Web - midlandsairambulance.com

Call - 0800 8 40 20 40

Email - info@midlandsairambulance.com

GROUP TRUSTEE REPORT For the year ended 31 March 2023

TRUSTEE REPORT, INCORPORATING STRATEGIC REPORT:

Midlands Air Ambulance Charity - In brief



Midlands Air Ambulance Charity (MAAC) is a Care Quality Commissioned (CQC) accredited independent health care provider, which is responsible for delivering a pre-hospital emergency helicopter-led service across six counties. We proudly serve the diverse communities of Gloucestershire, Herefordshire, Shropshire, Staffordshire, the West Midlands, and Worcestershire.

Our three airbases play a pivotal role in delivering rapid critical pre-hospital emergency medical care, by ensuring that residents across the Midlands region have access to a network of air ambulance helicopters and critical care cars. With over three decades of experience, we are one of the oldest English Air Ambulance charities and are proud of our heritage and success. Our core business divisions include:

- **Emergency critical care service** - we provide a pre-hospital helicopter-led service, 365 days a year, to residents and visitors across the Midlands region. We bring hospital-level procedures and medicines to the patient at the scene of an accident or incident.
- **Charitable programme** - we raise funds for our lifesaving service and also play an active role within the communities of the six regions that we serve. We provide education and training programmes (such as CPR, bleed control, defibrillator); volunteering opportunities; and social engagement activities to support with community cohesion and wellbeing.
- **Retail network** - we have a growing portfolio of charity shops which not only contribute towards raising funds for helicopter and critical care car missions, but also support wider environmental and ethical causes as part of our wider societal role.

As part of our five-year strategic plan, we are committed to delivering clinical excellence which focuses on developing and futureproofing our service and wider organisational resilience. To find out more, refer to the future plans section on page 17.

GROUP TRUSTEE REPORT For the year ended 31 March 2023

Delivering public benefit



Since 1991, Midlands Air Ambulance Charity has been operating a lifesaving air ambulance service across the Midlands.

Our service has undertaken over 70,000 missions over the last 32 years, rapidly reaching and treating the most critically unwell and injured patients.

Our operations constitute the largest operating region in England, making us one of the busiest air ambulances.

We benefit the lives of over six million people across all age groups, supporting diverse communities across a six-county area comprising of rural and urban conurbations. Our charitable activities focus on providing lifesaving pre-hospital emergency medicine 365 days a year across an operating region of 5,200 square miles.

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.

Our lifesaving service

Our team of highly skilled clinical practitioners include both helicopter emergency medical services (HEMS) doctors and critical care paramedics. The team administers 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 critical care cars.

GROUP TRUSTEE REPORT For the year ended 31 March 2023

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*

Operating from strategically located airbases, our advanced critical care clinicians attended over 4,000 missions per annum across the six-county area. 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.

We operate a fleet of critical care cars, which provide a rapid despatch method frequently used in urban areas and in medical emergencies such as cardiac arrests, heart attacks, strokes and respiratory issues. The Crew and these cars have the same lifesaving skillset and equipment as our helicopters.

Our delivery partners

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

Our health partners include:

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

Our strong collaborative relationship with the ambulance services is based on a mutual core principle of providing the highest quality service and care for patients.

Babcock Mission Critical Services Onshore (BMCSO) is our aviation partner. BMCSO provide our Aircraft Operators Certification (AOC) and the specialist delivery team - the pilots and engineers - to promote safety and excellence across flight operations.

GROUP TRUSTEE REPORT For the year ended 31 March 2023

Charitable ethos

Our charity does not receive any Government funding for our daily missions. We rely on the generous support of the public, businesses and grant giving bodies to raise the circa. £14 million 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 our growing network of shops (refer to page 14 for more information).

We continually monitor the economic environment and are currently considering the ongoing impact from the pandemic alongside the growing cost of living crisis, with inflation at a forty one year high. To ensure we can continue providing a lifesaving service to the public in the face of economic challenges, our governance principles ring-fence up to two years of operating costs.

Alongside our core lifesaving service, our 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, we deliver CPR sessions and have a network of bleed control kits across the region. This activity has helped to equip adults and children with lifesaving skills, via our popular education programmes called 'Sky Champs' and 'Mission Support'. These programmes support 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

Our Vision, Mission and Values

Our Vision

Saving Lives by Saving Time,
today, tomorrow and in the future.



Our Mission

To provide patients with outstanding pre-hospital care and lifesaving intervention through the operation of helicopter-led emergency medical services (HEMS) - we will continue to save more lives and improve survivors' quality of life through the provision of a comprehensive, transparent, clinical and operational helicopter led emergency service aligned to changing patient need and demand.

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 lifesaving 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 2023
Performance against objectives - FY 22-23

This year marks the inaugural implementation of the new rolling five-year business plan. The section below provides a summary of progress for the period April 2022 – March 2023 against the agreed four strategic priorities (i) Clinical excellence; (ii) Income generation; (iii) Organisational resilience; and (iv) Our people.

| Strategic priority | Key achievements |
|--|---|
| <p>Clinical excellence</p> <p>To deliver a patient-focused, pre-hospital emergency medicine, helicopter-led service. Our team of highly skilled, experienced critical care paramedics and doctors treat and stabilise patients at scene thereby providing the best outcomes for those that are critically ill or injured.</p> | <p>Patient-care development:</p> <ul style="list-style-type: none"> ✓ We extended the operating hours of the southern critical care car, increasing our pre-hospital emergency service until 0200hrs. ✓ We implemented and launched a northern critical care car – extending our provision to the Staffordshire region via a 1000-2200hrs service. ✓ A patient aftercare service was established – a team of Patient Liaison Leads (PLLs) have been appointed to contact patients, carers and relatives after the incident in order to provide support. As part of the aftercare process, they will seek to understand patient experiences to identify learning opportunities. The team will also provide signposting for relevant support as required. ✓ Working in partnership, we implemented a hyper-acute transfer programme pilot, which provides specialist care for stroke patients requiring time critical thrombectomy treatment. ✓ We are an active partner in the ‘Golden Hour’ programme, a research project focusing on a patient’s immune system following trauma. This study is in collaboration with the Research in Emergency and Acute Care Team at the Queen Elizabeth Hospital in Birmingham and the National Institute of Health Research. <p>Clinical operations development:</p> <ul style="list-style-type: none"> ✓ We are proud to have secured Care Quality Commission (CQC) registration. ✓ We achieved clinical independence, including the direct recruitment of clinical personnel – doctors, critical care paramedics and related support staff. ✓ We secured a Home Office drugs license and appointed an independent Pharmacist. |

