

The Dorset & Somerset Air Ambulance Charity
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 March 2021

Company Number: 03893356
Charity Registered in England and Wales Number: 1078685



The Dorset & Somerset Air Ambulance Charity
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For the Year Ended 31 March 2021

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The Dorset & Somerset Air Ambulance Charity

Reference and Administrative Details

For the Year Ended 31 March 2021

Trustee Directors	Dr G Bryce (Chair) M Gallagher S Jones R Kennedy H Nobbs A Phillips R Popper D Senior G Taylor
Secretary	C Launchbury
Chief Executive Officer	W Sivewright
Deputy Chief Executive	J Plowden (from 1 April 2021)
Finance Manager	C Routley J Plowden (until 31 March 2021)
Lottery Manager	C Guy
Charity Number	1078685
Company Number	03893356
Principal Address and Registered Office	Landacre House Castle Road Chelston Business Park Wellington Somerset TA21 9JQ
Auditors	Albert Goodman LLP Goodwood House Blackbrook Park Avenue Taunton Somerset TA1 2PX
Bankers	National Westminster Bank Plc South West RCSC 740 Waterside Drive, Aztec West Almondsbury, BS99 5BD Virgin Money Jubilee House Gosforth Newcastle upon Tyne, NE3 4PL Aldermore 6 th Floor, The Monument Building 11 Monument Street London, EX3R 8AF

The Dorset & Somerset Air Ambulance Charity

Reference and Administrative Details

For the Year Ended 31 March 2021

Cambridge & Counties Bank
Charnwood Court
5B New Walk
Leicester, LE1 6TE

Cambridge Building Society
PO Box 232
51 Newmarket Road
Cambridge, CB5 8FF

Close Brothers Treasury
4th Floor, 10 Crown Place
London, EA2A 4FT

Hampshire Trust Bank
Savings
PO Box 74003
London, EC2P 2QR

Hodge Bank
One Central Square
Cardiff, CF10 1FS

Saffron Building Society
Saffron House
1a Market Street
Saffron Walden
Essex, CB10 1HX

United Trust Bank Limited
One RopeMaker Street
London, EC2Y 9AW

Investment Advisors

Brewin Dolphin
Vantage Point
Woodwater Park
Pynes Hill
Exeter, Devon, EX2 5FD

Rathbones Investment Management
The Senate, Southernhay Gardens
Exeter, Devon, EX1 1UG

Smith & Williamson
Portwall Place
Portwall Lane
Bristol, BS1 6NA

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2021

The Trustees, who are also directors of the Charity for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 March 2021. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Charity's governing document and the Statement of Recommended Practice (SORP FRS 102- implemented 1 January 2019).

The full name of the Charity is The Dorset & Somerset Air Ambulance Charity. It was incorporated 13 December 1999 as a company limited by guarantee. Its company registration number is 03893356. Its Charity registration number is 1078685. The registered office is Landacre House, Castle Road, Chelston Business Park, Wellington, Somerset, TA21 9JQ.

References and Administrative Details

Administrative information is given in a separate section at the front of these accounts.

Directors and Trustees

The directors of the Company are the Charity's trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year-end are as follows:

- Dr G Bryce (Chair)
- M Gallagher
- S Jones
- R Kennedy
- H Nobbs
- A Phillips
- R Popper
- D Senior
- G Taylor

None of the Trustees have any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £1 in the event of a winding up.

Structure Governance and Management

Governing Document

The Dorset & Somerset Air Ambulance Charity (DSAA) is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association. It has a dormant subsidiary company, Dorset & Somerset Air Ambulance (Trading) Limited (Company registration number 03861464).

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The Board

DSAA is controlled by a Board of Trustees embracing a balanced spectrum of skills and experience including healthcare, aviation, legal, business, finance, the Armed Forces, charities and local affairs. The Charity follows a defined protocol for the recruitment of new Trustees which facilitates both personal referrals and professional recruitment. Regardless of how the potential trustee is introduced to the Charity, they must follow the defined protocol. The protocol enables both Trustees and candidates to make proper assessments before appointment. Trustees are appointed in accordance with the DSAA constitution, in line with a defined procedure and fulfil their responsibilities in accordance with clearly defined and approved Terms of Reference. The Board comprises a Chair and up to twelve other trustees. It has two sub-committees responsible respectively for staffing and remuneration and finance. It is policy to maintain a balance in county representation on the Board.

In line with the Charity Governance Code recommendation "...an external evaluation every three years...", the Charity commissioned a comprehensive independent review of its governance structure and its policy framework during 2019. The purpose of the review was to develop best practise against nationally recognised benchmarks, provide an opportunity to stop and reflect as part of continued development and to strengthen governance practise further. The review concluded that the Charity has "hugely impressive Governance". Despite the very positive findings of the review, a number of areas of governance have been further improved during the year and in February 2021, the Trustees conducted a workshop to review and confirm the specific areas of trustee recruitment, decision-making and appraisal.

The Board maintains close liaison with Southwestern Ambulance Services NHS Foundation Trust (SWASFT) on all aspects of medical provision and governance and with Specialist Aviation Services on all aviation matters. These two bodies are directly involved in the operational governance of all charitable activities and, through the executive, provide the Board with professional advice on all operational matters.

Risk Management

The principal risks to which the Charity is exposed are set out in its Risk Management Strategy which is supported by a Risk Matrix which includes all identified risks. The matrix presents a high-level overview of the identified risks' status, including the probability and impact of occurrence, mitigation measures and the person responsible for managing the risk. The Strategy is reviewed by the Executive on an annual basis and by the Board on a three-yearly cycle unless there has been a significant change. The Risk Matrix is reviewed quarterly, at each meeting of the Board, newly identified risks are added and risk levels reviewed. In this way the Board maintains oversight of identified risks and can satisfy itself that proper measures and systems are in place to mitigate or eliminate those risks and that appropriate insurance cover is obtained. The frequency of this review ensures that trends can be identified early and that contemporary external issues that might affect the risk status for the Charity can be considered and addressed in a timely fashion.

Employees and Volunteers

The Charity is managed by full and part-time staff of 19 (15 full time equivalent), including 4 fundraisers. The day-to-day management of the charity and its finances is delegated to the key management personnel, who the Trustees consider to be the Chief Executive Officer, the Deputy Chief Executive Officer/ Finance Managers (Job Share) and the Lottery Manager.

Remuneration of Key Personnel

The Staffing and Remuneration Committee, consisting of the Chair and 2 Trustees, is responsible to the Board for an annual review of the staffing levels, contracted terms of engagement and remuneration levels of all salaried staff of DSAA. Salary levels for all staff are considered in line with regional and sector norms set against the levels of responsibility expected within a role. The Committee also reviews benefits that affect volunteers, such as mileage allowance. The Committee considers the annual pay review in line with the draft annual budget for the Charity and makes recommendations to the Board.

Use of Volunteers

The Charity is extremely grateful for and very well supported by 118 volunteers. They normally perform a wide range of invaluable duties on behalf of the Charity including giving talks, supporting events and manning information/merchandise stalls.

However, during the year, restrictions on movement and group gatherings have meant that our volunteer activity has been severely restricted. However, where appropriate, some volunteers have assisted with administrative tasks that they have been able to conduct at home.

