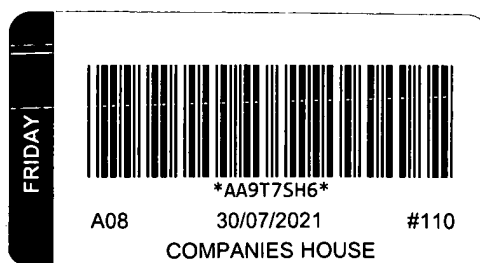


Registered company number: 04845905
Registered charity number: 1098874

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

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CHAIRMAN'S STATEMENT

Twenty-twenty will be forever remembered as a year like no other. But, in the face of the biggest global pandemic in a century and the resulting life-changing impact felt by our communities, the courage, creativity, compassion and continuity displayed by everyone associated with the charity has been remarkable.

Thanks to the unwavering support for the charity, our delivery of lifesaving, critical care and inter-hospital transfers has continued without exception. This is a remarkable achievement and is testament to our wonderful supporters, our dedicated clinicians and crews, the commitment of our staff and volunteers and the excellent leadership of the charity.

The commitment and togetherness shown by all of our stakeholders ensured the charity was well-placed to be able to adapt, overcome and achieve monumental milestones and accomplishments. It quickly embraced the enforced changes brought about by the pandemic and adopted new ways of working to limit the impact on performance.

The Air Ambulance Service continued to lead the way in embracing new technology as day-to-day working environments changed from offices, stores, vehicles and warehouses to remote working, and through ecommerce, digital campaigns and virtual challenge events, new technology was also able to lessen the financial blow felt.

As Chairman, I am extremely proud of what the charity has achieved in the most challenging of years and I am extremely grateful to everyone who has helped us to achieve excellence operationally while limiting the financial impact of the pandemic.



Chris Faircliffe

Chair of Trustees

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CHIEF EXECUTIVE'S REPORT

I am pleased to report that an extremely challenging year for the charity in 2020 was successfully navigated and we remained true to our objectives of providing a Helicopter Emergency Rescue Service for the counties of Warwickshire, Northamptonshire, Derbyshire, Leicestershire and Rutland and some surrounding areas under our Your Local Air Ambulance banner. We also maintained our national Paediatric Intensive Care transfer and Retrieval Service which is better known as The Children's Air Ambulance.

An excellent start to 2020 in January and February was suddenly curtailed with the Covid-19 Pandemic which has had a truly devastating impact across the world. We were not immune to that and in line with Government guidelines, it meant we had to close shops, cease all external fundraising efforts such as our lottery and reuse programmes which between them generate a significant amount of income for the charity. It is estimated that £2.2 million of income was lost in our shops and trading and a further £1million lost in community fundraising efforts and events that could not take place.

Such an event could have been catastrophic for a charity like ours had we not been ready to meet such a challenge, but with our renowned resilience, agility, determination, and dedication we were prepared. I want to immediately thank the Executive Leadership Team and the Senior Management Team for the hard work and professional way we handled the whole pandemic crisis in a way that by the end of the year we had maintained all clinical services, maintained the jobs of all our staff and balanced the books to ensure that the charity continued to thrive, even under the most enormous pressure.

Whilst it is fair to say that for most people 2020 will be remembered for Covid, Brexit and significant social movements, for The Air Ambulance Service it can also be remembered for some very positive reasons. It was the year that our HEMS fleet surpassed 40,000 total missions since the charity introduced its first aircraft in 2003 while the Children's Air Ambulance reached the 500-mission mark since its inaugural flight in 2012. And our achievements didn't stop there as we continued to improve the clinical excellence displayed by our crews albeit within full PPE and in aircrafts that were modified to make them Covid-19 safe. It was a big and costly exercise to do so but it was necessary, and it gave the required protection to both patients and staff.

The charity set itself significant targets for 2020 and despite the national lockdowns that forced our retail network to close its doors, our community fundraising events being put on hold and our door-to-door lottery and reuse teams having to stand down, the results achieved in 2020 have been quite extraordinary thanks to the appreciation and support of the charity in a time of obvious adversity.

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

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

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

Financially it was difficult, but we managed, and I thank everyone involved in all our income generation activities and our financial support teams. The skills of the fundraisers, the marketeers and the retailers were important but so too was the financial stewardship from our Director and his team.

THE AIR AMBULANCE SERVICE
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CHIEF EXECUTIVE'S REPORT (CONTINUED)

We are, and always will be, an organisation steeped in the values of courage, creativity and compassion that have served us well over many years. Every time a doctor or paramedic sets out on a mission, they can never be sure what they will face and what the eventual outcome will be. Sometimes they will see things that can be deeply upsetting and sometimes terribly shocking but there will never be any hesitation on responding when someone needs our help. That's courage and so is the willingness of staff and volunteers to try new ways of fundraising and new ways of making our charity better and better especially in the adversity we faced. Only a fool would think they have ever achieved everything, our ethos is continual improvement and always striving to do more and better and it takes courage and creativity to do that. The compassion is in everything we do, people don't come to us for their benefit, we all join together to help others because we care a great deal about our society. We support each other and we will go out of our way when needed. The spirit and togetherness showed by everyone involved with our charity has been incredible in 2020 and if I could, I would mention every single person by name, but I don't need to because I can say with hand on heart that every single person in our charity did their bit and more in 2020.

Warwickshire & Northamptonshire Air Ambulance

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

In 2020 WNAA we attended 1,365 missions, 585 by helicopter and 780 by our critical care cars. Of these 388 were road traffic collisions.

WNAA	TOTAL
RTC	388
MEDICAL	432
SPORTS	33
FALL	162
INDUSTRIAL	27
OTHER	323

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

As a medical professional, Coalville GP Sean Ottey knows exactly what difference being flown to hospital by the local air ambulance made to his recovery after he suffered a cardiac arrest whilst exercising.

"It's all down to time. Getting the right treatment as quickly as possible is absolutely crucial in terms of minimising damage to the heart muscle, memory and brain," he explains.

Sean (53) was flown to Derby Royal Infirmary in just 12 minutes by Warwickshire & Northamptonshire Air Ambulance after the helicopter was called out to Hood Park Leisure Centre in Ashby-de-la-Zouch – where Sean was taking part in a high intensity training session.

"The air ambulance critical care doctor gave me drugs which helped my condition, and the speedy transfer to hospital was crucial in the chain of events that saved my life," he says.

Sean "felt absolutely fine" on the morning in August this year when he was taking part in the weekly class, he has attended at the local leisure centre for the past 15 years.

"I remember doing a backward lunge and the next thing I was waking up in intensive care," he says. There is a history of heart problems in Sean's family and despite him being a non-smoker, not obese and exercising regularly he believes "it is inevitable that I would have had a cardiac arrest at some point."

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CHIEF EXECUTIVE'S REPORT (CONTINUED)

Looking back now he says that he "was in the right place at the right time" when it happened as the leisure centre staff were First Aid trained and did CPR on him straight way.

"If I had a cardiac arrest when I was out walking on my own in the middle of nowhere the outcome would have been completely different," he says.

Sean spent over two weeks in hospital – 48 hours in an induced coma – and during that time he had an implantable cardioverter defibrillator (ICD) and stent fitted.

Three months later (December) he is walking up to five miles a day, following a programme of cardiac rehabilitation exercises and says he feels "generally well". He hopes to return to work in the New Year.

Members of the exercise class he was attending at the time of his cardiac arrest have raised funds for the Warwickshire & Northamptonshire Air Ambulance and Sean is encouraging others to support the charity.

"If it wasn't for the air ambulance, I wouldn't have made such a good recovery. I am so grateful it was there when I needed help. It would be nice if it was funded by the Government and it is a big shame that it isn't so let's keep raising as much money as we can so the charity can keep helping other people," he says.

Derbyshire, Leicestershire and Rutland Air Ambulance

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

In 2020 DLR attended 2,038 missions, 804 by helicopter and 1,234 by our critical care cars. Of these 552 were road traffic collisions.

DLRAA	TOTAL
RTC	552
MEDICAL	706
SPORTS	82
FALL	172
INDUSTRIAL	33
OTHER	1,053

A former teacher who suffered life-changing injuries when she was attacked by a herd of cows has set herself the challenge of walking 1,000 miles in 2021 to raise funds for the local air ambulance, without whom, she believes, she would not be here today.

Pip Peacock (63) from Bakewell was walking her dog at Magpie Mine near Sheldon when the incident happened in September 2019.

"My injuries were so serious I probably would not have survived if I had gone in a land ambulance to hospital. The policeman who went to tell my husband what had happened said I might not live even though I had been taken by helicopter," she says.

But thanks to Derbyshire, Leicestershire & Rutland Air Ambulance Pip was flown to the Northern General Hospital in Sheffield – the nearest major trauma centre – in just 10 minutes. The road journey from the remote location would have been about 45 minutes.

Her injuries included 34 breaks in her ribs, a broken collar bone, broken shoulder ligaments, and a broken finger, as well as serious wounds to her left leg and right knee.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)

Surgeons had to use 17 titanium plates to repair her rib cage – and before the surgery, Pip's husband Philip was warned that the second major trauma to her body in two days might mean that she would not survive. However, several churches gathered to pray as did Christian friends and friends of friends all over the world and she recovered.

Thankfully, after eight days in an induced coma and another two weeks in hospital, she was well enough to go home.

Since then, despite often being in pain, Pip has been trying to rebuild her life - initially by spending time with friends and family and since lockdown restrictions were introduced, by walking.

"As walking was allowed I just did more and more. I needed a challenge and signed up to walk 1,000 miles in a year. Then I thought it would be a great idea to use it to raise money for the local air ambulance charity so that something good comes out of what happened to me," she says.

Pip also wants to raise awareness of the potential dangers of walking near cows, especially with dogs. She was with her dog Buster in a field, where there were some cattle, when the attack happened. She explains:

"Buster was used to walking in fields of cows and was on a very short lead by my knees. The first thing I recall about the attack is one cow coming for me. Then I was lying on the ground and was kicked and rolled over several times."