GROUP TRUSTEE REPORT For the year ended 31 March 2023

Midlands Air Ambulance Charity clinical service highlights

Our clinicians bring hospital-level procedures and medicines to the patient at the scene by both air and land. 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. During FY 22-23 service outputs included:

- ✓ Our specialist clinical teams were deployed to **4,125 missions**, a 47% increase compared to six years ago (FY17/18).
- ✓ Our critical care paramedics and pre-hospital emergency medicine doctors undertook an average of **11 incidents each day** and reached patients within an average of ten minutes.
- ✓ 45% of our missions are in response to a medical case and 55% related to traumatic incidents.
- ✓ Monday was frequently the busiest day.
- ✓ 16:00-16:59 was the busiest time of day.
- ✓ During this year, we introduced the following new equipment and drugs to expedite treatment and enhance patient care:
 - Neonatal Resuscitation Equipment Bag
 - Prefilled syringes of Ketamine, Fentanyl and Metaraminol
 - Butterfly ultrasound devices
 - Platform iPhones – enabling diagnostics and patient record keeping

Over a quarter of patients required advanced procedures and drugs, which is beyond the standard scope of the NHS ambulance service. These included 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.



GROUP TRUSTEE REPORT
For the year ended 31 March 2023

| Strategic priority | Key achievements |
|--|--|
| Income generation To fund our lifesaving service and enable business transformation over the next five years, income generation will embrace innovation and diversification. | <ul style="list-style-type: none"> ✓ Despite the challenging economic landscape, our teams of staff and volunteers were able to secure funds for our 365-day a year service – please find further details below. ✓ We expanded our network of shops to seven stores, following the opening of Merry Hill shop in November 2022. ✓ We continued to provide added value to the communities we serve by engaging with local people, schools, and businesses to provide bystander support sessions, equipping them with skills to administer CPR and bleed control. |

Financial review

Each year we aim to raise sufficient funds to cover all expenditure, as well as generate additional monies to be able to invest in future projects and to purchase new medical equipment to support our daily missions. Our critical care service would not be possible without the fantastic contributions of both funds and time made by our supporters, volunteers, corporate partners and grant giving bodies and trusts.

Our charity operates a fundamental governance principle of retaining up to twenty-four months of operating costs, ensuring business continuity of our lifesaving service. Refer to page 19 to find out more about our reserves policy.

A summary of our income by core stream for the FY 2022-23 is as follows:

| Income stream | Description | % |
|---|---|------------|
| Legacies and in memoriam | Gifts in wills and donations in memory of a loved one | 33 |
| Lottery | Weekly lottery draw, £1 per play, plus annual Rapid Response Raffle | 29 |
| Grants | Restricted and unrestricted funds received from grant making trusts and other bodies | 13 |
| Donations and fundraising events | Cash donations from the public, including monthly amounts received via direct debit or standing order, and income from fundraising events | 13 |
| Charity shops | Income from the sale of donated goods through our regional charity shops | 5 |
| Other | Other income, including investment income | 5 |
| Corporate partners | Donations and sponsorship from regional companies | 2 |
| Total | | 100 |

GROUP TRUSTEE REPORT For the year ended 31 March 2023

| Strategic priority | Key achievements |
|--|---|
| <p>Organisational resilience</p> <p>To futureproof the organisation by enhancing operations to ensure resilience, sustainability and success.</p> | <ul style="list-style-type: none"> ✓ Our new Airbase and Headquarters is in the final stages of construction, with completion and occupation on track for mid 2023. ✓ We have established a new process for proposing innovations and activating projects. Since then, over 50 innovation proposals have been submitted. ✓ We introduced two new systems across the Charity group - (i) Hemsbase - to support our clinical service provision; (ii) RADAR - to manage with Health and Safety and governance reporting. ✓ Business continuity planning and crisis communications - plans established, training/testing next financial year. |

Our new Airbase and Headquarters in Cosford has been a key project for FY22-23 as alongside our existing air bases, this new facility will enable further enhancements to our lifesaving service by providing a training centre of excellence for pre-hospital emergency care.

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 later that 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.

Final stage development - Midlands Air Ambulance New Airbase and Charity Headquarters



GROUP TRUSTEE REPORT
For the year ended 31 March 2023

| Strategic priority | ✓ Key achievements |
|---|---|
| <p>Our People</p> <p>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"> ✓ A new staff survey was implemented to gain feedback across the Charity Group. ✓ A new Health and Wellbeing team and programme has created a 12-month plan of activity to engage and support staff and volunteers. ✓ New employee administration system - market review and implementation for FY23-24. ✓ We have actively supported and valued the hundreds of volunteers who are integral to our mission; working in shops, raising funds and helping build the MAAC brand. ✓ We developed a new Volunteer strategy. ✓ We enhanced our safeguarding programme to ensure best practice across clinical and non-clinical teams, which included a robust training programme. |

We remain proud of our silver level Investors in People accreditation, 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 FY 23 our employees showed overwhelming positive sentiment and our performance resulted in achieving the following accreditation:



GROUP TRUSTEE REPORT For the year ended 31 March 2023

Future plan - 2023 and beyond

As a charity that is funded by the community it serves, our strategy aims to positively impact the six-county service area through our enhanced critical care service and also the wider contribution to the region.

Our strategic framework is based on **four core strategic priorities** (i) clinical excellence; (ii) income generation; (iii) organisational resilience; and (iv) our people, which are underpinned by **four enabling themes** (i) innovation; (ii) leadership; (iii) environmental and (iv) engagement.

MAAC Group rolling five-year strategy framework

1. Clinical excellence

Provide the best outcomes for those that are critical ill or injured, by delivering a patient-centric pre-hospital emergency helicopter service, based on an ethos of clinical excellence and optimum delivery of our team.