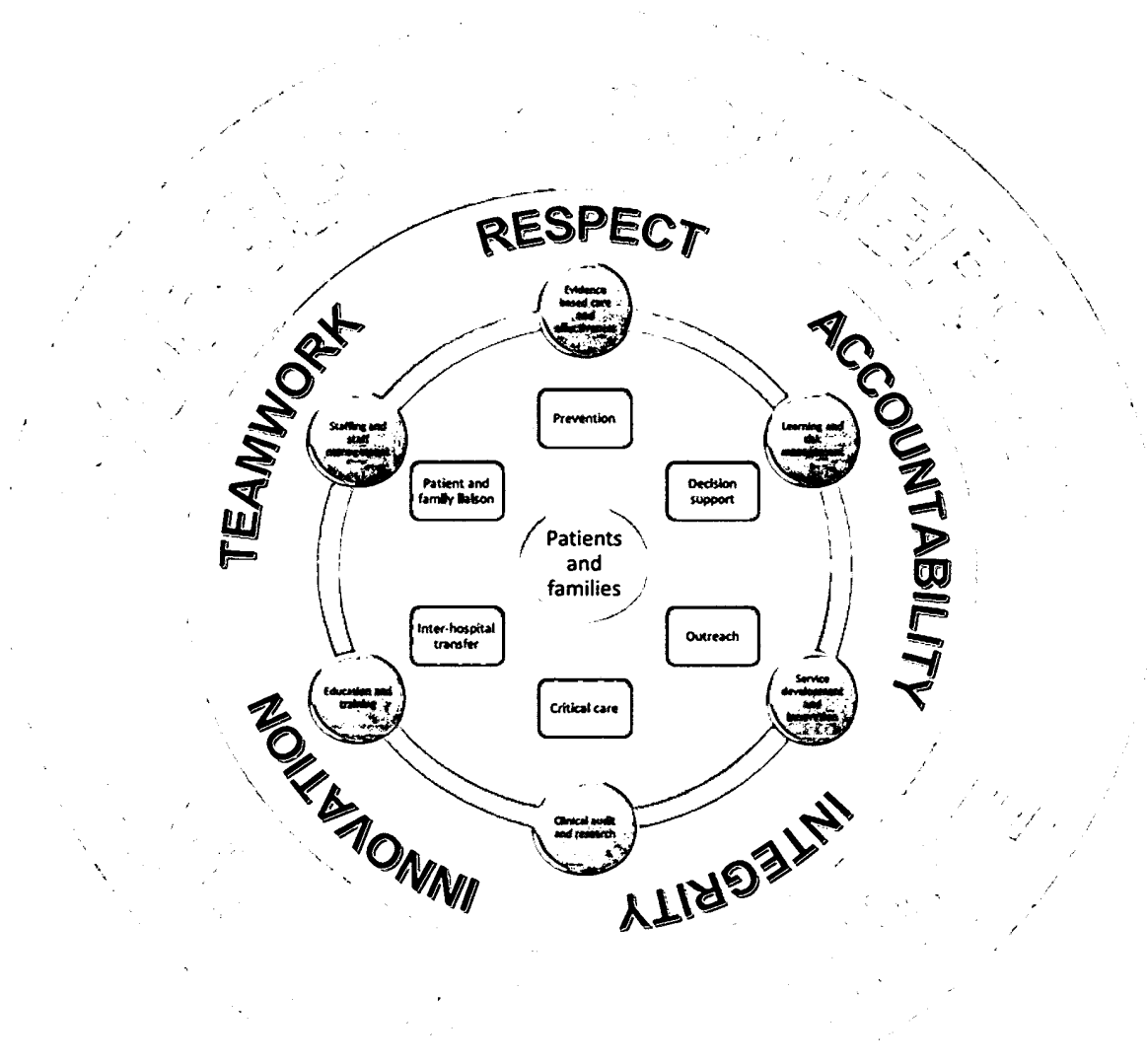
We believe that our volunteers represent much more than just a "labour source". They are our eyes, ears and voices in the communities we serve. Their interaction with others in their communities helps to raise awareness and boost support for the Charity across Dorset and Somerset. They also provide us with an excellent feedback mechanism, helping us to shape our approach to volunteering, fundraising and general operations.

To support them in this role, and recognising that many fall into vulnerable categories, we have maintained contact by telephone and email throughout the long periods of lockdown. This has helped to sustain their morale, update them on any changes taking place and to prepare them for the task ahead when the Charity is once again out and about, face to face fundraising.

STRATEGIC REVIEW

Objectives and Activities

The Charity's object and its principal activity is the relief of sickness and injury and the protection of human life principally (but not exclusively) by the provision and support of an air ambulance service for the benefit of the population of Dorset and Somerset. The vision for the Charity is to provide the maximum patient benefit by delivering a highly effective, clinically excellent and financially secure air ambulance service in the Southwest Region.



DSAA Model for Patient-Focused Care – P Hyde

The Dorset & Somerset Air Ambulance Charity

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The model above shows how, within the overall context of the clinical governance of SWASFT, DSAA provides clinical governance aspects in the 'blue' layer and these inform much of the work conducted in the 'green layer'. Importantly, patients and families remain at the centre of all thinking and the Charity's values wrap around everything we do.

Assessment of success of the clinical strategy is complex and requires careful examination of both empirical data and patient outcomes. There are currently no national criteria of pre-hospital clinical performance against which DSAA can be measured. However, our clinicians are working with the other air ambulances both regionally and nationally to resolve this issue. In the meantime, the level of demand for our clinical service from other health professionals (Ambulance Service Paramedics and NHS Hospital Trust Consultants, et al) is at least an indicator of success since it points to professional trust of the standard of DSAA clinical delivery.

Unfortunately, using NHS systems of reporting alone, provides no clear patient outcome data that reflects the care given in the pre-hospital environment. To overcome this, the Charity uses the PHEMnet clinical database system to assist with analysis, audit and research. Also, to further resolve patient outcomes, DSAA has 2 Patient and Family Liaison Support Nurses to follow patients' progress after their treatment by DSAA and feedback into the Charity.

Our long-term aim remains to advocate for patients in the pre-hospital environment by facilitating greater cooperative working with all agencies involved in patientcare across the South West. This includes providing support to road safety, accident prevention and health promotion initiatives in an effort to reduce the number of avoidable calls on the Critical Care Team. DSAA dove tails injury and illness prevention messages into the core of Charity activity. The Charity has developed a specific prevention part of the DSAA website and ensured that each edition of the Charity's magazine, Beeline has prevention messaging embedded both for trauma and cardiac disease. The prevention activity of DSAA staff has been well highlighted through DSAA communications. Also, DSAA's collaboration with Docbike, a motorcycle safety charity founded by one of the Charity's doctors, continues to strengthen. This year, one of our practitioners has also launched an initiative aimed at reducing the number of victims of agricultural incidents through raising awareness and education. This is directly supported by our communications and fundraising teams.

Dorset and Somerset Air Ambulance
Published by Carla-Marica Yerbury · 22h · 🌐

August is National Road Victim Month. On average, five people lose their lives on Britain's roads every day. Many members of our critical care team play an important part in actively supporting injury prevention with projects that help to prevent people being killed or seriously injured on our roads. You can read more about these initiatives on our website: <https://bit.ly/2UWQEez>

#dsaa #injury #injuryprevention #Nationalroadvictimmonth

Injury prevention projects

3,140 People reached 41 Engagements ↑ +1.2x average Distribution score **Boost post**

It remains our ambition to extend our current 19/7 service to 24/7 in time. Our analysis shows that there is an unmet need that this change would help to reduce. However, consistent with our approach to all developments, we will only step forward once we are certain that the development will deliver and can be sustained.

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Specialist Aviation Services provide a full aviation service managed through a contract that came into effect on 1 April 2017. The contract encompasses the provision of the helicopter (including backup), pilots and engineers to support day to day operations as well as full maintenance and logistic support. SWASFT, through its statutory authority, is responsible for tasking the helicopter. Support to the Charity is managed through 2 Service Level Agreements (SLA). The first SLA covers the provision of 18 Paramedics and Nurses (7.2 are paid for by SWASFT) and associated equipment, support and maintenance. This forms part of the core capability of the Charity's clinical provision. The second SLA is for the provision of specialist Helicopter Emergency Medical Service (HEMS) tasking to ensure that air ambulances are sent to the most appropriate incidents. The HEMS tasking provision is funded equally by the five air ambulance charities operating in the SWASFT area. The Charity's clinical activities include significant governance supervision, events and training. However, overall clinical governance of the Charity's operations is retained by SWASFT.

The Charity has complied with the duty in section 17 of the 2011 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance, when reviewing our aim and objectives and in planning our future activities. Trustees are also mindful of the Charity Commission's requirement that they be "informed by, but not directed by, the ambulance service".

Public Benefit

DSAA responds only to incidents having been tasked by the HEMS specialist tasking team in the SWASFT Dispatch Centre. This ensures that it attends incidents across Dorset and Somerset and, at times beyond its borders, according to where it can deliver best effect. The Charity delivers its service to patients, regardless of age, according to clinical priority and without discrimination.