"I tried to shout for help but had no voice. I put my hands over my head and recited Psalm 23; 'The Lord is my shepherd; I shall not want. He makes me lie down in green pastures.' I felt very peaceful as my faith means I am not afraid of death. Suddenly I heard voices and two men and a woman came along.

The men were incredibly brave and chased the cows away. This was no easy task. I could hear them shouting and was worried the cows would attack them. They used their sticks and camera tripods to move the cows away. The woman stayed and talked to me. Once the cows had gone, I could hear the man on the phone telling someone that my dog had been killed, but I don't remember dropping Buster's lead or him running away from me," she says.

Losing Buster, a 13-year-old black Labrador described by Pip as "very docile," is a great sadness to Pip. She says: "He was very placid and loved by everyone - even some people who didn't usually like dogs. He came to us at 18 months from the Dog's Trust and we couldn't have asked for a better dog." Pip doesn't hold any ill-feeling about the incident. Adding: I think it was just an unfortunate event. I have had incredible support since the accident and can see that good things have come out of it. I am making good progress but still struggle with pain from time to time."

She has made a fantastic start to her walking challenge by completing almost 200 miles by the end of February.

Pip has set up a JustGiving page for anybody who wants to sponsor her:
<https://www.justgiving.com/fundraising/pip-peacock>

**THE AIR AMBULANCE SERVICE
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CHIEF EXECUTIVE'S REPORT (CONTINUED)

The Children's Air Ambulance

This is a national service covering all of the UK as and when required. It works in partnership with all the major specialist paediatric intensive care teams based in all the best-known children's hospitals.

The role of the Children's Air Ambulance is to ensure the quickest, safest transfer and retrieval of critically ill babies and children and to ensure the doctors and nurses attending them have available the best equipment to meet all the clinical need.

We operate two Agusta 169 helicopters for this service based in the North and South of the country in Doncaster and Oxford. This enables us to respond to all parts of the UK in rapid time.

The Children's Air Ambulance (TCAA) attended 83 missions in 2020 as the pandemic significantly affected this number as hospitals had to cope with additional demands placed upon them by Covid-19. NHS paediatric and neonatal teams also reported a significant drop-in activity throughout 2020, especially over the historical busy winter/spring period.

The father of a 10-week-old baby flown to hospital for heart surgery by the Children's Air Ambulance (TCAA) describes the charity as "a fundamental piece of the jigsaw to get my daughter as quickly as possible to where she needed to be for a lifesaving operation."

Ian Williamson - from Weymouth - accompanied baby Jessica on the helicopter flight from Dorset County Hospital in Dorchester to Southampton Children's Hospital, along with members of Southampton Oxford Retrieval Team (SORT) – one of the clinical partners working with TCAA.

It took just 25 minutes by air to transfer Jessica compared with a road journey by land ambulance of well over an hour, not allowing for traffic delays.

"It was about 5pm on a Friday when we were flying. I remember looking out of the helicopter and seeing cars backing up on the motorway and thinking how glad I was that we were in the sky and not on the road," says Ian.

On arrival at Southampton, Jessica – who was born with the congenital heart defect Complete AVSD - went straight into the Paediatric Intensive Care Unit (PICU).

She stayed there, with Ian and his wife Lizzie constantly by her side, for two weeks whilst medical staff prepared her for her surgery, which she now desperately needed.

"At 12 weeks old Jessica had open heart surgery. Before her surgery we were told that it was likely she would need further operations, but when she came out of theatre the surgeons were really positive about how it went," says Ian.

Nearly 15 months after Jessica's helicopter transfer (August 2020) she is incredibly well and her cardiologist now feels it is unlikely that she'll need further surgery – which is such a relief for her parents, who describe her as "a gorgeously cheeky toddler".

Ian and Lizzie found out about their daughter's heart problem when they went for a 20-week scan and they always knew that she would have to have an operation. However, they were not expecting the scenario that started just a few weeks after Jessica's birth.

At just 16 days old she had to be admitted to Dorset County Hospital – where she was born – as she was struggling to breathe. The doctors there referred her to Southampton Children's Hospital where she spent four weeks being monitored and treated before being transferred back to Dorchester.

At only three kilos, she still didn't weigh enough to be operated on, but her condition had been stabilised and an Optiflow system was helping her breathing.

Unfortunately, just two weeks later, Jessica's breathing began to deteriorate again, and she urgently needed to go back to Southampton.

THE AIR AMBULANCE SERVICE (A company limited by guarantee)

CHIEF EXECUTIVE'S REPORT (CONTINUED)

Because it was necessary for her to be transported whilst on the Optiflow system she couldn't be taken in a land ambulance as they don't have the facilities to support the machinery. There was only one specialist paediatric ambulance that could have made the trip – but that was needed elsewhere. This is where the Children's Air Ambulance was able to help.

It was mobilised from its base in Oxford and flew to Southampton to pick up the specialist paediatric retrieval team from SORT and take them to Dorchester. They then prepared Jessica for the flight back to Southampton and accompanied her and Ian in the helicopter.

"Up until the last minute we were expecting a road transfer to Southampton and then we were told it would be by helicopter. We'd been waiting for the road transfer for a few days and each day we were told it wasn't possible we became more and more anxious, so when we were told that the Children's Air Ambulance was definitely coming that day, we were so relieved," says Lizzie.

"We were expecting a fairly straightforward transfer but by then Jessica had taken a turn for the worst. She got very distressed, and she had a very high heart rate. The SORT team decided to sedate and intubate her and put her on a ventilator prior to flying. She was looking quite grey and unwell at that point," she adds.

Lizzie was waiting at Southampton Hospital for the helicopter to arrive with her husband and daughter on board.

"It was such an emotional and beautiful sight seeing this Green Goddess emerging in the sky and landing at the hospital and knowing that Jessica was now where she needed to be for her lifesaving surgery," she says.

Lizzie and Ian say they were "very reassured by the quality of care" their daughter received from the SORT team and the helicopter pilots.

The couple will always be grateful to everyone who played a part in getting Jessica to where she needed to be for her lifesaving operation. They say: "We were totally gobsmacked when we were told that the Children's Air Ambulance is a charity and feel very lucky that this amazing facility was made available for our daughter when she needed it. We always felt she was in very safe hands. The Children's Air Ambulance will always have a very special place in our hearts"

Behind the scenes

Our front-line services are all supported by a dedicated team of staff providing the infrastructure and support required to maintain the services free of charge to NHS and patient. These are the people who work tirelessly in the background away from the spotlight ensuring that the charity meets all of its regulatory compliance, sound financial management, up to date accurate policies, people provision, training, and development and of course the income generation.

We have built on our internal infrastructure within key areas and a heavy focus on our people. At the end of year, we employed 358 employees in total across the whole of the charity with the majority being in our retail division. We also had 859 volunteers who are regularly giving their time to us in varying roles spanning our organisation. Wellbeing, building on our Governance, strengthen internal policies and investing in training have all been key internal focuses for us.

The Pandemic brought an increased threat in a number of areas throughout the year. We had to ensure all of our aircraft were covid safe and we spent significant amounts of money on installing better safety shields in the cockpit and patient areas. We adapted our shops and offices into a covid safe space, and we implemented all Government recommended guidelines. The charity leadership team has also focussed very strongly on regulatory compliance and risk management because of the pandemic, and we have implemented new processes to improve this area across the whole organisation. This has meant investment into more digitally focussed activities in order to keep our charity running as it needs to.

THE AIR AMBULANCE SERVICE (A company limited by guarantee)

CHIEF EXECUTIVE'S REPORT (CONTINUED)

Internal and External Communications have been very successful this year. We implemented a fortnightly business update for all staff to keep everyone informed of developments. Similarly, we implemented a fortnightly wellbeing session for all to ensure we managed the obvious concerns, anxiety, and loneliness the lockdown brought to many. Volunteers were kept up to date on a monthly basis and there were weekly bulletins from the CEO and Leadership Team to our multiple stakeholders across the country.

We have built on our wellbeing programme, introducing a strategy to deliver on the five pillars of wellbeing; mental, social, financial, physical and digital. In remembrance of our much loved and respected late colleague and Deputy CEO, Alexandra Pope; April saw our first 'Alexandra Day'. This brought the organisation together and united everyone, giving time to reflect and focus on their wellbeing.

A high priority has continued to be our Training and Development arena. The Senior Management Team have concluded their CMI Level 7 in Strategic Leadership and Management, while Line Managers continue with the ILM Level 5 in Management, which is due to complete in 2021. We have improved and reintroduced our Talent Academy programme for 2021.

We maintained and improved the staff "our voice" initiative and the "Just Landed" newsletter. We made good use of MS teams, Zoom and SharePoint as a staff communication tool and enhanced website and social media output that is relaying the work of the whole charity. For our volunteer network we have maintained our centralised management team "The Volunteer Hub" as well as a portal to improve communication and accessibility to the charity's resources

We have expanded our external mentoring scheme with 16 employees now engaged with an external successful leader in their field on a one to one mentoring programme to develop skills and knowledge beyond their immediate roles. We are very grateful to those supporters who have offered their time and expertise free of charge to help in this way.

Best of all, the charity achieved recognition of its quality management with the awarding of the ISO 9001 and ISO 14001 Certifications, and once again we passed all other regulatory inspections and financial audit.

Income generation

The Covid crisis meant that for the first time in our history income did not grow. The suspension of so many activities meant we had to rely on our existing supporters' generosity even more. Our mailing campaigns were very successful and our applications to Grants and Trusts proved exceptional. This represents another great effort by everyone and is a clear validation of the quality of the charity and what it provides. Our Children's club #TheCrew reached a membership of 960 with plans to further increase these numbers in 2021.

Our first ever digital fundraising campaigns the "2.6 Challenge" and "the Santa fun run" were both successful in generating income and raising awareness of our work. Our teams embraced this new technology and way of working at very short notice and to great effect. Plans will continue to formulate further digital campaigns in the future to run alongside the more traditional efforts that will return.