2. Income generation

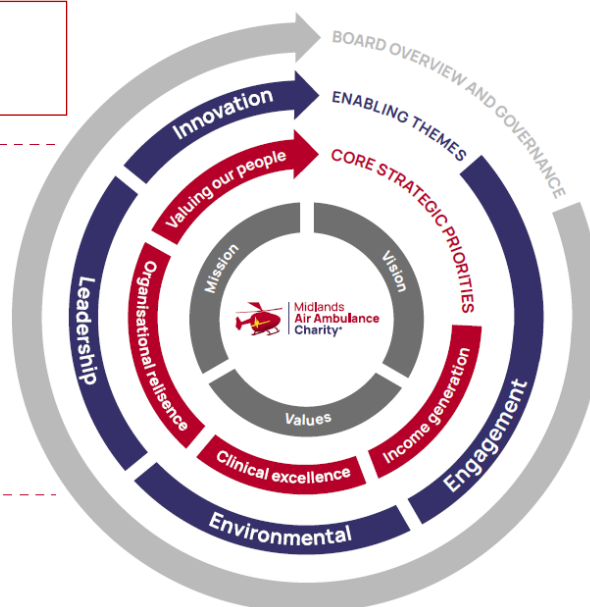
Enable business transformation over the next five years, by growing income by embracing innovation and diversification.

3. Organisational resilience

Futureproof the organisation by enhancing operations to ensure resilience sustainability and success.

4. Valuing our people

Place collaboration at the heart of all working practices, by developing our people and growing our regional networks to support the communities we serve.



Priorities for the forthcoming financial year 2023 - 2024 include:

- Completion and occupation of our new airbase and headquarters, as well as further capitalising on the opportunities provided by this new facility.
- Implementation of our clinical strategy which will define the future development of our lifesaving service.
- Enhancing patient care through extending our operational hours and further development of our patient aftercare service.
- Ongoing roll out of our community bystander support programme to empower members of community with CPR, defibrillator and bleed control training.
- Further expansion of our shop network across the six counties we serve, helping the environment by recycling used goods and enabling community inclusion via the introduction of community hubs.
- As an owner of two of our fleet of three helicopters, in Q2 FY 23/24 we will undertake an Aircraft tender programme to ensure that our fleet maintenance and engineering provision remains resilient when our current contracts naturally conclude in March 2025 and to ensure that our fleet strategy is closely aligned to our clinical strategy in placing the patient at the heart of all we do.

GROUP TRUSTEE REPORT For the year ended 31 March 2023

Principal risks and uncertainties

The organisation operates a comprehensive risk management process to manage and mitigate risk. Risks identified across the MAAC group are managed in accordance with The Group's Risk Management Policy, which is underpinned with detailed risk assessments. We utilise a web-based risk management system, RADAR, for reviewing, updating, ongoing analysis and compliance.

Our Charity's Board of Trustees, supported by the Audit and Risk Committee, has responsibility for ensuring an effective risk management system is in place. 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 reported on MAAC's Group Risk Register, the most significant risk we faced in FY 22/23 was charity shop volunteer shortages (in line with volunteer shortages across the sector, linked to factors such as the cost-of-living crisis and longer-term impact of the pandemic). The measures being taken by the organisation, include additional volunteer management resource, a comprehensive trading subsidiary review, and a new Volunteer Strategy.

A further significant risk was the increasingly competitive fundraising environment. This is being addressed via the income generation objectives within the organisation's rolling five-year strategy which include diversification, innovation and further income strategy development. Alongside this, we are proud of our open, honest and respectful fundraising approach - as set out by the Code of Fundraising Practice and as set out on page 21-22.

Our risk management approach also includes monitoring and managing low likelihood but high consequence risks e.g. the low risk but high consequence of a significant helicopter incident. As with all medical interventions and helicopter/ car transportation, the nature of MAAC's activities involves inherent risk. These inherent risks are managed closely through MAAC's established governance and compliance framework, and experienced team.



GROUP TRUSTEE REPORT
For the year ended 31 March 2023**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 £53,533,000 (2022: £50,773,000). Of this amount, £26,145,000 (2022: £29,083,000) 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 £27,388,000 (2022: £21,690,000). In line with our organisational resilience planning, £25,516,000 of this is held within the unrestricted reserve which equate to approximately eighteen months of operating expenditure, which would enable maintenance of our core service, should we suffer a major downturn in income generation.

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 £58,000 (2022: £123,000).

Designated reserves - are allocated to fund projects and initiatives agreed by the Trustees. Total designated reserves at the end of the financial year were £24,944,000 (2022: £28,960,000). 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. The reserves policy states that the level of unrestricted reserves that is set aside to cover future expenditure if there is a fall in income, should be up to twenty-four months of future costs. 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 £28,531,000 (2022: £21,690,000), of which £25,516,000 (2022: £19,814,000) equates to circa eighteen months future operating costs.

GROUP TRUSTEE REPORT
For the year ended 31 March 2023

Structure and governance

Quality Assurance and Standards

As part of our commitment to quality management and continuous improvement, our Charity is a proud recipient of the following accreditations:

- **Care Quality Commission** registration
- **Investors in People** (Silver Level)
- **Investors in Volunteers**
- **Governance Framework quality mark** (the Governance Forum)
- **Fundraising Regulator registration**

Alongside this, we have been recognised in the following industry accolades:

Shortlisted:

- Smee & Ford - Outstanding Legacy Team of the Year
- Greater Birmingham Chamber of Commerce Excellence in the Third Sector
- Chartered Institute of Fundraising, West Midlands Fundraiser of the Year - Jo Bailey
- Royal Voluntary Services Awards - Coronation Champions Awards - Marcus Watkin
- Air Ambulances UK - Critical Care Paramedic of the Year - Fay Pollock

Won:

- Air Ambulances UK - Pilot of the Year - Matt Wood
- Support Staffordshire Awards - charity shop volunteer Alison Potts

Key management personnel

The senior leadership team forms the key management personnel of the Charity and 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 | Clinical Operations Director |
| Mark Nash | Medical Director |

GROUP TRUSTEE REPORT For the year ended 31 March 2023

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.

Our 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 7.07 per cent of our income on support and governance costs.

Our fundraising standards and promise

We are committed to upholding the highest fundraising standards:

- Our 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*, the professional membership body for UK 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**.

Important sources of sustainable income, in particular the lottery and regular 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:

GROUP TRUSTEE REPORT

For the year ended 31 March 2023

- *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 our 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 fundraising activity.