The continued development of its clinical provision requires the Charity to consider other players in the emergency support to patients. The crews now run regular cross-training exercises with members of the Maritime Coastguard Agency Search and Rescue teams, the Police and Fire Services, road-based elements of SWASFT and Emergency Departments of our local NHS Hospital Trusts.

In doing so it has demonstrated its patient-focus and benefit to every segment of the population resident in and transiting through both counties and around their borders.

Achievements and Performance

The Charity has been heavily affected by the restrictions and complications associated with the Covid-19 crisis. However, DSAA has avoided some of the financial losses forecast in many other parts of the third sector. This is in due to a favourable outcome in invested reserves, a very successful telephone campaign to increase our lottery membership, 2 very strong responses to our Summer and Christmas Raffle and a welcome increase in legacy funding.

Although voluntary fundraising through events and collection boxes has, for obvious reasons, fallen dramatically for the period of this report, we are confident that the ending of restrictions will see a sharp turnaround in these areas. This confidence is based on our knowledge and understanding of our historically loyal supporter-base and the positive recognition of how well we responded to the clinical needs of patients throughout the year.

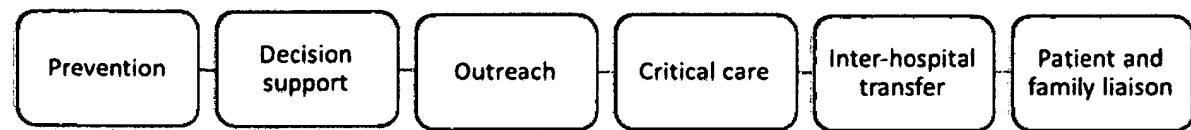
Operations

During the period covered by this report much has changed and the service being delivered by Dorset and Somerset Air Ambulance has continued to move forward. Many of the elements within our pathway of care have now linked together working towards a more complete package.

The Dorset & Somerset Air Ambulance Charity

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DSAA Clinical Services Pathway of Care

Figure 1 - Annual Delivery Figures for 1 April 2020 to 31 March 2021

DSAA Charity Data

Report from 01/04/2020 to 31/03/2021

Total number of missions: 2,022

- Somerset county: 506

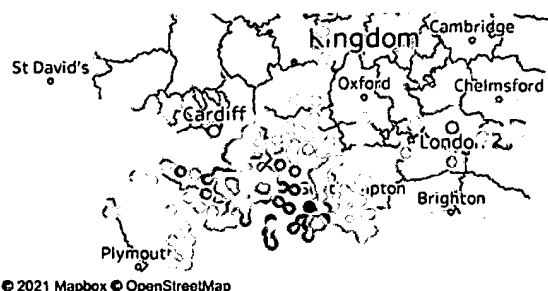
- Dorset county: 1,309

Blood: 38

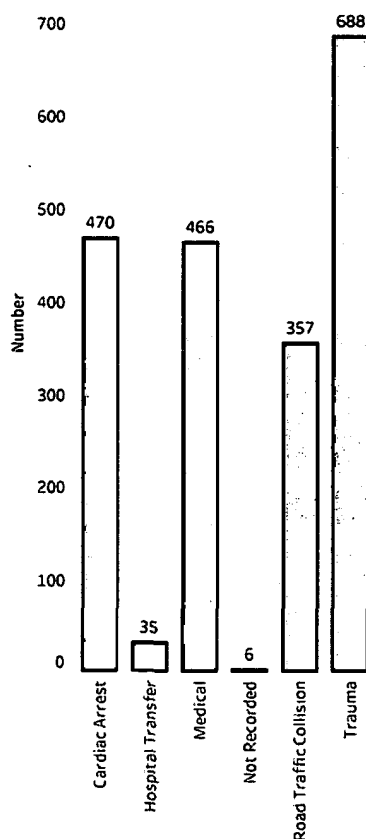
Critical Care Team 1,220

Enhanced Care 802

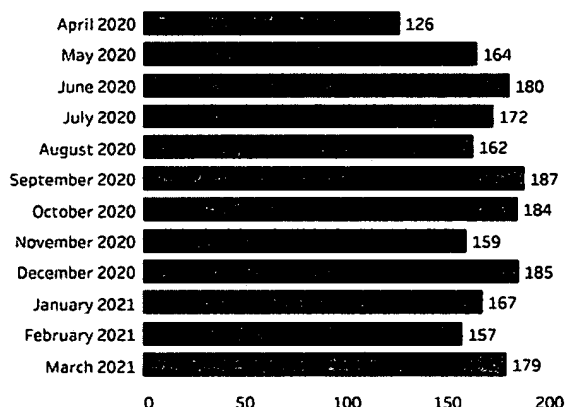
Incident locations



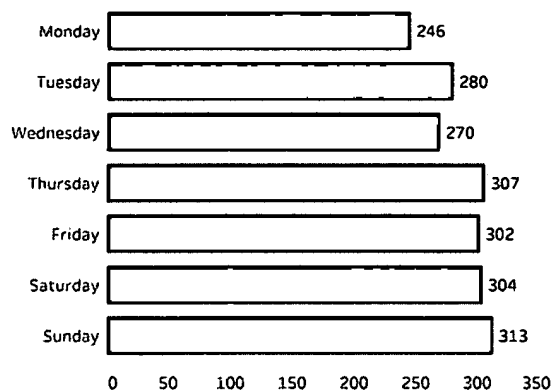
Incident type



Incidents by month



Incidents by day



During the period of this report, Dorset and Somerset Air Ambulance (DSAA) were activated to 2,022 incidents. That is similar to the previous year's tasking and up on the years prior to that. The key change that has affected this metric is the deployment of an Outreach Response Car (ORC) in Dorset.

Outreach Response Cars (ORC)

The role of the ORC is to raise awareness of the patient benefit that can be derived from the timely delivery of critical care to other health professionals. Delivering this outreach function is done through the practical delivery of an enhanced care response to patients in the area.

The Dorset ORC responded to 802 incidents during the year. Manned by one of our Critical Care Practitioners, patients now have access to an enhanced level of care that a normal road ambulance crew is unable to deliver. On scene, our practitioner will either treat the patient alone or more often work with a road ambulance crew to assist the patient. If he/she assesses that the patient requires critical care, they can advise SWASFT and our Critical Care Team on the helicopter. Of course, it is impossible to cover both counties with enhanced care cars through the road network in a timely fashion. However, we are planning to add a Somerset ORC to our service in 2021.

Critical care

The figures for the year might well have been higher but for the effect of the Pandemic. Numbers of incidents were suppressed by a combination of factors including the restriction of movement across the population and the extended times required to deal with individual incidents due to virus protection measures.

We were called to fewer trauma incidents but those involving in road traffic collisions, for example, tended to be more serious. This is likely due to quieter roads and higher speeds, but we do not yet sufficient evidence to confirm that view.

Also, although the tasking to Covid patients was not as high as had been expected, all had to be treated as though positive with regards to the donning of Personal Protection Equipment (PPE). The burden on our crew of this mode of operation should not be understated. Full PPE presents significant challenges to those dealing with patients. It can be incredibly hot, gloves masks and eye protection degrade touch, sight, and communication. Dealing with these factors whilst trying to treat a patient or fly an aircraft is particularly demanding and can be extremely stressful. Our crews deserve all our praise and gratitude for the incredible way in which they have sustained our service to patients throughout the year.

We have been fortunate to benefit from considerable support from both SAS and SWASFT. Whether this was through innovation in design changes to both the aircraft and equipment, or through simplified logistics and the provision of alternative supplies of PPE, the list is endless. Due to the close working relationship with SWASFT, DSAA did not suffer from the PPE supply-chain anxieties felt by many other organisations. One of the key lessons of the last 18 months has been that we can deliver more and better in collaboration with others.

Having much of the management overhead associated with effective clinical and aviation governance held outside of the Charity enabled our personnel to focus on the front-line aspects of delivery and sustaining our service throughout the most testing of times. The trust that our close collaboration engenders with our NHS partners was undoubtedly a factor in their decision to leave their personnel with the Charity rather than withdraw them to their respective NHS Trusts despite being under significant pressure themselves.

We believe that our strategy of outsourcing these key governance aspects, overlayed with very close collaboration and internal scrutiny were key to DSAA successfully delivering its full service plus adding additional resources to the national effort to deal with the pressures of the pandemic on the NHS more widely.