Our Legacy income remained stable and we continue to introduce new activities to make people aware of this very valuable way of supporting our work.

Overall, it has been a very challenging year for our fundraising but our staff remained positive and focussed and found new ways of keeping the donations flowing. There were some very notable individual donations and some outstanding company efforts and as is always the case, our volunteers were at the forefront of our work raising funds and awareness.

THE AIR AMBULANCE SERVICE
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CHIEF EXECUTIVE'S REPORT (CONTINUED)

Our Values

We live and thrive with our three core values of Compassion, Courage and Creativity and once again they have been demonstrated by everyone involved in the charity. We, like many others, have had people lose loved ones in the pandemic but it has been good to see all staff and volunteers rallying around and providing help and practical support when needed. With many people naturally worried about their jobs and livelihoods the courage of our leadership and management teams in making hard but necessary decisions quickly, and always with the people element in mind, was impressive. Many would have succumbed to such pressure. Having not had to lose a single job nor stop or restrict any of our frontline services is testimony to our values. The way our people responded to a dramatic change in culture and environment and quickly created new ways of generating income, communicating with, and looking after our supporters showed those creative capabilities that have been a hallmark of our success over the years.

Our ethos has always been the same since I began back in 2004. We are here to deliver excellent patient care, do more of it until no more can be done, be brave and challenging but always with respect. Be creative and caring and focus on the impact we make to our society. We are an inclusive organisation with a diverse workforce where inequality or discrimination in any way would simply not be tolerated. We invest in people and we invest our hearts and minds into ensuring that whatever we can do to save and improve lives, we do.

A handwritten signature in black ink, appearing to read 'Andy Williamson', with a long horizontal line extending to the right.

Andy Williamson
Chief Executive

THE AIR AMBULANCE SERVICE
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TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary ("the Group") for the year ending 31 December 2020 which are also prepared to meet the requirements of a Directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

LEGAL AND ADMINISTRATION INFORMATION

Charity Name	The Air Ambulance Service
Charity Registration Number	1098874
Company Registration Number	04845905
Registered Office	Blue Skies House Butlers Leap Rugby Warwickshire CV21 3RQ
Independent Auditors	Cooper Parry Group Limited One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG
Bankers	Barclays Bank PLC Meridian Business Park Leicester LE19 1RP
Investment Managers	Cazenove Capital 1 London Wall Place London EC27 5AU CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal Activities

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

Statement of public benefit

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

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

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TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Our fundraising standards

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

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

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

Company Status

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

Board of Trustees

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

Mr M Burgoyne (resigned 4th March 2020)
Mr C M Faircliffe (Chair)
Mr R D Jones (resigned 20th May 2020)
Mr J L Williams
Mr P Holdcroft
Mr N Bandtock
Mr P Whatmore
Mrs M Bradley
Mr F Jaffri
Mr A Majithia
Ms D Atkins
Mr A Newman

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

Key Management Personnel:

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

A Williamson	Chief Executive Officer (CEO)
E Peake	Director of Retail/Trading
K Tailor	Director of Finance
R Clayton	Director of Operations

Trustee and Director induction and training

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

THE AIR AMBULANCE SERVICE
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TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Organisational Structure

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

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

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

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

Pay policy for Senior Staff

The Trustees consider the senior management team comprise the key management personnel of the Charity in charge of directing, running and operating the Charity on a day to day basis. The pay of the senior staff is reviewed annually by the Finance Committee, who also act as the remuneration committee and is reviewed based on performance and average earnings across the sector.

Risk Management

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

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

OBJECTIVES AND ACTIVITIES

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

The activities of the Charitable company continue to be:

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

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

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

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

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Overview

2020 proved to be a challenging year for the voluntary sector and as an organisation we remain independent in our income generation and our policy has always been to hold adequate funds to enable us to react to any unexpected adverse impact on our finances. This approach is safeguarding us in the current unprecedented time and ensures we can cover future liabilities as they arise. During this time, we are constantly reviewing our liquidity policy to ensure we maintain appropriate levels of easily accessible funds, in conjunction with a specific focus on cash flow management, which is particularly relevant given the coronavirus developments. We believe we are in a strong position to manage our way through these unprecedented times and our results for the year is a testament of this.

Whilst our retail operation has not expanded we continued to maintain 56 outlets across the country, each reflecting the part of the organisation local to their area.

We continue to be at the forefront of service development and continue to achieve our aspiration of having full doctor cover on both of our HEMS services. We have developed our clinical expertise and continue to be registered with the Care Quality Commission achieving all the required standards.

The Children's Air Ambulance has eight Clinical Partner Teams working with us and obtaining their own stretcher equipment that has been uniquely developed and is certified by the Civil Aviation Authority. The time saved on air transfer rather than road transfer is recognised as being significant and as well as helping the patient undergoing transfer, allows the medical team to get back to home base quickly therefore being available for other potentially lifesaving duties.

Contingency plans are in place to always protect the HEMS services first and foremost but the innovative and excellent service provided by Children's Air Ambulance requires us to engage the mass public in an awareness of their work. The financial support required to facilitate our growing services requires us to be dynamic. We very much appreciate the support of our donors, supporters and volunteers and feel it is incumbent upon us to stretch their contribution as far as possible.

Helicopter Emergency Medical Services (HEMS) and Clinical Operational Report

The Air Ambulance Service (TAAS) remains one of the busiest air ambulance service providers in the country, providing critical care, lifesaving services to the NHS 24hrs a day, 365 days a year.

It is beyond any doubt that the global pandemic has caused significant and unprecedented pressures across the NHS healthcare systems in 2020, and the challenges experienced by TAAS were no exception.

Despite national and global challenges, especially during the early phases of the pandemic, the operational management and clinical teams approached every challenge compliant to national Public Health/NHS England guidance in order ensure both clinician and patient safety was maintained.

Our lifesaving Helicopter Emergency Medical Services continued throughout pandemic with very little impact to operational delivery. I would like to single out, from an extensive list of internal and external stakeholders and supporters, my sincere thanks to my dedicated team of clinicians and managers whose support and commitment to patient safety was and continues to be unquestionable. I would also like to place on record my thanks to the East Midlands Ambulance Service NHS Trust, West Midlands Ambulance Service NHS University Foundation Trust and Sloane Helicopters Limited for their overwhelming support throughout the pandemic.

Despite the challenges TAAS attended 1,391 critical care missions by helicopter, and a further 2,108 critical care missions by Rapid Response Vehicles (RRV) – an incredible 3,499 critical care missions in total for 2019. TAAS also reached another monumental milestone reaching its 40,000th lifesaving mission in 2020 since services commenced in 2003. A truly remarkable achievement.

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**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Following a thorough tendering and selection process, in 2019 Sloane Helicopters Limited were awarded a seven-year contract to deliver two new AgustaWestland 109 GrandNew aircraft. Both aircraft are due to arrive in the UK from Italy in December to commence their clinical interior fit, but only one aircraft will be transferred due to lockdown restrictions. The second aircraft is due to be recovered from Italy early January 2021, and both aircraft expected to enter service by the end of March 2021.

As part of the replacement programme, and TAAS' commitment to operational availability, TAAS, for the first time since its inception, will also have a dedicated spare aircraft to use during periods of maintenance. The new helicopters will see further advancements in lifesaving equipment carried onboard the aircraft, and availability extended with double shifts operating at both airbases May – August 2021.

Planned recruitment for new full-time doctors had to be suspended during wave one of the pandemic due to risk. A thorough risk managed recruitment and selection process was put in place, and a successful recruitment day was held in October with 3 full-time doctors selected for 2021.

As a pre-hospital provider committed to delivering excellence in patient care, we continue to provide specialist doctors on all four of our operational platforms (helicopters and RRVs) and I am pleased to report that we now have a bank of over 44 highly skilled doctors working for TAAS. We achieved doctor cover at an impressive >97% in 2020.

As part of our ongoing commitment to training and education TAAS continues to support the West Midlands Deanery with their PHEM (Pre-Hospital Emergency Medicine) Training Programme, essentially helping to train and educate the next generation of PHEM doctors.

Training, education, and research opportunities to further improve services continued to be a strategic aim throughout 2020, and although hampered considerably by the pandemic, alternative sources of learning via remote means were introduced during 2020.

TAAS continued to support the RePHILL trial (a randomised trial of pre-hospital blood and blood product administration) through to its conclusion in December 2020. TAAS continued to be the top recruiter to the trial throughout 2020 and was also the first to recruit the first patient by a double critical care paramedic team. The evidence gained from the trial will help inform TAASs' future strategic direction for hospital blood administration in 2021.

Following an approach by East Midlands Ambulance Service NHS Trust, TAAS has been requested to develop an exciting opportunity to deliver enhanced training in Silver Trauma 'Airway Management' and 'Initial Trauma Assessment' to EMAS paramedics in 2021.

In addition to the annual audit assurances for anaesthesia, sedation, surgical skills and Infection, Prevention & Control, both operational bases completed their 'Annual Quality Assurance Review' (AQAR), both scoring >97% compliance. The AQAR focuses on the CQC 'key lines of enquiry' (KLOEs) within the five domains of; 'Safe'; 'Effective'; 'Caring'; 'Responsive to people's needs'; and 'Well-led'. Result from both audits were received well by both NHS ambulance services as further evidence of TAAS' commitment to patient safety and quality prehospital care.

The Children's Air Ambulance Operational Report

As with TAAS HEMS operations, The Children's Air Ambulance (TCAA) experienced similar challenges with the pandemic which regrettably affected activity considerably during wave one. As with HEMS, major changes had to be made and agreed by all NHS clinical partner teams and our aviation provider before consideration could be made to fly suspected/confirmed Covid-19 cases. TCAA however remained on-line and available throughout to support the NHS to undertake team moves (flying specialist teams to critically unwell children and babies) and patients confirmed as being negatively swabbed for Covid-19.