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

Compliments, Complaints and Feedback

The effective management of complaints is a focus for the organisation and its regulators:

- Care Quality Commission - Key Lines of Enquiry - *"Responsive 4. How are peoples' concerns and complaints listened and responded to and used to improve the quality of care"*.
- Charities (Protection and Social Investment) Act 2016, Clause 13.4.e: *"the annual report must include a statement of the number of complaints received by the charity or a person acting on its behalf about activities by the charity or by a person on behalf of the charity for the purpose of fund-raising"*.
- Fundraising Code of Practice, Standard 2.4. Complaints and concerns about fundraising.
- Charity Governance Code, Recommended Practice 7.6.2; *"The board makes sure that there is a transparent, well-publicised, effective and timely process for making and handling a complaint and that any internal or external complaints are handled constructively, impartially and effectively."*

In line with our values, we are dedicated to improving how we track and manage feedback, both positive and negative, as it helps to further develop our operations. During FY22-23, the organisation expanded its existing complaints process by introducing processes for managing compliments, concerns (internal and external) and complaints.

GROUP TRUSTEE REPORT
For the year ended 31 March 2023

MAAC Group compliments, concerns, complaints data for FY 2022/2023 (extracted from our management system RADAR)

| TYPE OF EVENT | TOTAL RECEIVED | ABOUT OUR CHARITY | REGARDING ANOTHER ORGANISATION |
|-------------------|----------------|-------------------|--------------------------------|
| Compliment | 69 | 69 | 0 |
| Concern | 47 | 23 | 24 |
| Complaint | 25 | 20 | 5 |

Our compliments, complaints and feedback policy is 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

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.

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, Herefordshire and Worcestershire, 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:

GROUP TRUSTEE REPORT For the year ended 31 March 2023

- 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 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.

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.

**GROUP TRUSTEE REPORT
For the year ended 31 March 2023**

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. The Annual Employee Pay Review process considers inflation, salary benchmarking and the organisation's financial performance which led to 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.

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 2023 which are also prepared to meet the requirements of 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.

GROUP TRUSTEE REPORT
For the year ended 31 March 2023

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 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 8-10 and 12-16 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 Midlands Air Ambulance Charity 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. Our charity's trading subsidiary, MAATL, has its own separate Board of Directors.

The table below lists the Trustees/Directors in post 01/04/2022 to 31/03/2023, all of whom volunteer their time to bring valued experience to the Charity from a range of backgrounds and sectors:

GROUP TRUSTEE REPORT
For the year ended 31 March 2023

| Midlands Air Ambulance Charity - Board of Trustees / Directors | | |
|---|---|---------------------------|
| Name | Position | Change during year |
| R Pemberton | Chair of Board of Trustees (to 07/10/2022) | Resigned 07/10/2022 |
| K Bailey | | |
| A Cross | | Appointed 07/10/2022 |
| G Dellenty | | |
| R Guirguis | | Appointed 07/10/2022 |
| R Douglas | Chair of Audit and Risk | |
| A Lennox | Chair of Human Resources and Remuneration | |
| E K Marriott | Chair of Board of Trustees (from 07/10/2022) Chair of Fundraising Chair of Clinical Standards (to 25/01/2023) | |
| A Moss | | Appointed 22/02/2023 |
| Dr V McVey | Chair of Clinical Standards (from 25/01/2023) | |
| W Saleem | | |
| Midlands Air Ambulance Trading Ltd - Board of Directors | | |
| Name | Position | Change during year |
| T Sehgal | Chair of Board of Directors | |
| L Bagnall | | |
| R Douglas | | Appointed 07/10/2022 |
| E K Marriott | | Resigned 07/10/2022 |
| N Nicholls | | Appointed 09/03/2023 |
| 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 8 male (73%), 3 female (27%). 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.

Appointment of Trustees

Our Charity 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

**GROUP TRUSTEE REPORT
For the year ended 31 March 2023**

recommendations to the Board, with candidates' appointments being based on the majority decision of the Board of 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 one 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, gaining 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. It is also usual practice for the Board Chair to have an annual performance review (based on 360-degree feedback from the trustees), This will occur in November 2023 after the Chair has been in post for a year.

Trustee indemnity insurance

The Charity holds Trustees and Directors' indemnity insurance cover with a Limit of Liability of £5,000,000 (2022: £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, our Charity ensures a register of interests is maintained (as per our Conflicts of Interest Policy). 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.

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

GROUP TRUSTEE REPORT
For the year ended 31 March 2023

- Details of Trustee expenses (£150) 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.

Our Charity'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. Our 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):

| 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:

GROUP TRUSTEE REPORT
For the year ended 31 March 2023

- 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 4th July 2023 and is signed on their behalf by



Keith Marriott
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 2023 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 2023 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 25 and 26, 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 management and by performing walkthrough testing over key areas;
- obtaining an understanding of the Group's and Parent Charitable Company's risk assessment process, including the risk of fraud;

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

- 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
Statutory Auditors

Date: 13 July 2023

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 2023

| | Note | Unrestricted funds £'000 | Designated funds £'000 | Restricted funds £'000 | Total funds 2023 £'000 | Total funds 2022 £'000 |
|--|------|--------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------|
| Income: | | | | | | |
| Donations and legacies | 2 | 13,431 | - | 2,088 | 15,519 | 15,785 |
| <i>Income from charitable activities:</i> | | | | | | |
| <i>Income from other trading activities:</i> | | | | | | |
| Trading activities | 3 | 996 | - | - | 996 | 698 |
| Fundraising events | 4 | 178 | - | - | 178 | 113 |
| Investment Income | 5 | 872 | - | - | 872 | 491 |
| Other Income | | 97 | - | - | 97 | 954 |
| Total income | | 15,574 | - | 2,088 | 17,662 | 18,041 |
| Expenditure | | | | | | |
| <i>Costs of raising funds</i> | | | | | | |
| Trading activities | 3 | 875 | - | - | 875 | 585 |
| Fundraising activities and events | 4 | 3,517 | - | 7 | 3,524 | 3,201 |
| Investment Management costs | 5 | 47 | - | - | 47 | 46 |
| <i>Expenditure on charitable activities</i> | | | | | | |
| Aircraft and base costs | 6 | 5,617 | - | 69 | 5,686 | 5,163 |
| Patient care and support | 6 | 3,539 | - | 50 | 3,589 | 2,189 |
| Total expenditure | | 13,595 | - | 126 | 13,721 | 11,184 |
| Net (Loss)/Gain on investments | 15 | (1,181) | - | - | (1,181) | 517 |
| Net income/(expenditure) | | 798 | - | 1,962 | 2,760 | 7,374 |
| Transfers between funds | 19 | 6,043 | (4,016) | (2,027) | - | - |
| Net Movement in Funds | | 6,841 | (4,016) | (65) | 2,760 | 7,374 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 21,690 | 28,960 | 123 | 50,773 | 43,399 |
| Total funds carried forward | | 28,531 | 24,944 | 58 | 53,533 | 50,773 |

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 2022 is included in Note 9.