Inter-Hospital transfer

In addition to the routine, day to day tasking of HEMS missions, DSAA also delivered critical care teams to facilitate the movements of desperately sick Covid patients between hospitals to avoid the NHS becoming overwhelmed in the hardest hit areas. This necessitated a standard and skillset that many other teams across the country can only aspire to. DSAA was able to deliver teams that had trained together, fully equipped, and capable of operating on a wide variety of platforms. As a result, DSAA conducted 12 transfers before being stood down; more than half of the national inter-regional effort.

During this same period, DSAA has become the only team within the South and Southwest permitted to transfer and retrieve paediatric patients through bespoke pathways between hospitals across the wider region and the specialist centres based at Southampton and Bristol. This capability has taken several years to develop and is testament to the determination of the Charity to deliver on its vision of clinical excellence and its robust framework for the selection, education, and training of its clinicians.

Operational Support Activity

Our Patient and Family Liaison Nurses (PLAS) have continued to build relationships with both patients, families and with the key elements of the care pathways. They have helped to improve understanding of patients and those closely affected by the care that is delivered. They are also providing high quality feedback to our clinicians on patient progress and professional feedback on the care delivered. This, of course, comes at a price; stretching their time and availability to the limit.

Our trial of psychological supervision program is now entering its 3rd year and although, this year, much of it has had to be delivered at a distance, it has provided a much-needed layer of support to the well-being of our crews and an excellent complement to the services available to all clinicians through their parent NHS Trusts. The program is due for formal review near the end of 2022.

A number of our clinicians now form the nucleus of a DSAA Research Team which is formally supported by a Professor and Lead Research Practitioner. Although still a relatively new initiative, we are hopeful that much of their work will be self-funding through a variety of research grant opportunities. We hope that our focused research will be able to inform some fundamental issues such as the benefits of pre-hospital critical care; what works and what doesn't.

Many of the developmental strands rely heavily on strong data support. For DSAA, our clinical data is captured and managed within PHEMNet. This system, which was originally developed in-house by DSAA and is now owned by a Community Interest Company, has successfully achieved NHS approval as well as full Cyber Essentials Plus accreditation. We hope that this will add weight to the argument for PHEMNet to become a national repository for pre-hospital data and which can then be used to turn the spotlight on an area where precious little formal research exists.

Aviation

During the year, we changed the terms of our SAS contract to increase the number of pilots (Captains) from 4 to 5 to provide a more resilient structure that would be less reliant on the SAS visiting pilot pool. We also changed the status of our SAS engineer to enable him to focus primarily on DSAA's day to day aviation engineering tasks rather than cover multiple bases.

Following a review of the increased demands on the flight crew, particularly when operating on full night vision systems we took the decision to move to a multi-pilot model. We hope that our 'First Officers' will begin to arrive in September 2021 and the change will be complete by February 2022.

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We are cognisant of the disruptive aspect of these changes and of the potential for an aviator/clinician divide. In order to mitigate these effects, we are planning infrastructure changes at the base that will ensure that the symbiotic relationship between the 2 disciplines is maintained. We will also retain the policy of training every clinician as a Technical Crew Member (TCM) on appointment.

Despite the amazing developments that have taken place over the last year, DSAA clinical provision still faces a number of ongoing challenges, including the following:

- Accessing the unmet patient-need within current operating hours through improved tasking, outreach activity and inter-hospital transfers.
- Supporting our current patients and families through DSAA liaison.
- Sustaining and improving the standard of clinical care through robust and mature clinical governance and research.
- Continuing to attract clinicians of quality to replace those who have moved on.
- Sustaining the clinical team through developmental opportunities and psychological support.
- Rising to the challenge to provide equitable access to DSAA care across the 24-hour clock.
- Stopping the people of Dorset and Somerset becoming patients in the first place.

Fundraising

The Charity is committed to maintaining the highest standards of fundraising behaviour and is registered with the new Fundraising Regulator. All contracts with third parties associated with DSAA fundraising are set in line with the guidelines issued by the Fundraising Regulator. The Charity's fundraising policy promotes a very benign approach to voluntary fundraising; concentrating on achieving a high volume of smaller donations rather than a low volume of high value donors. To that end, we support individuals and groups who run events and activities on our behalf and only run one event, our Coast to Coast Cycle Challenge, directly.

This year has been the most challenging time for fundraising when faced with partial and total lockdown for most of the year. Fundraising across the charity sector has struggled with the COVID-19 pandemic, lockdown, and the legacy from this. With DSAA's fundraising team being based mainly at home in 2020 it has been about dealing with queries, online donations, and virtual contact with the community.

Despite these challenges it is to the credit of our wonderful fundraising volunteers and the team that support them, that our fundraising continued.

Volunteers and community supporters

We have 118 dedicated, inspiring volunteers essential to the success of the charity. They stayed by our side and continued to support us from afar. Even though 6 left during the year (through various circumstances) these are already replaced by new volunteers.

DSAA was committed to maintaining a support network for charity staff and volunteers with regular communications via zoom. Volunteer meetings have continued via Zoom or phone calls on a one-to-one basis. For those without access to electronic communications, or unable to attend, they have received updates by post and/or via our monthly internal communications bulletin.

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Donations

As with all charities, our supporters were still fundraising for us albeit in difficult circumstances. The imagination of our supporters was incredible, raising funds in diverse, COVID-19 safe ways. There were virtual events, sponsored walks but one of the most charming was the young man (aged 14) camping out in a self-constructed WW2 war shelter for 4 months and raising £4,323.

We received £162,376 from 2076 individual donations. There were hundreds of sponsored events raising another £194,608.

Total donations amounted to £1,114,957 this financial year compared to £1,559,813 in the previous year. Even though there is a reduction we are delighted at the support we have been given and shows how much DSAA means to the communities in Dorset and Somerset.

Legacies

Legacy income this year was £2,296,300 up from £1,870,154 the previous year.

Charity Lottery

The Charity's lottery represents the single biggest component of our overall income. We manage the lottery in house but outsource the canvassing activity to a 3rd party canvassing provider. Our canvassers all go through a strict induction process and their behaviour is monitored by us with regular random compliance calls to new members. The whole canvassing team participate in half yearly training events, although this obviously did not happen last year, and they receive regular contact and updates from the charity.

With lockdown restrictions in place, our canvassing team were only able to work for 13 weeks during the year and therefore were unable to recruit our normal number of new members. Instead, we decided to undertake a telephone campaign, asking our current single ticket lottery players if they would like to take out a second weekly ticket. This proved to be very successful and by the end of the campaign, nearly 7,000 extra tickets had been sold, showing how our players were happy not only to continue but to increase their support for the charity.

The lottery's gross income for the year was £4,476,911 and although this was down £74,000 on FY20, the two additional seasonal raffles banked an amazing £330,740, £151,000 more than had been received the year before to ensure that this year's total income exceeded that of the previous year.

Charity of the Year

Our community fundraisers contacted businesses to offer support in the difficult climate. 50 Zoom presentations were hosted about the work of DSAA, engaging with new and existing supporters. This has created a positive legacy and meant that businesses have chosen us as their new charity of the year e.g. Rotary, Lions, golf clubs across the counties and Greenslade Taylor Hunt with its 16 offices. It has also seen some supporting businesses carry DSAA over for another year e.g. Taunton Marks and Spencer's and AC Mole and Sons.

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Collection boxes and recycling banks

Staff serviced the collection boxes on a reactive basis. What was incredible is that money was still coming in. In Somerset alone, between June and October, we still received £19,000. This upcoming year will see us adding QR donation codes to our tins for those that do not carry cash. We received an income of approximately £120,000 over the financial year from textile recycling banks across Dorset and Somerset. In support of this revenue stream, volunteers were able to secure a further 6 sites for recycling banks.

Coast to coast

The annual Coast to Coast cycle challenge was cancelled in 2020 and then further postponed to 5th September 5th 2021. Our target of £15,000 is on the way to being reached.