NHS paediatric and neonatal teams also reported a significant drop-in activity throughout 2020, especially over the historical busy winter/spring period (seasonal flu/bronchiolitis). Anecdotally this has been attributed to lockdown, school closures and improved infection prevention & control measures (hand hygiene and social distancing). International research is now being evidenced which supports the theory. As a result of the drop-in activity, and the acute pressures being experienced with adult ITU beds nationally, some paediatric teams were requested and formed adult transfer teams to support the national crisis.

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TRUSTEES' ANNUAL REPORT (CONTINUED)
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TCAA completed 83 critical missions across the country in 2020 supporting 10 NHS paediatric and neonatal specialist transport teams in their lifesaving work.

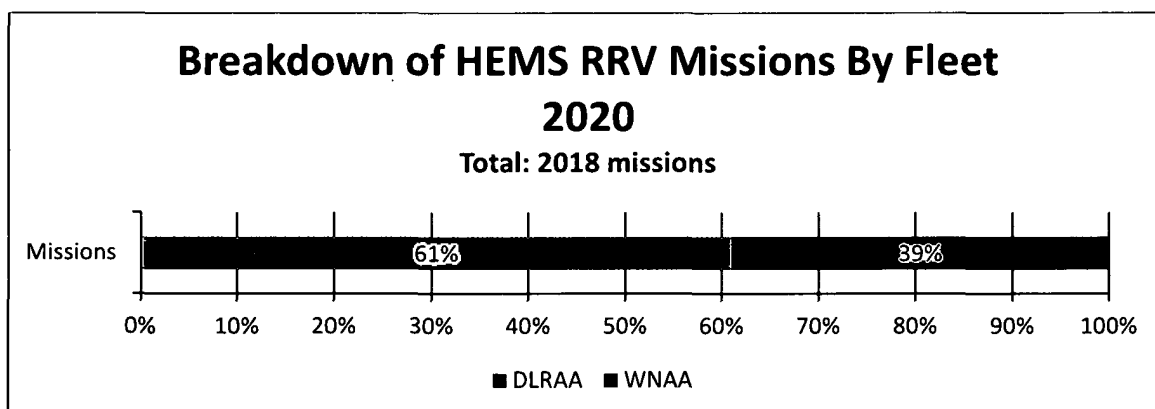
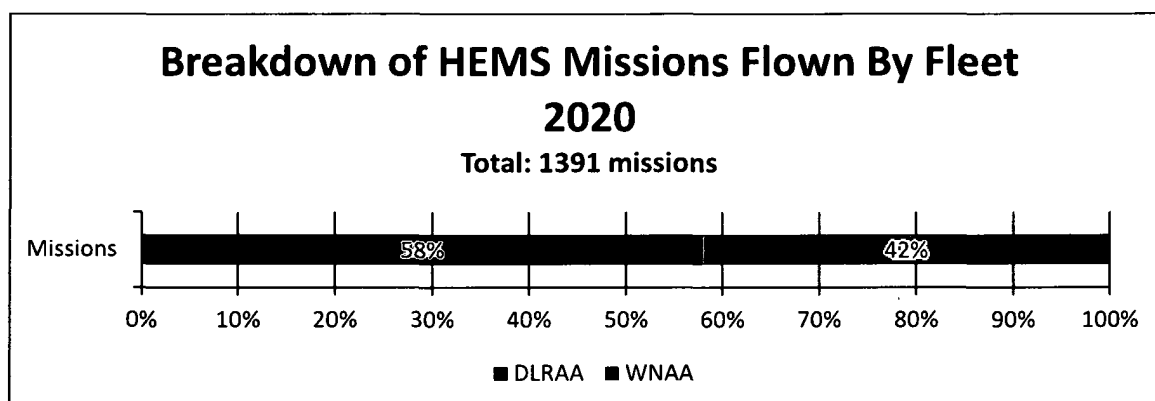
In addition to Covid-19 restrictions, activity has also been considerably affected by aircraft availability throughout 2020 due to long periods of maintenance, pilot training challenges and delayed landing site surveys. We continue to work with our aviation provider to highlight the impact and find timely workable solutions.

Despite challenges we have progressed key pieces of work to further enhance the services provided by TCAA. I am pleased to report that Nitric (specialist gas to aid a patient breathing) and ECMO (extra corporeal membrane oxygenation – essentially a lung and heart bypass machine) equipment have been developed and our now operational. TCAA is the first and only aeromedical provider in the UK to provide an ECMO capability by helicopter.

We have also progressed the incubator project and are at the final stages of selecting the provider to deliver 3 incubator systems for 2021. TCAA will be the first and only helicopter provider in England to support the NHS with a helicopter certified incubator. We expect the equipment to be delivered by quarter four, 2021, and certification completed quarter one, 2022.

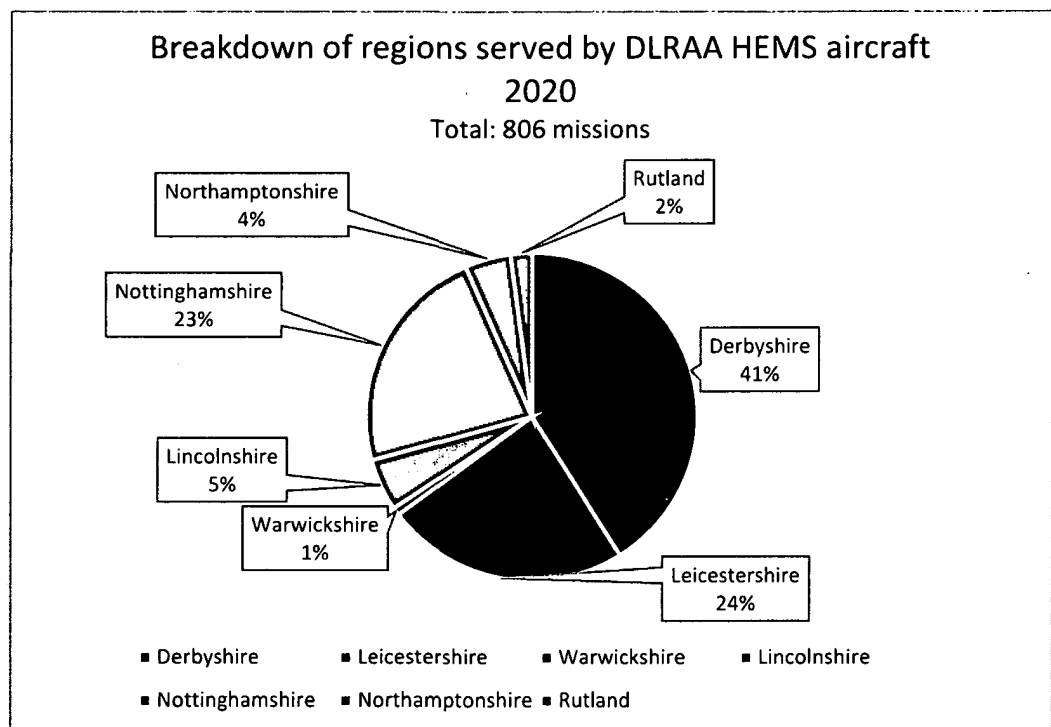
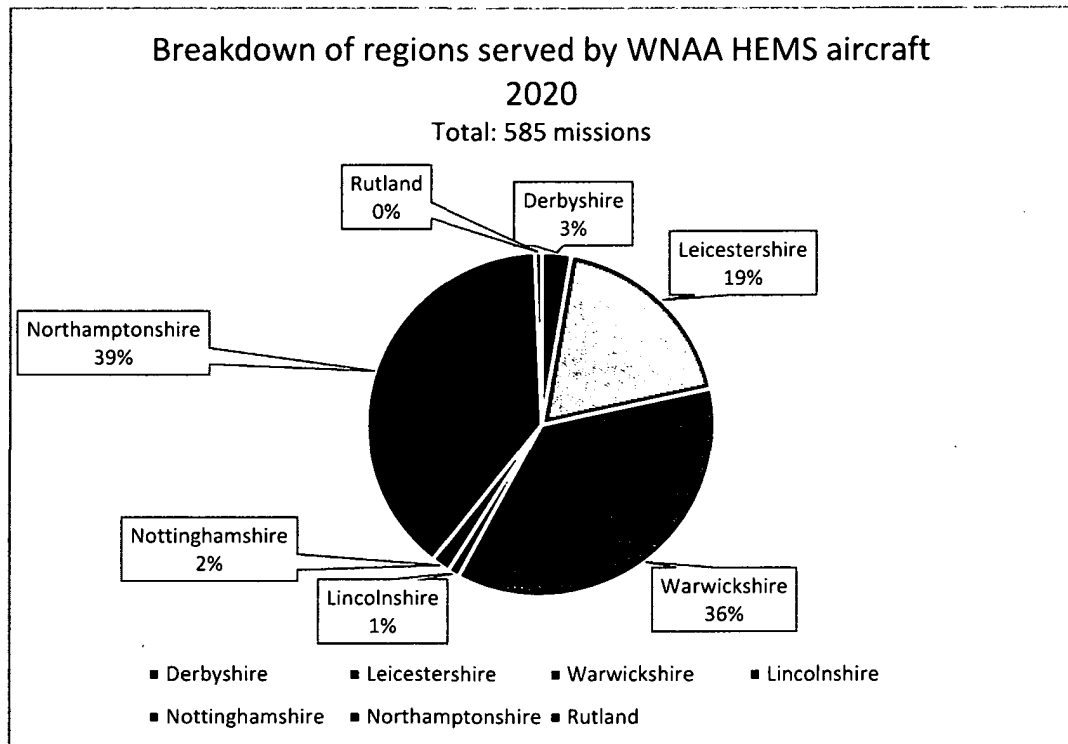
As with our Helicopter Emergency Medical Services; training and education is an essential component of the Children's Air Ambulance Governance Framework. NHS training was again impacted due to safety concerns relating to the pandemic, but alternative methods of remote education have been developed to ensure safety of services.