CONSOLIDATED AND CHARITY BALANCE SHEETS

as at 31 March 2023

| | Note | Group 2023 £'000 | Group 2022 £'000 | Charity 2023 £'000 | Charity 2022 £'000 |
|--|------|------------------------|------------------------|--------------------------|--------------------------|
| Fixed assets: | | | | | |
| Tangible assets | 13 | 16,747 | 11,724 | 16,722 | 11,697 |
| Intangible assets | 14 | 12 | - | 12 | - |
| Investments | 15 | 15,187 | 15,919 | 15,187 | 15,919 |
| Total Fixed Assets | | 31,946 | 27,643 | 31,921 | 27,616 |
| Current assets: | | | | | |
| Stock | | 69 | 42 | - | - |
| Debtors | 16 | 1,713 | 1,294 | 1,767 | 1,392 |
| Short term deposits | | 9,708 | 9,584 | 9,708 | 9,584 |
| Cash at bank and in hand | | 12,133 | 13,900 | 11,867 | 13,690 |
| Total Current Assets | | 23,623 | 24,820 | 23,342 | 24,666 |
| Liabilities: | | | | | |
| Creditors falling due within one year | 17 | 2,036 | 1,690 | 1,950 | 1,608 |
| Net Current Assets | | 21,587 | 23,130 | 21,392 | 23,058 |
| Total Assets less Current Liabilities | | 53,533 | 50,773 | 53,313 | 50,674 |
| Creditors: amounts falling due after more than one year | | - | - | - | - |
| Net Assets | | 53,533 | 50,773 | 53,313 | 50,674 |
| The reserves of the Charity: | | | | | |
| Unrestricted reserves | 19 | 28,531 | 21,690 | 28,311 | 21,591 |
| Designated reserves | 19 | 24,944 | 28,960 | 24,944 | 28,960 |
| Restricted reserves | 19 | 58 | 123 | 58 | 123 |
| Total Reserves | | 53,533 | 50,773 | 53,313 | 50,674 |

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 £2,639,000 (2022: £7,261,000).

The notes at pages 38 to 58 form part of these accounts.

The accounts were approved by Trustees on 4th July 2023 and are signed on their behalf by



Keith Marriott, Chairman

CONSOLIDATED STATEMENT OF CASHFLOWS for the year ending 31 March 2023

| | Group 2023 £'000 | Group 2022 £'000 |
|---|------------------------|------------------------|
| Cash used in operating activities | 3,737 | 7,766 |
| Cash flows from investing activities | | |
| Dividends and Interest from investments | 386 | 62 |
| Purchase of fixed assets | (5,766) | (2,419) |
| Increase in short term deposits | (124) | (1,538) |
| Cash (used in) investing activities | (5,504) | (3,895) |
| Cash used in financing activities | - | - |
| (Decrease)/Increase in cash and cash equivalents in the year | (1,767) | 3,871 |
| Cash and cash equivalents at the beginning of the year | 13,900 | 10,029 |
| Total cash and cash equivalents at the end of the year | 12,133 | 13,900 |

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

| | Group 2023 £'000 | Group 2022 £'000 |
|--|------------------------|------------------------|
| Net income for the period | 2,760 | 7,374 |
| Depreciation and amortisation charges | 731 | 734 |
| Movement on investments | 1,181 | (517) |
| Dividends, and interest from investments | (835) | (445) |
| Increase in stocks | (27) | (8) |
| (Increase)/Decrease in debtors | (419) | 248 |
| Increase in creditors | 346 | 379 |
| Net cash in from operating activities | 3,737 | 7,766 |

ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2023 £'000 | Group 2022 £'000 |
|---|------------------------|------------------------|
| Cash in hand | 12,133 | 13,900 |
| Total cash and cash equivalents at the end of the year | 12,133 | 13,900 |

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.

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 2023 was £3,820,000 (2022: £6,744,000). This is made up of Income £16,666,000 (2022: £17,343,000) and Expenditure £12,846,000 (2022: £10,599,000).

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. The basis is that 50% of the predicted total value is 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

The Group did not claim any Coronavirus Job Retention Scheme or Local Restrictions Support Grants during the year (2022: £11,602).

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 helicopter 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:

| | |
|------------------------|-------------------------|
| Land and Buildings | 20% straight-line basis |
| Equipment and Fittings | 20% straight line basis |
| Computers | 20% straight-line basis |
| Vehicles | 33% straight-line basis |

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies continued

| | |
|--------------------------------------|---|
| Aircraft | 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 of all tangible and intangible fixed asset classes and have concluded that the asset lives 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

| | 2023 | 2022 |
|----------------------------|---------------|---------------|
| | £'000 | £'000 |
| Donations | 1,718 | 1,754 |
| Lottery and regular giving | 5,774 | 5,607 |
| Legacies and in memorium | 5,784 | 6,151 |
| Grants and other income | 2,243 | 2,273 |
| | 15,519 | 15,785 |

Of the income received during the year £2,088,348 is restricted in its use (2022: £2,269,238). Further details of these received are set out in Note 19. Within grants, £40,000 was received from The Eveson Trust to be used for the Charity's unrestricted running costs.