The recruitment of a Fundraising Manager and the return of the Dorset Community Fundraiser from maternity leave means the team is now complete. We are now looking forward to reinvigorating fundraising by creating new, exciting, simple fundraising ideas. Based on this last years' experience, we will try to create fundraising challenges that are accessible by all, possibly even from the comfort of one's own home. However, our key priority is to re-engage with our incredibly loyal supporters who have helped to keep our vital life-saving service to be there for those in need.

Investments

The investment objective for the long-term reserves is to generate a fund capable of providing an income in the future that will offset any possible risks to other income. The aim is to be able to provide at least 50% of operating costs (c£3.5m) from investment income from 2035 onwards. This means that the Charity seeks to produce the best financial return within an acceptable level of risk.

The investment objective for the short-term reserves is to preserve the capital value with a minimum level of risk. Assets should be readily available to meet unanticipated cash flow requirements. The Charity aims to build long term reserves to ultimately provide income to reduce dependence on fundraising initiatives.

In order to mitigate the risk of investments, the Charity's holdings are managed by three separate investment managers and an active cash management service. Whilst they are all instructed similarly as to the level of risk and ethical restrictions on investments, they deliver a diverse range of investments that is monitored by the Charity using a common set of criteria. This helps to identify possible areas of stronger/weaker performance and trigger questions to the investment managers directly. Diversification has helped to balance out the worst of market fluctuations and has achieved the overall investment objectives.

Future Plans

Increasing Critical Care availability

The Charity considers that at least 100 patients per year could benefit from the provision of its critical care service for 24 hours per day. The major limiting factor in achieving this goal is considered to be the lack of assured helicopter availability. It demands more reliable access to a second aircraft than is currently provided in our contracted backup arrangements. A number of models for providing such support are being explored for affordability. One of these includes the purchase of our existing helicopter. Although this would require significant capital expenditure, it would also reduce the Charity's liability for the lease cost of the platform. This approach was not considered appropriate at the time of the original procurement because of the potential risk of buying a new mark of aircraft that failed to succeed in the aviation market; it would leave the Charity with a very expensive asset that it might struggle to sell. The AW169 has now been in production for 5 years and has proven to be very popular. Hence, the earlier concerns have been reduced considerably.

Other plans for the future

Accessing those patients who can benefit from DSAA critical care but currently are not provided that opportunity by assisting with the development of better tasking and by continuing development of our Outreach programme with other health professionals.

Promoting clinical data to advocate for improvements in patient care through audit and research. This includes the provision of a DSAA Clinical Research Lead.

Advocating for patients across pathways of care into hospitals, including influencing developments in First Response and in Primary prevention of illness and injury.

Development of DSAA as a national training centre in pre-hospital emergency medicine for doctors.

Pilot the concept of training paramedics/nurses to become consultant practitioners in PHEM.

Financial Review

Transactions and Financial position

The Statement of Financial Activities shows a net movement in funds of £6,251,183 for the year (2020 - £875,206) and reserves stand at £39,757,609 all of which is unrestricted. The cash and cash equivalents at the end of the financial year stood at £9,819,621 with a further £10,213,582 in cash term deposits.

Tangible Fixed assets for use by the Charity

Details of the movements of fixed assets are set out in note 10 of the Accounts.

Investment Policy and Returns

The Charity has adopted an investment policy which minimises financial risk to the Charity, while producing potential for capital growth over the long term. Under the memorandum and articles of association, the Charity has the power to make any investment which the Trustees see fit.

The Charity has adopted an ethical investment policy to ensure that its investments do not conflict with its aims. For example, there is a proven link between disease and the consumption of alcohol and tobacco. Therefore, the Charity's ethical investment policy precludes direct or indirect investment in companies that generate more than 10% of revenues from alcohol or tobacco.

Trustees are also considering positive ethical investment in areas such as renewable energy.

Reserves policy

Reserves stand at £39,757,609 with no restrictions. The cash and cash equivalents at the end of the financial year stood at £9,819,621 with a further £10m in cash term deposits.

The Trustees have agreed that the Charity should maintain £500,000 in cash as a reserve to cover all known contractual liabilities and £500,000 retained to cover any demobilisation charge by Specialist Aviation Services. In order to ensure continuity in operations, the Charity has an option to 'buy out' the loan of the other investor in the aircraft, should they fail to meet their obligations. This requires the designation of £3.3m in 2018/19, reducing to £1.5m by 2027 at the end of the contract period.

The Charity is currently assessing the feasibility of proceeding to 24/7 operations. To provide resilience to the service the Charity would have to procure a second aircraft or at least assured access to one.

In considering the increasing pressure on fundraising and possible amendments to society lottery rules, Trustees have established an investment policy that seeks to grow unrestricted reserves to a level that could provide an income equal to 50% of the operational costs of the Charity from 2035.

With this in mind, the Trustees judge the financial position of the Charity to be satisfactory.

Risk

Much of the operational risk is managed in conjunction with SAS and SWASFT. The main risks to the Charity centre on reputational or financial issues. Although separate in nature, they are inextricably linked. Clearly, the reputation of the Charity in its ability to deliver its clinical service is vital to generating and maintaining donor support. Key financial risks reviewed by the Board of Trustees quarterly are: major loss of income due to competition for fundraising or changes in legislation, loss of donor confidence because of adverse publicity, loss of donor support due to perception of high reserves and loss of access to critical data.

Mitigation measures in place include:

- Networking with other charities across the area.
- Monitoring legislative developments.
- Adherence to fundraising codes of practice.
- Development of strategies to counter negative impacts on income.
- Cultivation and retention of effective media links.
- Maintenance of transparency.
- Demonstrating to the public that their donations are being well spent and well managed by being transparent in all communications.
- Not employing 'cold calling' telemarketing or sending unsolicited mail or email.

The Dorset & Somerset Air Ambulance Charity

Trustee Directors' Report

For the Year Ended 31 March 2021

Statement of Trustees' Responsibilities

The Trustees (who are directors of The Dorset & Somerset Air Ambulance Charity for the purposes of company law) are responsible for preparing the Trustee Directors' Report (incorporating the Directors' Report) and the financial statements in accordance with 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).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting 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 charitable company will continue in business.

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

In so far as the Trustees are aware:

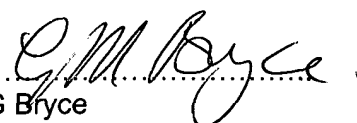
- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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.

Auditors

The auditors, Albert Goodman LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the Trustees.


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Dr G Bryce
Chair

The Dorset & Somerset Air Ambulance Charity

Date: 14 Sept 2021

The Dorset & Somerset Air Ambulance Charity

Independent Auditors' Report to the Trustees and Members For the Year Ended 31 March 2021

Opinion

We have audited the financial statements of The Dorset & Somerset Air Ambulance Charity (the 'charitable company') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

The Dorset & Somerset Air Ambulance Charity

Independent Auditors' Report to the Trustees and Members For the Year Ended 31 March 2021

Opinion on other matter 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, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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:

The Dorset & Somerset Air Ambulance Charity

Independent Auditors' Report to the Trustees and Members

For the Year Ended 31 March 2021

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charity Act 2011, Gambling commission registration, fundraising regulator registration, anti-bribery, employment, data protection and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation, claims and breaches of relevant legislation; and
- reviewing correspondence with the Charity Commission and other relevant regulators including the company's legal advisors and insurers.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

The Dorset & Somerset Air Ambulance Charity

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 March 2021

Use of our report

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



Michelle Ferris BSc (Hons) FCA DChA
Senior Statutory Auditor
for and on behalf of
Albert Goodman LLP
Chartered Accountants
Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 21/09/2021

The Dorset & Somerset Air Ambulance Charity

Statement of Financial Activities (including Income and Expenditure Account)

For the Year Ended 31 March 2021

	Notes	Unres- tricted £	Res- tricted £	2021 Total £	Unres- tricted £	Res- tricted £	2020 Total £
Income:							
Donations and legacies	2	3,789,853	2,381	3,792,234	3,429,497	470	3,429,967
Trading activities	3	4,823,947	-	4,823,947	4,796,506	-	4,796,506
Investment income	4	627,815	-	627,815	624,503	-	624,503
Total income		9,241,615	2,381	9,243,996	8,850,506	470	8,850,976
Expenditure:							
Raising funds	5	952,949	-	952,949	1,257,280	-	1,257,280
Charitable activities	6	5,699,077	2,894	5,701,971	5,124,265	950	5,125,215
Total expenditure		6,652,026	2,894	6,654,920	6,381,545	950	6,382,495
Net income before other recognised gains and losses		2,589,589	(513)	2,589,076	2,468,961	(480)	2,468,481
Net gain / (loss) on investments	11	3,662,107	-	3,662,107	(1,593,275)	-	(1,593,275)
Net income before transfers		6,251,696	(513)	6,251,183	875,686	(480)	875,206
Transfers	17	(513)	513	-	(480)	480	-
Net movement in funds for the year		6,251,183	-	6,251,183	875,206	-	875,206
Reconciliation of funds							
Total funds brought forward		33,506,426	-	33,506,426	32,631,220	-	32,631,220
Total funds carried forward		39,757,609	-	39,757,609	33,506,426	-	33,506,426

The statement of financial activities has been prepared on the basis that all operations are continuing operations. There were no gains or losses arising in the year that are not shown above.