The following charts illustrate the number, type and spread of missions in 2020.



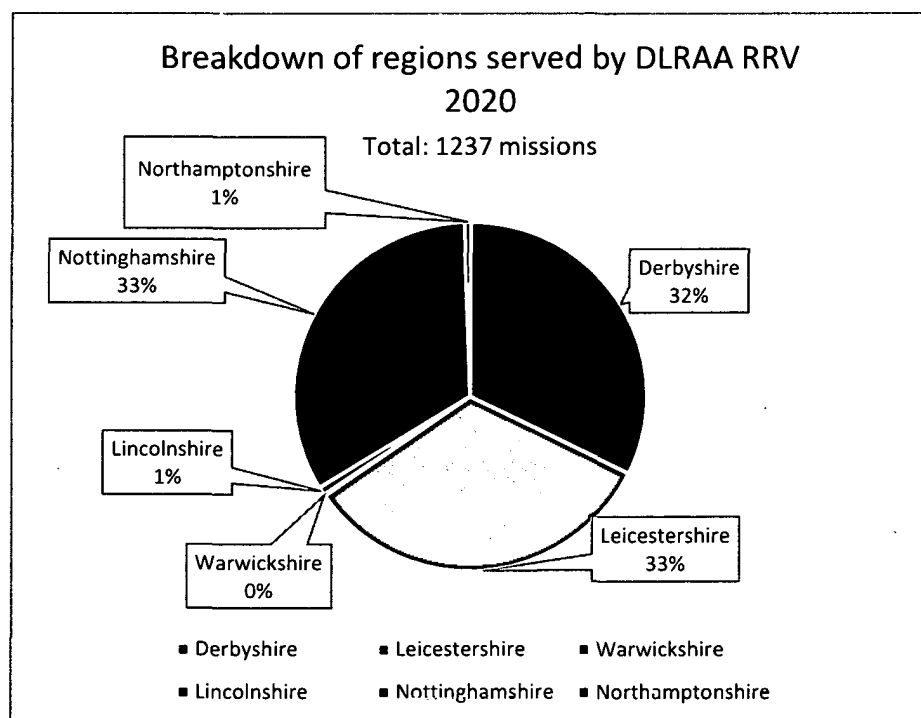
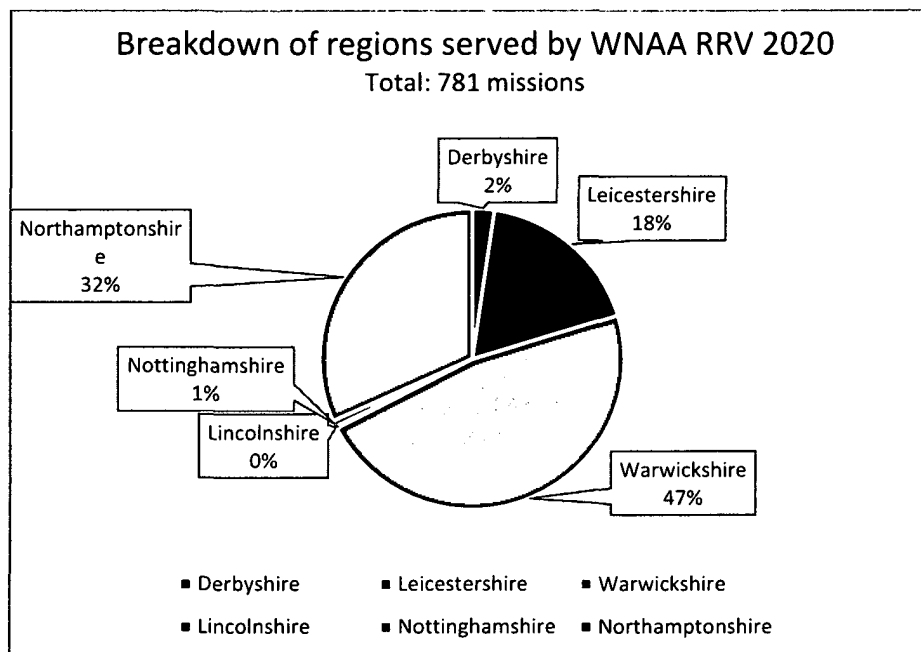
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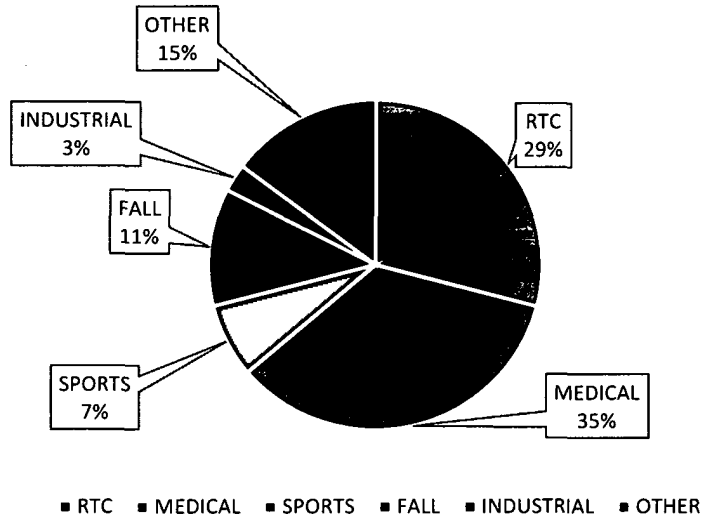


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TRUSTEES' ANNUAL REPORT (CONTINUED)
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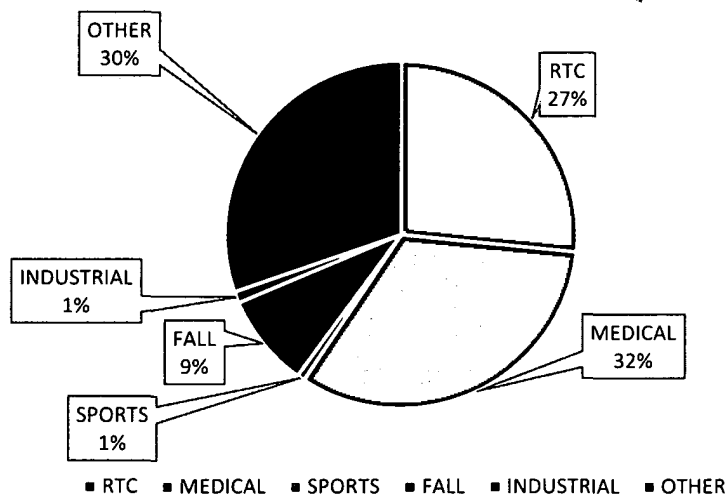
Breakdown of type of missions aircraft 2020

Total: 1391 missions



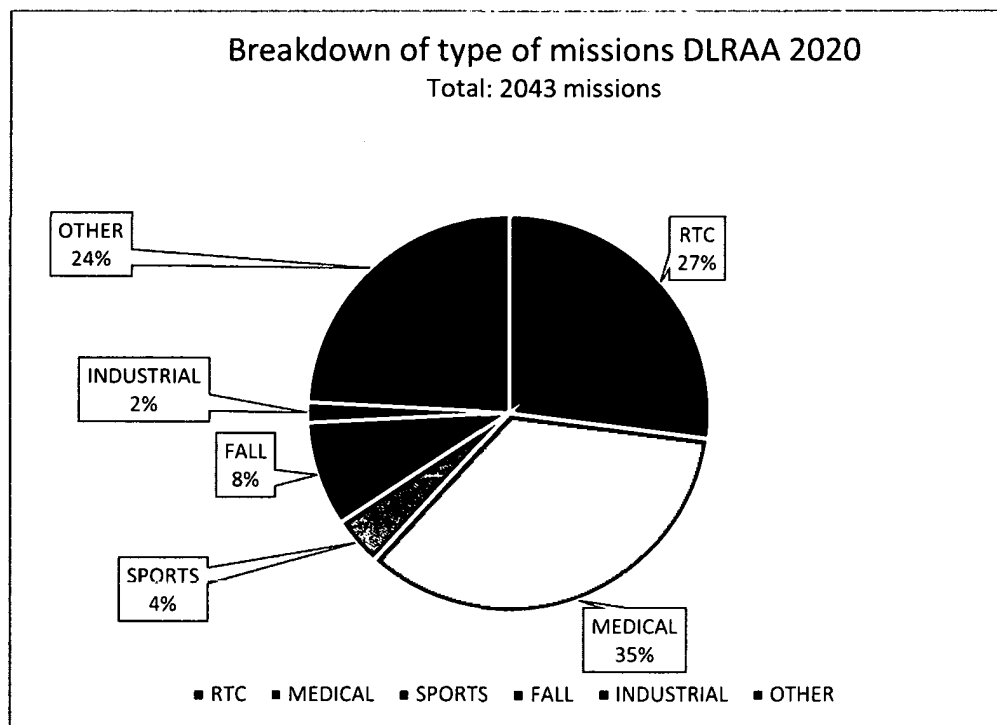
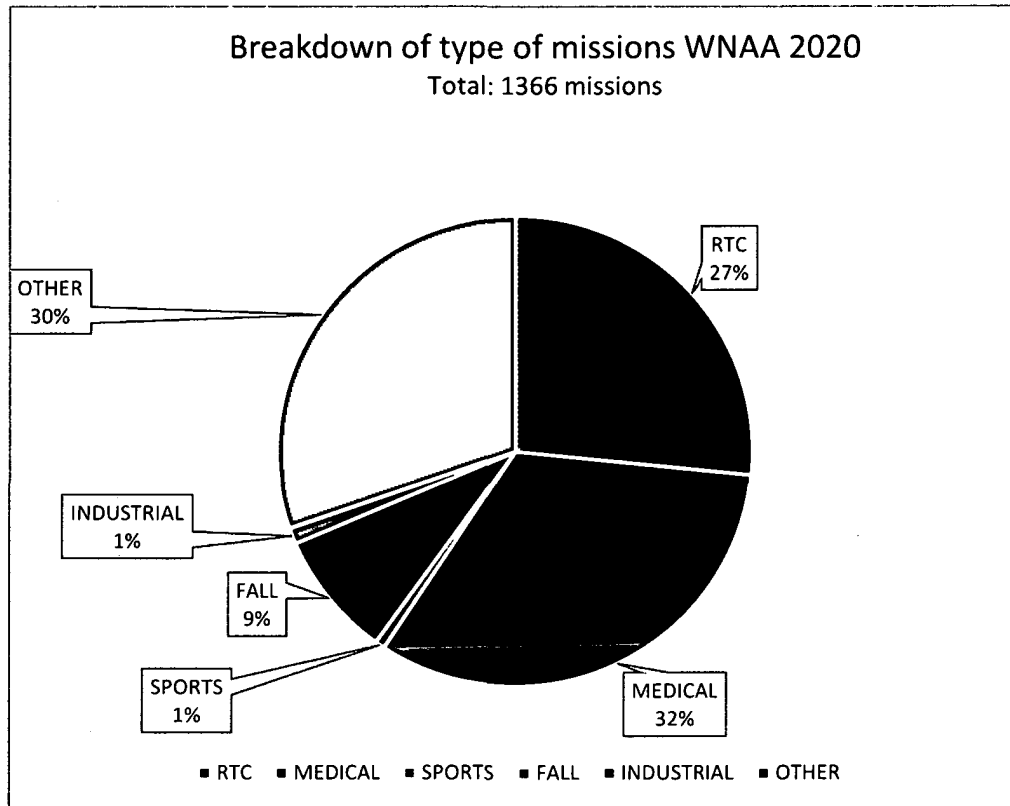
Breakdown of type of missions RRV 2020