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:

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Statement of Comprehensive Income | | |
| Turnover | 996 | 698 |
| Cost of sales | (48) | (26) |
| Gross profit | 948 | 672 |
| Administrative expenses | (749) | (559) |
| Operating profit | 199 | 113 |
| Donation to Midlands Air Ambulance Charity | (78) | - |
| Taxation | - | - |
| Retained profit | 121 | 113 |

| | 2023 | 2022 |
|---------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Balance Sheet | | |
| Fixed assets | 26 | 27 |
| Current assets | 375 | 286 |
| Current liabilities | (144) | (139) |
| Liabilities > 1 year | (38) | (76) |
| Total net assets/(liabilities) | 219 | 98 |

| | | |
|-----------------------------------|------------|-----------|
| Share capital and reserves | 219 | 98 |
|-----------------------------------|------------|-----------|

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:

| | 2023 £'000 | 2022 £'000 |
|---------------------------|---------------|---------------|
| Income from events | | |
| Charity managed events | 178 | 113 |
| | 178 | 113 |

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

| | 2023 £'000 | 2022 £'000 |
|-------------------------------------|---------------|---------------|
| Costs of charity fundraising | | |
| Fundraising events | 268 | 125 |
| Marketing | 585 | 479 |
| Fundraising services | 1,366 | 1,350 |
| General fundraising | 1,305 | 1,247 |
| | 3,524 | 3,201 |

5. Investment income and fees

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Income | | |
| Fixed asset investments | 485 | 429 |
| Interest on deposit accounts | 387 | 62 |
| | 872 | 491 |
| Costs | | |
| Investment management costs paid through investment portfolio | 37 | 46 |
| Investment management costs paid direct | 10 | - |
| | 47 | 46 |

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 loss 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 | 2023 Total £'000 | 2022 Total £'000 |
|------------------------------------|--------------------------------------|--|------------------------|------------------------|
| Aircraft running costs | 3,985 | - | 3,985 | 3,794 |
| Aircraft and airbase equipment | 111 | - | 111 | 5 |
| Airbase running costs | 157 | - | 157 | 105 |
| Depreciation | 668 | - | 668 | 672 |
| Paramedic and clinical staff costs | - | 2,688 | 2,688 | 1,719 |
| Medical supplies and PPE | - | 103 | 103 | 27 |
| General Expenditure | - | 101 | 101 | 111 |
| Tasking costs | - | 213 | 213 | 83 |
| Support costs | 710 | 448 | 1,158 | 786 |
| Governance | 55 | 36 | 91 | 50 |
| Total | 5,686 | 3,589 | 9,275 | 7,352 |

Expenditure on charitable activities was £9,275,000 (2022: £7,352,000) of which £9,156,000 was unrestricted (2022: £7,264,000) and £119,000 was restricted (2022: £88,000).

7. Analysis of governance and support costs

The Charity monitors expenditure on administration costs during the year against the budget which is 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 | 2023 Total £'000 | 2022 Total £'000 | Basis of Allocation |
|------------------|---|--|------------------------|------------------------|-----------------------------|
| Governance | 55 | 36 | 91 | 50 | Time spent on Board matters |
| Business Support | 710 | 448 | 1,158 | 786 | Proportional to spend |
| Total | 765 | 484 | 1,249 | 836 | |

8. Net income/(expenditure) for the year

| This is stated after charging: | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Operating leases | 3,301 | 3,171 |
| Depreciation of tangible fixed assets | 728 | 734 |
| Amortisation of intangible assets | 3 | 1 |
| Audit fees | 15 | 14 |
| Fees payable to the auditor for other services | - | - |
| Fees payable to the auditor for corporation tax compliance services | - | - |

NOTES TO THE FINANCIAL STATEMENTS

9. Consolidated Statement of Financial Activities 2022

| | Unrestricted funds £'000 | Designated funds £'000 | Restricted funds £'000 | Total funds 2022 £'000 |
|--|--------------------------------|------------------------------|------------------------------|------------------------------|
| Income: | | | | |
| Donations and legacies | 13,516 | - | 2,269 | 15,785 |
| <i>Income from charitable activities:</i> | | | | |
| Hospital transfers | - | - | - | - |
| <i>Income from other trading activities:</i> | | | | |
| Trading activities | 698 | - | - | 698 |
| Fundraising events | 113 | - | - | 113 |
| Investment income | 491 | - | - | 491 |
| Other income | 18 | - | 936 | 954 |
| Total income | 14,836 | - | 3,205 | 18,041 |
| Expenditure | | | | |
| <i>Costs of raising funds</i> | | | | |
| Trading activities | 585 | - | - | 585 |
| Fundraising activities and events | 3,189 | - | 12 | 3,201 |
| Investment management costs | 46 | - | - | 46 |
| <i>Expenditure on charitable activities</i> | | | | |
| Aircraft and base costs | 5,163 | - | - | 5,163 |
| Patient care and support | 2,101 | 88 | - | 2,189 |
| Total expenditure | 11,084 | 88 | 12 | 11,184 |
| Net gain/(loss) on investments | 517 | - | - | 517 |
| Net income and net movement in funds for the year | 4,269 | (88) | 3,193 | 7,374 |
| Transfers between funds | 160 | 3,080 | (3,240) | - |
| Net Movement in funds | 4,429 | 2,992 | (47) | 7,374 |
| Reconciliation of funds | | | | |
| Total funds brought forward | 17,261 | 25,968 | 170 | 43,399 |
| Total funds carried forward | 21,690 | 28,960 | 123 | 50,773 |

NOTES TO THE FINANCIAL STATEMENTS

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

| | 2023 | 2022 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Salaries and wages | 4,068 | 1,520 |
| Social security costs | 442 | 151 |
| Employer's costs of defined contribution pension scheme | 55 | 42 |
| Employer's costs of defined benefit pension scheme | 273 | 44 |
| | 4,838 | 1,757 |

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 2023 there were thirty-five (2022: six) 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:

| | 2023 | 2022 |
|---------------------|--------------|--------------|
| | £'000 | £'000 |
| £60,000 - £70,000 | 13 | 1 |
| £70,000 - £80,000 | 3 | - |
| £80,000 - £90,000 | 1 | - |
| £90,000 - £100,000 | 1 | 2 |
| £130,000 - £140,000 | 1 | 1 |
| | 19 | 4 |

Contributions made in year to pension schemes for higher paid employees amounted to £151,705 (2022: £33,027).

The key management personnel comprise the Chief Executive Officer, Chief Operating Officer, Finance Director, Medical Director, Director of Operations and Registered Manager, (2022: Chief Executive Officer, Chief Operating Officer, Finance Director and Registered Manager). The total employee benefits of the key management personnel for the year were £609,870 (2022: £458,057).

During the year no termination payments were made (2022: none).