The statement of financial activities incorporates the income and expenditure account.

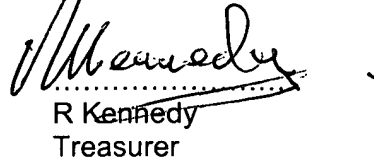
Balance Sheet
As at 31 March 2021

		2021	2020
		£	£
	Notes		
Fixed assets			
Tangible fixed assets	10	932,787	896,394
Investments	11	16,681,212	12,834,224
		<u>17,613,999</u>	<u>13,730,618</u>
Non-current assets			
Debtors	12	2,139,789	2,483,836
Investments	13	5,390,934	6,000,000
		<u>7,530,723</u>	<u>8,483,836</u>
Current assets			
Stock	14	16,589	16,763
Debtors	15	832,375	921,327
Investments	13	4,822,648	4,000,000
Cash at bank and in hand		9,819,621	7,201,710
		<u>15,491,233</u>	<u>12,139,800</u>
Liabilities:			
Creditors falling due within one year	16	(878,346)	(847,828)
		<u>14,612,887</u>	<u>11,291,972</u>
Total net assets		<u>39,757,609</u>	<u>33,506,426</u>
The funds of the charity:			
Restricted funds	17	-	-
Unrestricted funds	17	38,485,043	33,506,426
Fair value reserve	17	1,272,566	-
Total charity funds		<u>39,757,609</u>	<u>33,506,426</u>

The financial statements have been prepared and delivered in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Board of Trustees for issue on 14/9/21 and signed on their behalf by:


Dr G Bryce
Chair


R Kennedy
Treasurer

The Dorset & Somerset Air Ambulance Charity
Statement of Cash Flows
For the Year Ended 31 March 2021

		2021 £	2020 £
	Notes		
Cash flows from operating activities			
Net movements in funds for the year		6,251,183	875,206
Adjustments to cash flows from non-cash items			
Proceeds on disposal of fixed assets		(21,000)	-
Depreciation and amortisation	10	107,366	95,139
Dividends and interest from investments	4	(627,815)	(624,503)
Investment revaluations	11	(3,662,107)	1,593,275
		<u>2,047,627</u>	<u>1,939,117</u>
Working capital adjustments			
Decrease/(increase) in stocks	14	174	(1,793)
Decrease/(increase) in debtors	15	104,984	(379,648)
Increase/(decrease) in creditors	16	30,518	70,729
		<u>2,183,303</u>	<u>1,628,405</u>
Cash flows from investing activities			
Dividends and interest from investments		627,815	624,503
Proceeds on disposal of fixed assets		21,000	-
Purchase of fixed assets	10	(143,759)	(58,736)
Acquisition of investments	11/13	(2,106,897)	(10,850,113)
Investment disposals	11	1,660,590	1,927,548
		<u>58,749</u>	<u>(8,356,798)</u>
Cash flows from financing activities			
Loan repayments received		328,015	312,729
		<u>328,015</u>	<u>312,729</u>
Net cash provided by/(used in) investing activities		<u>58,749</u>	<u>(8,356,798)</u>
Net cash provided by/(used in) financing activities		<u>328,015</u>	<u>312,729</u>
Net increase/(decrease) in cash and cash equivalents		<u>2,570,067</u>	<u>(6,415,664)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>7,690,365</u>	<u>14,106,029</u>
Cash and cash equivalents at the end of the reporting period		<u>10,260,432</u>	<u>7,690,365</u>
Cash & Cash equivalents reconciliation:			
Cash at bank		9,819,621	7,201,710
Cash held by investment manager	11	440,811	488,655
		<u>10,260,432</u>	<u>7,690,365</u>
Total cash & cash equivalents at the end of the reporting period		<u>10,260,432</u>	<u>7,690,365</u>

1 Accounting Policies

1.1 Basis of accounting

The Dorset & Somerset Air Ambulance Charity is a company limited by guarantee incorporated in the United Kingdom under the Companies Act. The maximum liability of each member is limited to £1. The address of the registered office is given on page 1. The nature of the charity's operations and its principal activities are set out in the Trustees report on pages 3-17.

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

The 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.

The accounts are prepared for the company alone. The company has a dormant subsidiary, and consolidated accounts are not presented as the charity has taken advantage of the exemption provided by S405(2) of the Companies Act 2006 on the grounds of immateriality.

1.2 Income

Income from donations is recognised on a cash basis, in the year in which the income is physically received, except when the donors specify that they must be used in future accounting periods or donors conditions have not been fulfilled, then the income is deferred.

Bequests and legacies are included when entitlement is established, it is probable that the amount will be received, and the amount receivable can be estimated with sufficient accuracy. Where conditions for recognition have not been met, the legacies are disclosed in note 2.

Income from grants is recognised in the year in which they are receivable. Grants without performance conditions are presented within donations and legacies and within charitable activities when performance criteria apply.

Trading activity income from lottery receipts is recognised when the draw for the relevant week is made. Any amounts received prior to the draw being made are deferred.

Income from trading activities, other than lottery income, is included in the period in which the company is entitled to receipt.

Income from investments constitutes dividends and bank interest and is recognised in the year to which it relates.

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2021

1.3 Expenditure

Resources expended are recognised on the accruals basis to match the period in which the expenditure was incurred, inclusive of any VAT which cannot be recovered. These include both costs associated with both charitable activity and those which relate to governance arrangements and the general running of the charity.

1.4 Donated services

In accordance with the Charities SORP (FRS 102), the unpaid volunteer time is not recognised in the financial statements. Refer to the Trustee Directors' Report for more information about their contribution.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

Short leasehold improvements	10 years straight line
Freehold land and buildings	50 years straight line
Medical equipment	4 – 5 years straight line
Fixtures & fittings	10 years straight line
Computer equipment	3 years straight line

Fixed assets costing less than £5,000 are not capitalised.

1.6 Investments

Fixed asset investments comprise investment portfolios maintained by investment managers. These are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs.) Subsequently, investments are held at market value, with all realised and unrealised gains passing through the SOFA.

Non-current asset investments are cash deposits with a maturity date of more than one year from the balance sheet date. These are recognised at the deposit amount plus any interest, with any interest gains passing through the SOFA when falling due.

Current asset investments are cash deposits with a maturity date of less than one year from the balance sheet date. These are recognised at the deposit amount plus any interest, with any interest gains passing through the SOFA when falling due.

1.7 Stock

Stock is valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving stock.

1.8 Non-current assets - debtors

Non-current assets debtors are programme related investments, made through a loan to an unconnected company. The loan has been measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest, adjusted for any necessary impairment.

1.9 Debtors

Accrued income is recognised at the settlement amount due and prepayments are valued at the amount prepaid.

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements For the Year Ended 31 March 2021

1.10 Cash at bank and in hand

Cash at bank and in hand comprise cash on hand and call deposits with a maturity of less than three months, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1.11 Creditors

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 recognised at their settlement amount.

1.12 Pensions

The Charity operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the Charity during the year in accordance with FRS 17.

1.13 Operating lease rentals

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease. The charity has operating leases for the premises in which they operate, as well as motor, office equipment leases. The title of the leased premises and equipment remains with the lessor.

1.14 Foreign currencies

Transactions in foreign currencies are initially recorded in the charity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities and presented within charitable activities expenditure.