Total: 2018 missions



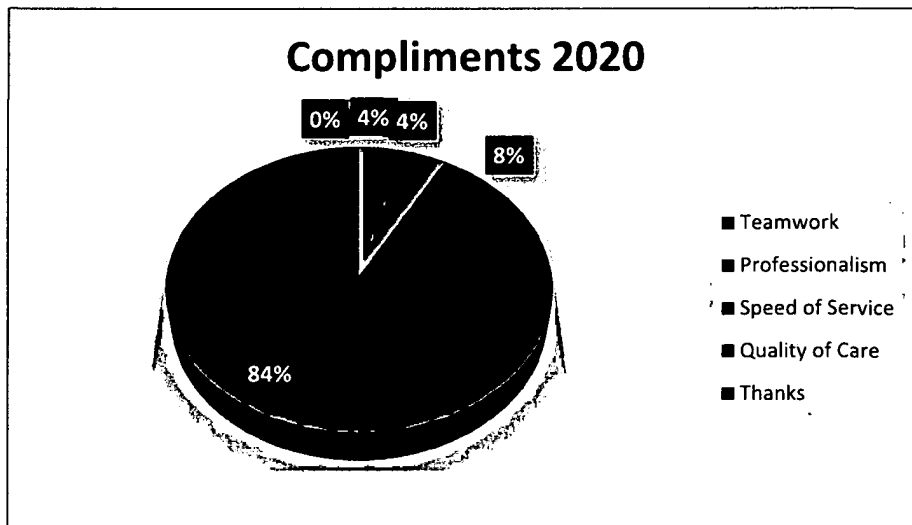
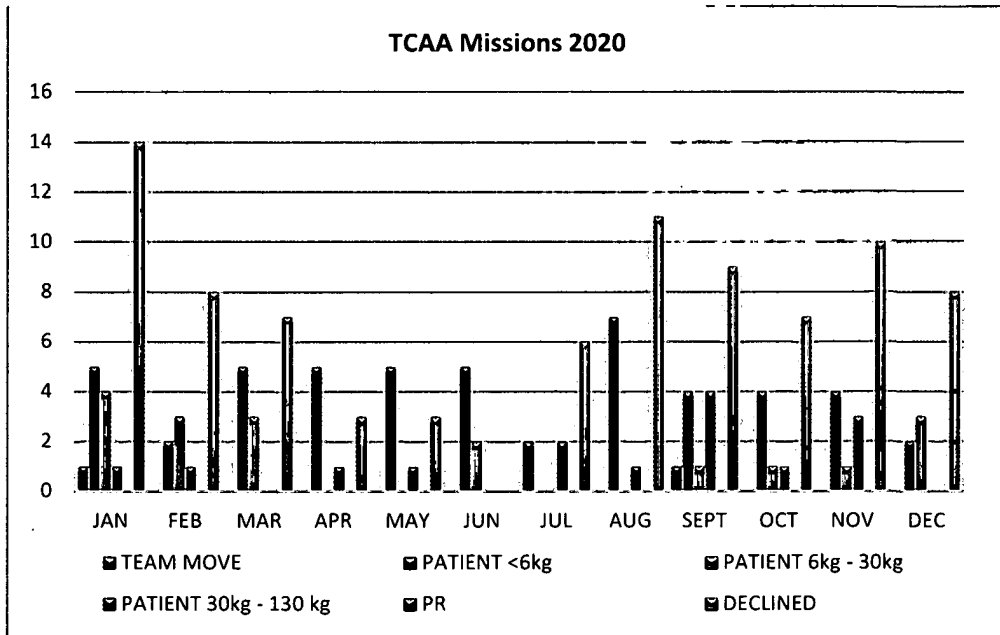
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TRUSTEES' ANNUAL REPORT (CONTINUED)
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TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Financial Position

We receive no government support, we rely solely on donations, legacies, sponsorship, grants, fundraising events and our retail operations. We do not see this as a financial burden though instead believe that it enables us to ensure that we put the needs of the patient at the top of our entire decision making.

It is a measure of the services we provide and a credit to our dedicated supporters and staff that in these challenging times, consequential of the COVID pandemic we have been able to sustain financial probity. Our group income decreased by 12.2% in 2020 to £25m, following a temporary closure of our retail shops and fundraising activities being placed on hold due to national COVID restrictions, however we still delivered a surplus before investment gains of £2m.

The sustainability of our income allows us to cope with increasing costs, secure the stability of the charity by moving towards our reserves policy and continue building towards funding the replacement of our HEMS helicopters.

Our aim, as always, is to ensure the maximisation of funds raised in the operation and running of the Helicopter Emergency Medical Services and The Children's Air Ambulance.

Reserves policy

We have improved our reserves position in 2020, in line with the desire to secure the stability of the Charity by holding 12 months operational costs, which are approximately £23m. As at 31 December 2020 the Charity held unrestricted free reserves of £21m and has a long term plan to fill this funding gap through further fundraising. This provides us with the necessary fall-back position to maintain our operational capabilities in periods of downturn and invest in new equipment as it becomes available.

Going concern

During the year there was an outbreak of Coronavirus which developed into a global pandemic. The Trustees have naturally been concerned about the impact it has had on employees, donors, sponsors and suppliers of the Charity and are satisfied that supporting measures have been implemented. The Charitable group is well placed in terms of business continuity as we initiated several actions to enable our colleagues to continue working safely from home and using technology for communication.

Some tough decisions had to be made to protect the charitable group and as such we had to temporarily close all of our shops, cancel events, marketing campaigns and manage our expenditure, through the imposition of various national restrictions, some of which still remain in place since the year end. Since the year end the majority of our staff have been furloughed and the government's financial support for these staff has been accessed, together with the Local Authority small business grants.

Our forecasts for the remainder of the year have been adjusted for the impact of the above actions and therefore the financial statements have been prepared on a going concern basis as the trustees consider that adequate reserves and strong cash balances continue to be available to fund the activities of the charity and group for the foreseeable future. At the time of approving this report the prospects of returning to a broader range of charitable activity in the near future look promising. For these reasons, the charity continues to adopt the going concern basis in preparing the financial statements.

Streamlined Energy and Carbon Reporting (SECR)

SECR aims to bring the benefits of carbon and energy reporting to more businesses. The reporting framework is intended to encourage the implementation of energy efficiency measures, with both economic and environmental benefits, supporting companies in cutting costs and improving productivity at the same time as reducing carbon emissions. The Charity has reviewed its reporting obligations and is satisfied that as it falls below the threshold of 40MWh for the year, further usage disclosure for the year is not required.

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TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Financial Instruments

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

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

Section 172 (1) statement Companies Act 2006

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

Business relationships

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

Our relationship with the community

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

Maintaining a reputation for high standards

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

Our people

At the end of 2020, we employed 381 members of staff and it is only through the combined effort of our whole workforce – our employees, supporters and volunteers that we can change the lives of so many. The charity encourages the involvement of employees by means of regular employee meetings and engagement in decision making processes that impact on them directly. Further details regarding key management personnel can be found in the Structure, Governance & Management section of the Trustees' Annual Report.

Employee involvement and employment of the disabled

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

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

- Equal opportunities; and
- Health & Safety

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

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TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Funds held as Custodian Trustees

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

Principal Risks and Uncertainties

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

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

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

PLANS FOR THE FUTURE

At the end of 2020 the Group developed a strategic, tactical and implementation plan for 2020-2022. This document reviewed our Vision, Mission, Core Values and Core Principles. It then set out seven strategic aims for 2020-2022.