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 £3,575 (2022: £5,166) 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 (2022: £nil). Expenses amounting to £150 (2022: £160) were reimbursed to 1 (2022: 1) trustee during the year. No Charity Trustees received payment for professional or other services supplied to the Charity (2022: £nil).

The Charity holds trustees and directors Indemnity insurance cover of £5,000,000 (2022: £1,000,000), but the cost is not separable from the total cost of insurance. The level of cover was increased due to the Charity becoming clinically independent from 1 April 2022.

12. Staff numbers

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

| | 2023 Number | 2022 Number |
|---------------------------|----------------|----------------|
| Fundraising | 19 | 18 |
| Logistics | 5 | 4 |
| Administration and HR | 9 | 6 |
| Finance | 5 | 5 |
| Clinical | 59 | 3 |
| Trading | 21 | 17 |
| Average head count | 118 | 53 |

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 2022 | 10,938 | 793 | 969 | 127 | 536 | 3,547 | 16,910 |
| Additions | - | - | 19 | 26 | - | 5,706 | 5,751 |
| Disposals | - | - | - | (42) | - | - | (42) |
| As at 31 March 2023 | 10,938 | 793 | 988 | 111 | 536 | 9,253 | 22,619 |
| Depreciation: | | | | | | | |
| As at 1 April 2022 | 3,176 | 780 | 777 | 68 | 385 | - | 5,186 |
| Charge for the year | 544 | 12 | 94 | 20 | 58 | - | 728 |
| Write back on disposals | - | - | - | (42) | - | - | (42) |
| As at 31 March 2023 | 3,720 | 792 | 871 | 46 | 443 | - | 5,872 |
| Net Book Value | | | | | | | |
| At 1 April 2022 | 7,762 | 13 | 192 | 59 | 151 | 3,547 | 11,724 |
| At 31 March 2023 | 7,218 | 1 | 117 | 65 | 93 | 9,253 | 16,747 |

REPORT OF THE TRUSTEES
For the year ended 31 March 2023

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 2022 | 10,938 | 793 | 899 | 96 | 536 | 3,547 | 16,809 |
| Additions | - | - | 15 | 23 | - | 5,706 | 5,744 |
| Disposals | - | - | - | (42) | - | - | (42) |
| As at 31 March 2023 | 10,938 | 793 | 914 | 77 | 536 | 9,253 | 22,511 |
| Depreciation: | | | | | | | |
| As at 1 April 2022 | 3,176 | 780 | 715 | 56 | 385 | - | 5,112 |
| Charge for the year | 544 | 12 | 91 | 14 | 58 | - | 719 |
| Write back on disposals | - | - | - | (42) | - | - | (42) |
| As at 31 March 2023 | 3,720 | 792 | 806 | 28 | 443 | - | 5,789 |
| Net Book Value | | | | | | | |
| At 1 April 2022 | 7,762 | 13 | 184 | 40 | 151 | 3,547 | 11,697 |
| At 31 March 2023 | 7,218 | 1 | 108 | 49 | 93 | 9,253 | 16,722 |

REPORT OF THE TRUSTEES
For the year ended 31 March 2023

14. Intangible assets

Consolidated

| | Software £'000 | Total £'000 |
|-------------------------|---------------------------|------------------------|
| Cost: | | |
| As at 1 April 2022 | 31 | 31 |
| Additions | 15 | 15 |
| As at 31 March 2023 | <u>46</u> | <u>46</u> |
| Amortisation: | | |
| As at 1 April 2022 | 31 | 31 |
| Charge for the year | 3 | 3 |
| As at 31 March 2023 | <u>34</u> | <u>34</u> |
| Net Book Value | | |
| At 1 April 2022 | - | - |
| At 31 March 2023 | <u>12</u> | <u>12</u> |

Charity

| | Software £'000 | Total £'000 |
|--------------------------------------|---------------------------|------------------------|
| Cost: | | |
| As at 1 April 2022 and 31 March 2023 | 26 | 26 |
| Additions | 15 | 15 |
| As at 31 March 2023 | <u>41</u> | <u>41</u> |
| Amortisation: | | |
| As at 1 April 2022 | 26 | 26 |
| Charge for the year | 3 | 3 |
| As at 31 March 2023 | <u>29</u> | <u>29</u> |
| Net Book Value | | |
| At 1 April 2022 | - | - |
| At 31 March 2023 | <u>12</u> | <u>12</u> |

REPORT OF THE TRUSTEES
For the year ended 31 March 2023

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:

| | 2023 | 2022 |
|--------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Market value at 1 April 2022 | 15,919 | 15,019 |
| Additions at cost | 454 | 316 |
| Disposal proceeds | (24) | (53) |
| Movements in capital account | 19 | 86 |
| Net (loss)/gain on revaluation | (1,181) | 551 |
| Market value at 31 March 2023 | 15,187 | 15,919 |
| Historical cost at period end | 13,405 | 12,958 |

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

| | 2023 | 2022 |
|--|-------------|-------------|
| | £ | £ |
| 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 | |
|----------------------------|--------------|--------------|----------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 16 | 1 | 15 | - |
| Prepayments | 581 | 495 | 557 | 472 |
| Accrued income | 977 | 699 | 977 | 699 |
| Amount due from subsidiary | - | - | 103 | 142 |
| VAT recoverable | 128 | 88 | 113 | 77 |
| Other debtors | 11 | 11 | 2 | 2 |
| | 1,713 | 1,294 | 1,767 | 1,392 |

Amounts due to the Charity from the subsidiary include an agreed loan, which at 31st March 2023 showed amounts due within one year £38,000 (2022: £38,000) and amounts due in more than one year of £38,000 (2022: £76,000).