1.15 Taxation

As a registered charity, the company is not liable to corporation tax to the extent that income and gains are applied to charitable activities.

1.16 Covid-19

The Trustees have considered the implication of the Covid-19 pandemic on the operations of the charity. The charity has been able to continue to deliver its charitable services. A reduction in income has been forecast however there are sufficient reserves to cover the temporary reduction. Taking into account all reasonable circumstances, the trustees believe that the charity remains a going concern and no adjustments to the accounts are necessary.

1.17 Financial Instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and liabilities of the charity and their measurements are as follows:

Financial assets – trade, other debtors and loans (programme related investment) are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Investment portfolios are basic financial instruments measured at fair value through the income and expenditure account. Prepayments are not financial instruments.

Cash at bank and deposit accounts– is classified as a basic financial instrument and is measured at face value.

1.17 Financial Instruments (continued)

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2. Donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Donations	845,243	2,381	847,624	1,305,447	470	1,305,917
Legacies	2,296,300	-	2,296,300	1,870,154	-	1,870,154
Collecting boxes	181,362	-	181,362	184,955	-	184,955
Gift aid	85,971	-	85,971	68,941	-	68,941
Exceptional government funding						
Other Covid Grants	380,977	-	380,977	-	-	-
	<u>3,789,853</u>	<u>2,381</u>	<u>3,792,234</u>	<u>3,429,497</u>	<u>470</u>	<u>3,429,967</u>

As at the year end, the charity had been notified of material legacies which have not been included in the Statement of Financial Activities due to the conditions for recognition not being met. These consist of 23 legacies totalling approximately £1,626,637 (2020: 22 legacies totalling approximately £1,151,021).

The Dorset & Somerset Air Ambulance Charity
Notes to the Financial Statements
For the Year Ended 31 March 2021

3. Trading activities

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Lottery	4,476,911	-	4,476,911	4,550,561	-	4,550,561
Birthday draw	330,740	-	330,740	179,278	-	179,278
Other fundraising & sponsorship	340	-	340	3,052	-	3,052
Sale of merchandise	4,191	-	4,191	16,736	-	16,736
Events income	(1,088)	-	(1,088)	46,879	-	46,879
Profit on sale of fixed assets	12,853	-	12,853	-	-	-
	<u>4,823,947</u>	<u>-</u>	<u>4,823,947</u>	<u>4,796,506</u>	<u>-</u>	<u>4,796,506</u>

Income received for the lottery totalling £511,183 (2020: £490,602) has been deferred and is recognised at the date the relevant draw takes place.

4. Investment income

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Dividends receivable	280,041	-	280,041	245,267	-	245,267
Interest receivable from banks/deposits	220,456	-	220,456	233,465	-	233,465
Loan interest receivable	127,318	-	127,318	142,603	-	142,603
Rental income	-	-	-	3,168	-	3,168
	<u>627,815</u>	<u>-</u>	<u>627,815</u>	<u>624,503</u>	<u>-</u>	<u>624,503</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements

For the Year Ended 31 March 2021

5. Expenditure on raising funds

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Lottery prizes	90,597	-	90,597	88,445	-	88,445
Staff salaries	298,473	-	298,473	310,771	-	310,771
Commission	312,413	-	312,413	596,298	-	596,298
Rental of computer system	6,240	-	6,240	6,240	-	6,240
Lottery office costs	25,276	-	25,276	27,445	-	27,445
Beeline	72,383	-	72,383	67,843	-	67,843
Bank charges	29,796	-	29,796	40,069	-	40,069
Function costs	50	-	50	5,741	-	5,741
Collection tins	1,079	-	1,079	1,322	-	1,322
Goods purchased for resale	3,249	-	3,249	12,347	-	12,347
Investment management costs	113,393	-	113,393	100,759	-	100,759
	<u>952,949</u>	<u>-</u>	<u>952,949</u>	<u>1,257,280</u>	<u>-</u>	<u>1,257,280</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2021

6. Charitable activities

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Helicopter costs						
Helicopter costs	3,109,281	-	3,109,281	2,656,377	-	2,656,377
Critical care team	1,618,262	-	1,618,262	1,475,456	-	1,475,456
Medical equipment	188,236	-	188,236	106,629	950	107,579
Airbase costs	64,081	-	64,081	33,668	-	33,668
Paramedic training	160,721	-	160,721	223,739	-	223,739
Travel & subsistence	5,105	-	5,105	31,466	-	31,466
Car hire	4,179	-	4,179	6,066	-	6,066
Foreign currency loss	8	-	8	(15)	-	(15)
VAT reclaimed	(70,172)	-	(70,172)	(107,374)	-	(107,374)
	<u>5,079,701</u>	<u>-</u>	<u>5,079,701</u>	<u>4,426,012</u>	<u>950</u>	<u>4,426,962</u>
Support & governance costs						
Wages and salaries	273,684	-	273,684	275,642	-	275,642
Accommodation	13,253	-	13,253	65,029	-	65,029
Print and stationery	3,146	-	3,146	3,860	-	3,860
Postage	4,740	-	4,740	7,494	-	7,494
Telephone	8,966	-	8,966	8,866	-	8,866
Vehicle insurance	1,092	-	1,092	939	-	939
Office equipment and maintenance	18,276	-	18,276	17,556	-	17,556
Publicity	129	-	129	18,326	-	18,326
Beeline	72,383	-	72,383	67,843	-	67,843
Insurance	18,257	-	18,257	16,217	-	16,217
Legal and professional	1,458	-	1,458	7,660	-	7,660
Training costs	468	-	468	6,563	-	6,563
Recruitment	479	-	479	4,814	-	4,814
Bank charges	20,070	-	20,070	11,964	-	11,964
Subscriptions	9,072	-	9,072	12,077	-	12,077
Health and safety	1,714	-	1,714	1,737	-	1,737
Depreciation	107,366	-	107,366	95,139	-	95,139
IT costs and website	55,733	2,894	58,627	67,437	-	67,437
Audit and accountancy	9,090	-	9,090	9,090	-	9,090
	<u>619,376</u>	<u>2,894</u>	<u>622,270</u>	<u>698,253</u>	<u>-</u>	<u>698,253</u>
	<u>5,699,077</u>	<u>2,894</u>	<u>5,701,971</u>	<u>5,124,265</u>	<u>950</u>	<u>5,125,215</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2021

7. Net incoming resources/operating surplus

	2021	2020
	£	£
Depreciation of owned assets	107,366	95,139
(Profit)/loss on sale of fixed assets	(12,853)	-
Auditors' remuneration for:		
Audit services	7,090	7,090
Accountancy services	2,000	2,000
Other services	-	762

8. Trustee directors

None of the Trustee Directors (or any persons connected with them) received any remuneration during the current or prior year. One Trustee Director was reimbursed a total of £273 travelling expenses (2020: Two reimbursed travelling expenses of £65).

9. Employees

Number of employees

The average monthly head count was 19 staff (2020: 19 staff) and the average number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

	2021	2020
Chief Executive	1	1
Lottery staff	3	4
Fundraising staff	4	4
Management and admin staff	7	6
	15	15

Employment costs

	2021	2020
	£	£
Wages and salaries	482,075	496,536
Social security costs	40,890	42,796
Other pension costs	49,192	47,081
	572,157	586,413

9. Employees (cont.)

The number of employees whose annual emoluments were £60,000 or more were:

	2021 number	2020 number
£60,000 - £70,000	1	1

This employee is a member of the defined contribution pension scheme, into which contributions of £17,046, (2020: £15,345) were made.

The key management personnel of the charity are considered to be the Chief Executive Officer, The Deputy Chief Executive (from 1 April 2021), the Finance Manager and the Lottery Manager. The total costs to the charity of employee benefits for the key management personnel were £231,467 (2020: £227,108).

Volunteers contribute unpaid time to fundraising activities. Due to extended periods of lockdown and other restrictions, volunteers have been extremely limited in their direct support to fundraising during the majority of the year. They have, however, provided some administrative assistance, where this could be provided from home. This has not been included in the financial statements in accordance with the Charities SORP (FRS 102).

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £49,192 (2020: £47,081).

Contributions totalling £6,829 (2020: £6,723) were payable to the scheme at the end of the year and are included in creditors.