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

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

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

THE AIR AMBULANCE SERVICE
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TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

The seven strategic aims which are to be developed over the 2020-2022 period are:

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

Each of these has a detailed plan behind it which involves the whole of the Charity and measures to check and report our progress towards these aims.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

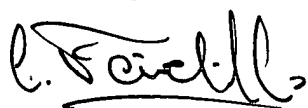
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

Provision of information to auditor

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

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

Approved by the Board of Trustees on 2 June 2021 and signed on its behalf by:



Chris Faircliffe
Chairman

THE AIR AMBULANCE SERVICE
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AIR AMBULANCE SERVICE
FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of The Air Ambulance Service (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AIR AMBULANCE SERVICE
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AIR AMBULANCE SERVICE
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- obtaining an understanding of the legal and regulatory framework applicable to the group and parent charitable company and how the group and the parent charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the group and the parent charitable company's control environment and how the group and the parent charitable company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the group and the parent charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

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

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

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AIR AMBULANCE SERVICE
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Use of our report

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



Nicholas Simkins FCA

Senior Statutory Auditor
for and on behalf of:

Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 2 June 2021

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

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

For the year ended 31 December 2020

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total £'000	2019 Total £'000
Income					
<i>Incoming resources from generated funds</i>					
Donations and legacies	2	7,332	1,568	8,900	11,972
Other trading activities	2	16,297	-	16,299	16,914
Investment income	4	178	-	178	30
Total income		23,807	1,568	25,375	28,916
Expenditure					
<i>Costs of raising funds</i>					
Costs of generating voluntary income		3,563	-	3,563	4,156
Commercial trading operations and other costs		10,837	-	10,837	11,376
<i>Charitable activities</i>					
Operation of Air Ambulances		7,294	1,535	8,829	8,973
Total expenditure	5	21,694	1,535	23,229	24,505
Net income before gains on investments		2,113	33	2,146	4,411
Net gain on fixed asset investments		460	-	460	-
Net movement in funds		2,573	33	2,606	4,411
Reconciliation of funds					
Total Funds brought forward at 1 January 2020		19,414	627	20,041	15,630
Total Funds carried forward at 31 December 2020		21,987	660	22,647	20,041

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

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

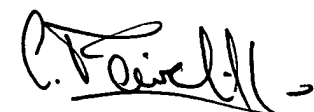
CONSOLIDATED BALANCE SHEET
Company number: 04845905

As at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	10	1,200	1,466
Investments	11	<u>9,460</u>	<u>-</u>
		10,660	1,466
Current assets			
Debtors	12	3,244	5,049
Stocks		327	302
Cash at bank and in hand		10,261	15,329
		<u>13,832</u>	<u>20,680</u>
Creditors: amounts falling due within one year	13	<u>(1,845)</u>	<u>(2,105)</u>
Net current assets		11,990	18,575
Net assets		<u>22,647</u>	<u>20,041</u>
Funds			
Unrestricted funds			
General funds	15	21,527	19,414
Investment revaluation reserve	15	460	-
Restricted funds	14	660	627
		<u>22,647</u>	<u>20,041</u>

The notes on pages 33 to 49 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 2 June 2021.



Chris Faircliffe
Chairman

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CHARITABLE COMPANY BALANCE SHEET
Company number: 04845905

As at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	10	586	652
Investments	11	<u>9,461</u>	<u>1</u>
		10,047	653
Current assets			
Stocks	16	7	
Debtors	12	3,622	4,859
Cash at bank and in hand		9,763	14,519
		<u>13,401</u>	<u>19,385</u>
Creditors: amounts falling due within one year	13	<u>(1,099)</u>	<u>(1,351)</u>
Net current assets		12,302	18,034
Net assets		<u>22,349</u>	<u>18,687</u>
Funds			
Unrestricted funds			
General funds	15	21,229	18,060
Investment revaluation reserve	15	460	-
Restricted funds	14	660	627
		<u>22,349</u>	<u>18,687</u>

The notes on pages 33 to 49 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 2 June 2021.


Chris Faircliffe
Chairman

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOW YEAR ENDED 31 DECEMBER 2020

	2020 £'000	2019 £'000
Reconciliation of net incoming resources to net cash flow from operating activities		
Net income	2,606	4,411
Depreciation	530	511
Loss on disposal of tangible fixed assets	(3)	-
Net gain on fixed asset investments	(460)	-
Increase in stock	(25)	(136)
Decrease/(increase) in debtors	1,805	561
(Decrease)/Increase in creditors	(260)	(1,397)
Investment income received	<u>(178)</u>	<u>(30)</u>
Net cash inflow from operating activities	<u>4,015</u>	<u>3,920</u>

Cash Flow Statement

Net cash inflow from operating activities	4,015	3,920
Cash flows from investing activities	178	30
Purchase of intangible fixed assets	(9,000)	-
Purchase of tangible fixed assets	<u>(261)</u>	<u>(399)</u>

Increase in cash and cash equivalents in the year

<u>(5,068)</u>	<u>3,551</u>
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Analysis of changes in net cash

	At 1 January 2020 £'000	Cash flow £'000	At 31 December 2020 £'000
Cash at bank and in hand	<u>15,329</u>	<u>(5,068)</u>	<u>10,261</u>

Reconciliation of Movement in Cash

	2020 £'000	2019 £'000
Net increase in cash and cash equivalents for the year	(5,068)	3,551
Cash and cash equivalents as at 1 January 2020	<u>15,329</u>	<u>11,778</u>
Cash and cash equivalents as at 31 December 2020	<u>10,261</u>	<u>15,329</u>

Cash flows from investing activities

	2020 £'000	2019 £'000
Investment income received	<u>178</u>	<u>30</u>

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

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

Basis of preparation

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

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

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

Going concern

During the year there was an outbreak of Coronavirus which developed into a global pandemic. The Trustees have naturally been concerned about the impact it has had on employees, donors, sponsors and suppliers of the Charity and are satisfied that supporting measures have been implemented. The Charitable group is well placed in terms of business continuity as we initiated several actions to enable our colleagues to continue working safely from home and using technology for communication.

Some tough decisions had to be made to protect the charitable group and as such we had to temporarily close all of our shops, cancel events, marketing campaigns and manage our expenditure, through the imposition of various national restrictions, some of which still remain in place since the year end. Since the year end the majority of our staff have been furloughed and the government's financial support for these staff has been accessed, together with the Local Authority small business grants.

Our forecasts for the remainder of the year have been adjusted for the impact of the above actions and therefore the financial statements have been prepared on a going concern basis as the trustees consider that adequate reserves and strong cash balances continue to be available to fund the activities of the charity and group for the foreseeable future. At the time of approving this report the prospects of returning to a broader range of charitable activity in the near future look promising. For these reasons, the charity continues to adopt the going concern basis in preparing the financial statements.

Incoming resources

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

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1. Accounting policies – continued

Gifts in kind

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

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

Donated services and facilities

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

Legacies

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

Trading outlets

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

Structure of funds

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

Resources expended

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

a) Costs of raising funds

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

b) Charitable activities

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

c) Governance costs

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

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1. Accounting policies – continued

Fixed assets

Capitalisation

All assets falling into the following categories are capitalised.

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

Tangible Fixed Assets and Depreciation

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

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

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

Fixed Asset investments

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

Stock

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

Debtors

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

Cash and cash equivalents

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

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1. Accounting policies – continued

Financial instruments

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

Creditors and provisions

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

Pensions

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

Operating leases

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

Gift aid payments receivable

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

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

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

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1. Accounting policies – continued

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

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

- Determine whether leases entered into by the charitable company either as a lessor or a lessee are operating leases or finance leases. The decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor or lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.
- Provisions. A provision is recognised when the charitable company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

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

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

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

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

2. Donations and legacies	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£'000	£'000	£'000	£'000
Donations	4,546	-	4,546	6,452
Legacies	2,496	1,269	3,765	4,436
Grants receivable (see note 3)	290	299	589	1,084
	<hr/>	<hr/>	<hr/>	<hr/>
	7,332	1,568	8,900	11,972
	<hr/>	<hr/>	<hr/>	<hr/>
Other trading activities				
Charity shop income (see note 11.1)	7,111	-	7,111	10,132
Lottery income	7,044	-	7,044	6,377
Event income	433	-	433	236
Government grants receivable	1,587	-	1,587	236
Other grants receivable	50	-	50	236
Other	72	-	72	169
	<hr/>	<hr/>	<hr/>	<hr/>
	16,297	-	16,297	16,914
	<hr/>	<hr/>	<hr/>	<hr/>

Included within government grants receivable is £0.9m claimed under the Small Business Grant Fund and £0.687m claimed under the Coronavirus Job Retention Scheme.

Income from donations and legacies in 2019 was £11.972m of which £10.888m was attributable to unrestricted funds and £1.084m to restricted funds. Income from other trading activities in 2019 was £16.914m all of which was attributable to unrestricted funds.

3. Material grants received by category	2020	2019
Sources of material grants:	£'000	£'000
Toyota Manufacturing UK Charitable Trust	-	38
General Charities of the City of Coventry	90	90
The Margaret Giffen Charitable Trust	25	25
Rugby Group Benevolent Fund	10	10
The Bernard Sunley Trust	-	20
Children are Butterflies	40	-
O'Brien Charitable Trust	10	10
AAA UK	181	-
The Saintbury Trust	-	20
J Measures	-	156
The EBM Charitable Trust	10	10
J Ridley	-	20
I Smith	-	50
C Short	-	48
G Barrett	-	26
J Brown	-	61
G Hawley	-	33
Groundworks (Tesco Bags of Help)	12	-
Other < £10,000	211	467
	<hr/>	<hr/>
Total	589	1,084
	<hr/>	<hr/>

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

4. Investment income	2020 £'000	2019 £'000
Bank interest	33	30
Investment income	144	-
Other	<u>1</u>	<u>-</u>
	<u>178</u>	<u>30</u>

5. Resources expended by activity

		Costs of Fundraising					
		Basis of <i>Generating Trading Charitable Governance</i>					
		Allocation	Voluntary	costs	activities	costs	
		£'000	£'000	£'000	£'000	2020 £'000	2019 £'000
Costs directly allocated to activities							
Fundraising Costs	Direct	1,214	-	-	-	1,214	1,325
Operations	Direct	-	-	8,036	-	8,036	8,172
Marketing and PR	Direct	1,503	-	-	-	1,503	2,073
Trading costs	Direct	-	10,488	-	-	10,488	10,983
Depreciation	Direct	-	299	229	-	528	511
Support costs allocated to activities							
Support Services	Hours	<u>846</u>	<u>-</u>	<u>564</u>	<u>50</u>	<u>1,460</u>	<u>1,441</u>
		<u>3,563</u>	<u>10,787</u>	<u>8,829</u>	<u>50</u>	<u>23,229</u>	<u>24,505</u>

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

The expenditure in 2019 was £24.505m of which £23.460m was attributable to unrestricted funds and £1.045m to restricted funds.