REPORT OF THE TRUSTEES
For the year ended 31 March 2023

17. Creditors: amounts falling due within one year

| | Group | | Charity | |
|------------------------------------|--------------|--------------|----------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade creditors | 1,359 | 1,265 | 1,348 | 1,223 |
| Accruals | 464 | 310 | 398 | 279 |
| Other creditors | 72 | 37 | 63 | 28 |
| Taxation and social security costs | 141 | 78 | 141 | 78 |
| | 2,036 | 1,690 | 1,950 | 1,608 |

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 | Helicopters | 2023 | 2022 |
|--------------------------|---------------------------------|--------------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Within one year | 84 | 3,195 | 3,279 | 2,970 |
| Within two to five years | 74 | - | 74 | 53 |
| | 158 | 3,195 | 3,353 | 3,023 |

19. Reserves

Consolidated - Current Year

| | Balance 1 April 2022 | Incoming Resources | Outgoing Resources | Transfers/ Gains and (Losses) | Balance 31 March 2023 |
|------------------------------|-------------------------------------|-------------------------------|-------------------------------|--|--------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Restricted reserves | | | | | |
| County Air Ambulance Trust | 115 | - | (97) | - | 18 |
| Home Office | 5 | - | (5) | - | - |
| Birmingham City Council | 2 | - | (2) | - | - |
| The Hospital Saturday Fund | 1 | - | (1) | - | - |
| Capital Project funding | - | 2,027 | - | (2,027) | - |
| Various donors | - | 61 | (21) | - | 40 |
| | 123 | 2,088 | (126) | (2,027) | 58 |
| Designated reserves | | | | | |
| Fixed asset fund | 13,363 | - | - | 3 | 13,366 |
| Aircraft development | 1,500 | - | - | - | 1,500 |
| Capital Project fund | 11,926 | - | - | (4,019) | 7,907 |
| Clinical Costs fund | 2,171 | - | - | - | 2,171 |
| | 28,960 | - | - | (4,016) | 24,944 |
| Unrestricted reserves | | | | | |
| Expenditure fund | 19,814 | - | - | 5,702 | 25,516 |
| Development plan | 1,500 | - | - | - | 1,500 |
| General fund | 376 | 15,574 | (13,595) | (840) | 1,515 |
| | 21,690 | 15,574 | (13,595) | 4,862 | 28,531 |
| Total reserves | 50,773 | 17,662 | (13,721) | (1,181) | 53,533 |

REPORT OF THE TRUSTEES
For the year ended 31 March 2023
19. Reserves continued
Consolidated - Prior 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 |
| Capital Funding Project | - | 3,193 | - | (3,193) | - |
| Various donors | - | 12 | (12) | - | - |
| | 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 2023

19. Reserves continued

Charity - Current Year

| | Balance 1 April 2022 £'000 | Incoming Resources £'000 | Outgoing Resources £'000 | Transfers/ Gains and (Losses) £'000 | Balance 31 March 2023 £'000 |
|------------------------------|---|---|---|--|--|
| Restricted reserves | | | | | |
| County Air Ambulance Trust | 115 | - | (97) | - | 18 |
| Home Office | 5 | - | (5) | - | - |
| Birmingham City Council | 2 | - | (2) | - | - |
| The Hospital Saturday Fund | 1 | - | (1) | - | - |
| Capital Project funding | - | 2,027 | - | (2,027) | - |
| Various donors | - | 61 | (21) | - | 40 |
| | 123 | 2,088 | (126) | (2,027) | 58 |
| Designated reserves | | | | | |
| Fixed asset fund | 13,363 | - | - | 3 | 13,366 |
| Aircraft development | 1,500 | - | - | - | 1,500 |
| Capital Project fund | 11,926 | - | - | (4,019) | 7,907 |
| Clinical Costs fund | 2,171 | - | - | - | 2,171 |
| | 28,960 | - | - | (4,016) | 24,944 |
| Unrestricted reserves | | | | | |
| Expenditure fund | 19,814 | - | - | 5,702 | 25,516 |
| Development plan | 1,500 | - | - | - | 1,500 |
| General fund | 277 | 14,578 | (12,720) | (840) | 1,295 |
| | 21,591 | 14,578 | (12,720) | 4,862 | 28,311 |
| Total reserves | 50,674 | 16,666 | (12,846) | (1,181) | 53,313 |

REPORT OF THE TRUSTEES
For the year ended 31 March 2023

19. Reserves continued

Charity - Prior 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 | | - | - | (47) | 115 |
| Home Office | 5 | - | - | - | 5 |
| Birmingham City Council | 2 | - | - | - | 2 |
| The Hospital Saturday Fund | 1 | - | - | - | 1 |
| Capital Funding Project | - | 3,193 | - | (3,193) | - |
| Various donors | - | 12 | (12) | - | - |
| | 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 |

Restricted funds

The Charity is grateful to numerous organisations for their support. All the funds are restricted to the purpose for which they were given. The income within the Capital funding Project comprises of funders that have given specifically for the new Airbase and Headquarters building. 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.

The capital project fund relates to the build of a new Airbase and Headquarters building at Neachley Lane, Cosford. This achieved practical completion on 26th June 2023.

The clinical costs fund is to cover any increased costs of the clinical service following clinical independence.

REPORT OF THE TRUSTEES
For the year ended 31 March 2023

20. Analysis of net asset by fund

| Current Year | Restricted Funds £'000 | Designated Funds £'000 | Unrestricted Funds £'000 | 2023 Total £'000 |
|--|---------------------------------------|---------------------------------------|---|---------------------------------|
| Tangible and intangible fixed assets | 25 | 16,734 | - | 16,759 |
| Investments | - | - | 15,187 | 15,187 |
| Cash at bank and in hand | 33 | 8,210 | 13,598 | 21,841 |
| Other net current (liabilities)/assets | - | - | (254) | (254) |
| Total | 58 | 24,944 | 28,531 | 53,533 |

| Prior 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 |

21. Financial instruments

| | 2023 £'000 | 2022 £'000 |
|---|-----------------------|-----------------------|
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 37,028 | 39,402 |
| Financial assets that are debt instruments measured at amortised cost | 27 | 13 |
| | 37,055 | 39,415 |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | 1,431 | 1,302 |
| | 1,431 | 1,302 |

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.

REPORT OF THE TRUSTEES
For the year ended 31 March 2023

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 £412,637 (2022: £335,000) and expenditure was £412,286 (2022: £287,668). Money owed to the Charity from the trading company at the year-end was £27,638 (2022: £27,990).

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 transactions with any related parties.

23. Capital Commitments

At 31 March 2023 there were capital commitments of £2,005,029 (2022: £7,297,031)

24. Post Balance Sheet Events

On 12th June 2023 the Board of Trustees signed a contract to buy a new Airbus H145 D3 Helicopter costing circa 9.9m euros to replace the leased aircraft. 10% was paid in June 2023, with two further tranches to be paid, 40% in June 2024 and 50% in December 2024. The new aircraft will be in operation from April 2025.