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2021

10. Tangible fixed assets

Cost	Short leasehold improvements £	Freehold Land & Buildings £	Medical Equipment £	Fixtures & Fittings £	Computer Equipment £	Total £
At 1 April 2020	301,677	597,805	330,021	35,763	40,571	1,305,837
Additions	-	-	151,906	-	-	151,906
Disposals	-	-	(61,970)	-	-	(61,970)
At 31 March 2021	301,677	597,805	419,957	35,763	40,569	1,395,771
Depreciation						
At 1 April 2020	78,248	18,930	239,035	32,659	40,571	409,443
Charge for the year	30,325	11,956	64,503	582	-	107,366
Disposals	-	-	(53,823)	-	-	(53,823)
At 31 March 2021	108,573	30,886	249,715	33,241	40,569	462,984
Net book value						
At 31 March 2021	193,104	566,919	170,242	2,522	-	932,787
At 1 April 2020	223,429	578,875	90,986	3,104	-	896,394

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements

For the Year Ended 31 March 2021

11. Investments

	2021 £	2020 £
Listed shares	16,240,400	12,345,568
Cash held by investment manager	440,811	488,655
Shares in subsidiary undertaking	1	1
	<u>16,681,212</u>	<u>12,834,224</u>

Listed shares	2021 £	2020 £
Market value		
At 1 April 2020	12,345,568	5,016,278
Additions	1,893,315	10,850,113
Disposals	(1,660,590)	(1,927,548)
Revaluation	3,662,107	(1,593,275)
	<u>16,240,400</u>	<u>12,345,568</u>
At 31 March 2021		

	2021 £	2020 £
Historical cost		
At 1 April 2020	13,130,909	4,168,598
Additions	1,900,300	10,578,079
Disposals	(63,767)	(1,623,028)
Other movements	392	7,260
	<u>14,967,834</u>	<u>13,130,909</u>
At 31 March 2021		

Shares in subsidiary undertaking

Dorset & Somerset Air Ambulance (Trading) Limited was incorporated on 19 October 1999 as a wholly owned trading subsidiary of The Dorset & Somerset Air Ambulance Charity. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company. The company became dormant on 31 March 2013.

The profit for the year was £nil (2020: £nil) and the balance sheet total was £1 (2020: £1).

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements

For the Year Ended 31 March 2021

12. Non-current assets - Debtors

	2021 £	2020 £
Loan - programme related investment	2,139,789	2,483,836

During 2017 the charity provided an initial loan of £3,433,400 to a company to facilitate the purchase of a helicopter for exclusive use by the charity. The loan attracts an interest rate of 4.779% and security is in place in the form of a second mortgage over the asset. The loan is being repaid over 10 years, with the final repayment due in January 2027. At 31 March 2021, £2,483,835 was outstanding (2020: £2,811,850), of which £344,046 is due within one year (2020: £328,014), and £2,139,789 in more than one year (2020: £2,483,836).

13. Investments

	2021 £	2020 £
Fixed rate cash held on deposit	10,213,582	10,000,000
Split as:		
Non-current asset investment (due > 1 year)	5,390,934	6,000,000
Current asset investment (due < 1 year)	4,822,648	4,000,000
	10,213,582	10,000,000

14. Stocks

	2021 £	2020 £
Goods for resale	16,589	16,763

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements

For the Year Ended 31 March 2021

15. Debtors

	2021	2020
	£	£
Other debtors	88,547	62,098
Loan - programme related investment	344,046	328,014
Prepayments and accrued income	399,782	531,215
	<u>832,375</u>	<u>921,327</u>

16. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Deferred income: lottery receipts	511,183	490,602
Other creditors	79,297	57,127
Accruals	276,736	288,616
Amounts owed to group undertakings	1	1
Taxation and social security	11,129	11,482
	<u>878,346</u>	<u>847,828</u>

Reconciliation of deferred income : Lottery receipts

Opening balance	490,602	473,179
Received during the year	4,497,492	4,567,984
Released during the year	(4,476,911)	(4,550,561)
	<u>511,183</u>	<u>490,602</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2021

17. Summary of movement in funds

	Opening balance £	Income £	Expenditure £	Gain/(loss) on Investments & transfers £	Closing balance £
Unrestricted funds					
General	33,506,426	9,241,615	(6,652,026)	2,389,028	38,485,043
Fair Value Reserve	-	-	-	1,272,566	1,272,566
	<u>33,506,426</u>	<u>9,241,615</u>	<u>(6,652,026)</u>	<u>3,661,594</u>	<u>39,757,609</u>
Restricted funds					
Air Amulance UK	-	2,381	(2,894)	513	-
	<u>-</u>	<u>2,381</u>	<u>(2,894)</u>	<u>513</u>	<u>-</u>
	<u>33,506,426</u>	<u>9,243,996</u>	<u>(6,654,920)</u>	<u>3,662,107</u>	<u>39,757,609</u>

Summary of movement in funds – 2020

	Opening balance £	Income £	Expenditure £	Gain/(loss) on Investments & transfers £	Closing balance £
Unrestricted funds					
General	31,718,459	8,850,506	(6,381,545)	(680,994)	33,506,426
Fair Value Reserve	912,761	-	-	(912,761)	-
	<u>32,631,220</u>	<u>8,850,506</u>	<u>(6,381,545)</u>	<u>(1,593,755)</u>	<u>33,506,426</u>
Restricted funds					
Higos Insurance	-	470	(950)	480	-
	<u>-</u>	<u>470</u>	<u>(950)</u>	<u>480</u>	<u>-</u>
	<u>32,631,220</u>	<u>8,850,976</u>	<u>(6,382,495)</u>	<u>(1,593,275)</u>	<u>33,506,426</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2021

Summary of movement in funds (continued)

- The fair value reserve is an accumulation of unrealised gains and losses, being the difference between market value and the cost of investments.
- Air Ambulance UK was received towards the items to allow employees to work from home due to Covid-19.
- Higos Insurance was received towards a replacement Iviz Portable Monitor.

Where transfers have been made out of funds, they relate to the purchase of fixed assets, which is taken to discharge the restriction.

18. Analysis of assets between funds

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Tangible fixed assets	932,787	-	932,787	896,394	-	896,394
Fixed asset investments	16,681,212	-	16,681,212	12,834,224	-	12,834,224
Non-current assets	7,530,723	-	7,530,723	8,483,836	-	8,483,836
Net current assets	14,612,887	-	14,612,887	11,291,972	-	11,291,972
	<u>39,757,609</u>	<u>-</u>	<u>39,757,609</u>	<u>33,506,426</u>	<u>-</u>	<u>33,506,426</u>

The Dorset & Somerset Air Ambulance Charity

Notes to the Financial Statements
For the Year Ended 31 March 2021

19. Financial instruments

Categorisation of financial instruments

	2021 £	2020 £
Financial assets measured at fair value through income and expenditure account	16,681,212	12,834,224
Financial assets that are debt instruments measured at amortised cost	22,910,401	20,503,941
	<u>39,591,613</u>	<u>33,338,165</u>
Financial liabilities measured at amortised cost	<u>349,205</u>	<u>339,021</u>

Item of income, expenditure, gain or losses

	Income £	Expense £	Net gains £	Net losses £
2021				
Financial assets measured at fair value through income and expenditure account	280,041	-	3,662,107	-
Financial assets that are debt instruments measured at amortised cost	347,774	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
	<u>627,815</u>	<u>-</u>	<u>3,662,107</u>	<u>-</u>
2020				
Financial assets measured at fair value through income and expenditure account	245,267	-	-	(1,593,275)
Financial assets that are debt instruments measured at amortised cost	376,068	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
	<u>621,335</u>	<u>-</u>	<u>-</u>	<u>(1,593,275)</u>

20. Financial commitments

At 31 March 2021 the charity was committed to making the following payments under non-cancellable operating leases:

	2021	2020
	£	£
Land and Buildings		
Expiry date:		
Within one year	-	4,664
Between two and five years	-	-
Other		
Expiry date:		
Within one year	613,506	417,572
Between two and five years	1,734	6,914
	<u>615,240</u>	<u>429,150</u>

21. Related parties

There were no related party transactions during the year (2020: none).