THE AIR AMBULANCE SERVICE
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

6. Staff costs

	2020 £'000	2019 £'000
Wages and salaries	6,959	6,823
Social security costs	561	569
Pension costs	205	168
Redundancy and termination payments	14	85
	<u>7,739</u>	<u>7,645</u>

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

	2020 No.	2019 No.
Aviation Operations	30	30
Fundraising	20	23
Trading	288	277
Administration	43	28
	<u>381</u>	<u>358</u>

Pensions contributions

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Annual contributions amounting to £205,027 (2019: £168,142) were charged to the Statement of Financial Activities during the year. At the balance sheet date, there were £36,928 outstanding contributions (2019: £36,317).

Key Management Personnel (Senior management) remuneration

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

	2020 £'000	2019 £'000
Remuneration receivable	421	541
Social security costs	48	56
Pension contributions	13	41
	<u>482</u>	<u>638</u>

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

	2020 No.	2019 No.
£130,000 to £139,999	1	1
£100,000 to £109,999	1	-
£90,000 to £99,999	<u>2</u>	<u>3</u>

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

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

7. Trustees and connected persons' transactions

Trustees' expenses reimbursed

During the year expenses of £102 (2019: £767) were reimbursed to 2 (2019: 3) Trustees.

Trustees' remuneration

No trustees received remuneration during the year (2019: Nil).

The Charity pays an insurance premium in respect of Trustees' and Individuals' liability cover at a cost of £489 (2019: £991).

8. Net incoming resources	2020	2019
	£'000	£'000
This is stated after charging:		
Auditors' remuneration - audit services	16	17
Depreciation – owned assets	530	511
Loss on disposal of tangible fixed assets	(3)	-
Operating Lease Costs	<u>6,609</u>	<u>6,563</u>

9. Taxation

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

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

10. Tangible fixed assets

GROUP

	Leasehold Property £'000	Fixtures & fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2020	141	1,554	2,148	151	3,994
Additions	-	60	201	-	261
Disposals	-	-	-	-	-
At 31 December 2020	141	1,614	2,349	151	4,255
Depreciation					
At 1 January 2020	80	1,015	1,354	79	2,528
Charge for the year	10	195	302	23	530
Disposals	-	-	-	(3)	(3)
At 31 December 2020	90	1,210	1,656	99	3,055
Net book value					
At 31 December 2020	51	404	693	52	1,200
At 31 December 2019	61	539	764	72	1,466

CHARITY

	Leasehold Property £'000	Fixtures & fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2020	134	289	1,528	138	2,089
Additions	-	-	163	-	163
Disposals	-	-	-	(3)	(3)
At 31 December 2020	134	289	1,691	135	2,249
Depreciation					
At 1 January 2020	74	276	1,020	67	1,437
Charge for the year	9	6	192	22	229
Disposals	-	-	-	(3)	(3)
At 31 December 2020	83	282	1,212	86	1,663
Net book value					
At 31 December 2020	51	7	479	49	586
At 31 December 2019	60	13	508	71	652

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11. Investments

Group	Managed Funds £'000	Total £'000
Cost		
At 1 January 2020	-	-
Additions	9,000	9,000
Net gains on investments	460	460
At 31 December 2020	9,460	9,460

Charity	Investments in Subsidiaries £'000	Managed Funds £'000	Total £'000
Cost			
At 1 January 2020	1	-	1
Additions	-	9,000	9,000
Net gains on investments	-	460	460
At 31 December 2020	1	9,460	9,461

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

The following are subsidiary undertakings at 31 December 2020:

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

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

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11.1 Net income from trading activities of subsidiary

The Air Ambulance Service Trading Limited, the wholly owned subsidiary of the charity is a retail charity outlet. A summary of its trading results for the year to 31 December 2020 are shown below. Audited accounts will be filed with the Registrar of Companies.

	2020 £'000	2019 £'000
Turnover	7,111	10,132
Cost of sales	(650)	(884)
Administration expenses	(7,698)	(7,874)
Other operating income	<u>1,643</u>	<u>-</u>
Operating profit	<u>406</u>	<u>1,374</u>
Profit after tax	<u>406</u>	<u>1,374</u>
Retained earnings at the beginning of the year	1,353	933
Profit for the year	406	1,374
Gift aid payment	<u>(1,460)</u>	<u>(954)</u>
Retained earnings at the end of the year	<u>299</u>	<u>1,353</u>
The assets and liabilities at 31 December were:		
Fixed assets	612	814
Current assets	1,310	1,678
Current liabilities	<u>(1,623)</u>	<u>(1,139)</u>
Total net assets	<u>299</u>	<u>1,353</u>
Aggregate share capital and reserves	<u>299</u>	<u>1,353</u>

12. Debtors	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts falling due within one year				
Amounts due from group undertaking	-	-	876	386
Trade debtors	201	251	18	83
Other debtors	5	4	4	4
Prepayments	804	718	579	398
Accrued income	2,035	3,887	2,035	3,887
VAT	199	189	110	101
	<u>3,244</u>	<u>5,049</u>	<u>3,622</u>	<u>4,859</u>

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13. Creditors

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade creditors	424	592	273	364
Taxation and social security	155	169	81	84
Other creditors	42	24	42	21
Accruals and deferred income	1,224	1,320	703	882
	<u>1,845</u>	<u>2,105</u>	<u>1,099</u>	<u>1,351</u>

Included within accruals and deferred income is an amount of £0.5m (2019 £0.5m) received from Libor banking fines.

14. Restricted funds

	Balance at 1 Jan 2020 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Balance at 31 Dec 2020 £'000
The Children's Air Ambulance – Incubator	18	40	-	-	58
CAA Helicopter lease appeal	-	133	133	-	-
DLRAA Helicopter lease appeal	-	725	725	-	-
WNAA Helicopter lease appeal	-	619	619	-	-
Lloyds Charities Trust	49	-	-	-	49
Various Other Trusts and Foundations	61	51	58	-	54
LIBOR Funding	<u>499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>499</u>
	<u>627</u>	<u>1,568</u>	<u>1,535</u>	<u>-</u>	<u>660</u>

	Balance at 1 Jan 2019 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	Balance at 31 Dec 2019 £'000
The Children's Air Ambulance – Incubator	18	-	-	-	18
CAA Helicopter lease appeal	-	94	94	-	-
DLRAA Helicopter lease appeal	-	487	487	-	-
WNAA Helicopter lease appeal	-	334	334	-	-
Lloyds Charities Trust	49	-	-	-	49
Various Other Trusts and Foundations	46	169	54	(100)	61
LIBOR Funding	<u>499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>499</u>
Restricted Fixed Asset	<u>76</u>	<u>-</u>	<u>76</u>	<u>-</u>	<u>-</u>
	<u>688</u>	<u>1,084</u>	<u>1,045</u>	<u>(100)</u>	<u>627</u>

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14. Restricted funds - continued

Purposes of restricted funds

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

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

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

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

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

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

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

Restricted fixed asset fund represents funding received from various donors towards the purchase of fixed assets. This fund will be charged with the depreciation on assets purchased.

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15. Unrestricted funds (group)

	1 Jan 2020 £'000	Incoming £'000	Outgoing £'000	Gains on Invest- ments £'000	Transfers £'000	31 Dec 2020 £'000
General funds	19,414	23,807	21,694	-	-	21,527
Investment revaluation reserve	-	-	-	460	-	460
	1 Jan 2019 £'000	Incoming £'000	Outgoing £'000	Gains on Invest- ments £'000	Transfers £'000	31 Dec 2019 £'000
General funds	14,942	27,832	23,460	-	100	19,414
Unrestricted funds (charity)						
	1 Jan 2020 £'000	Incoming £'000	Outgoing £'000	Gains on Invest- ments £'000	Transfers £'000	31 Dec 2020 £'000
General funds	18,060	16,513	13,344	-	-	21,229
Investment revaluation reserve	-	-	-	460	-	460
	1 Jan 2019 £'000	Incoming £'000	Outgoing £'000	Gains on Invest- ments £'000	Transfers £'000	31 Dec 2019 £'000
General funds	14,009	18,653	14,702	-	100	18,060

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16. Analysis of net assets between funds

	Unrestricted	Restricted	2020 Total	Unrestricted	Restricted	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	10,282	375	10,657	1,036	430	1,466
Net current assets	11,705	285	11,990	18,378	197	18,575
	<u>21,987</u>	<u>660</u>	<u>22,647</u>	<u>19,414</u>	<u>627</u>	<u>20,041</u>

17. Operating lease commitments

At 31 December 2020 the charitable group had future minimum lease payments under non-cancellable operating leases as set out below.

Group

	2020		2019	
	Land and Buildings £'000	Other items £'000	Land and buildings £'000	Other items £'000
Operating leases which expire:				
Within 1 year	1,441	6,556	1,571	7,014
Between 1 to 5 years	3,513	16,235	4,265	21,672
More than 5 years	998	3,300	1,692	-
	<u>5,952</u>	<u>26,091</u>	<u>7,528</u>	<u>28,686</u>

Charity

	2020		2019	
	Land and Buildings £'000	Other items £'000	Land and buildings £'000	Other items £'000
Operating leases which expire				
Within 1 year	93	6,519	93	6,847
Between 1 to 5 years	439	16,208	463	21,646
More than 5 years	-	3,237	69	-
	<u>532</u>	<u>25,964</u>	<u>625</u>	<u>28,493</u>

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18. Financial Commitments

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

19. Membership

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

20. Controlling parties

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

21. Related party transactions

Transactions with Trustees are disclosed in in note 7.

There were no other related party transactions in the year (2019: none)