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THE AIR AMBULANCE SERVICE
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE AIR AMBULANCE SERVICE
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CHAIRMAN'S STATEMENT

As a newly appointed Trustee and Chair of The Air Ambulance Service (TAAS), I am delighted to be joining the charity at such an important moment in its history. We are approaching the 20th anniversary of our local air ambulance services and the 10th anniversary of our children's transfer service. It is timely to reflect and acknowledge the dedication and hard work of so many within our community: staff, volunteers, those working in our shops and offices, fundraisers and, of course, the people that crew our helicopters and operate our vehicles. Our success depends on many different people and I am grateful to each and every individual for their contribution.

I must acknowledge the commitment of my predecessor, Chris Faircliffe. Chris has worked with the charity for over ten years as both a Trustee and Chair. I am personally grateful to Chris for his guidance and advice since I joined the charity.

It is often the most challenging of circumstances that brings communities together. The continued impact of Covid-19 in 2021 demonstrated just that. Our wonderful supporters, across our Warwickshire & Northamptonshire Air Ambulance, and Derbyshire, Leicestershire & Rutland Air Ambulance (WNDLRRAA) counties, as well as nationally for the Children's Air Ambulance (TCAA), continued to show unwavering support. In no small part, it was their efforts that enabled us to deliver our critical services. Maintaining lifesaving, critical care and inter-hospital transfers throughout the pandemic is a remarkable achievement.

The Air Ambulance Service continues to advance rapid response and critical care services to patients. In 2021 the charity launched two new HEMS (Helicopter Emergency Medical Service) aircraft to ensure critical care is delivered urgently and at the highest possible level to where it is needed most. At the same time Children's Air Ambulance welcomed on board its 11th NHS Clinical Partner Team: KIDS/NTS based at Birmingham Children's Hospital.

I am extremely proud of what the charity has achieved, just as I am excited about the future as we embark on developing a new strategy. Our approaching anniversaries provide us with the perfect opportunity both to celebrate the past and also to think about what we aspire to achieve over the coming years, at a time where our support to the NHS has never been more important.

Above all, I know that we shall work tirelessly together, to ensure more children have the chance to grow into adults, adults live long, fulfilled lives, and their families and friends will be able to stay together because of what we do.

Thank you for your contribution to our continuing success.

Professor Bob Allison CBE
Chair of Trustees

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CHIEF EXECUTIVE'S REPORT

As it was for many people across the country, 2021 was another challenging year. The continued threat of the covid pandemic meant that many working days were lost during the various lockdowns which hit our retail and fundraising efforts very hard. Before I report on the year for each area of the charity, I would like to begin by paying tribute to our incredible staff and volunteers and the amazing donors and supporters we have. All of those with a true and passionate commitment to the work we do really did step up and shine like beacons. This resulted in us being able to withstand the financial setbacks the covid crisis caused and maintain the things that were most important to us, namely, we kept our front-line services operating, we kept all of our workforce in jobs and we maintained financial stability. To achieve all three of those things under the pressures we had is a testament to the commitment and resilience we have as a charity that is led by and lives by its values.

Throughout 2021 both of our HEMS services (the local air ambulances for Derbyshire, Leicestershire and Rutland and for Warwickshire and Northamptonshire) maintained full service with both helicopter and rapid car response. Our Children's Air Ambulance maintained full service until the end of September when the contract was terminated by the aircraft supplier. Unreasonably so in our opinion but this is now a legal matter and therefore no further comment can be made on this other than to say, we have kept our clinical partners and all of our stakeholders fully informed, and we are pleased to report that the service will be back up and running in 2022 under a new aircraft supplier contract. The break in service was not ideal, but fully understood by partners and donors who maintained their full support for the charity.

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, as it was the previous year, it was essential that we did not take away any funding from the NHS and we continued to make our services and resources available to our NHS colleagues whenever it was needed.

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.

We take our responsibilities for sustainability very seriously and undertake numerous activities to reduce our carbon footprint. We have strong policies on Equality, Diversity and Inclusion and ensure all steps are taken to put those policies into practice.

We are highly regulated as an organisation, and I am pleased to report that all inspections and audits were passed. We are registered with the Care Quality Commission who due to the pandemic, had to suspend routine inspections due to risk. However, they introduced 'Transitional Regulatory Monitoring Approach' in 2021. Whilst no CQC rating was applied, I am pleased to report no concerns were raised regarding TAAS clinical services.

We successfully achieved ISO 9001 and 14001 Certifications in January 2022. There were no issues involving The Charity Commission or The Fundraising Regulator or The Gambling Commission and no issues with data protection.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)

Our charity vision is

We want children to grow into adults and adults to live longer, making bereavement through trauma rare.

Our mission is

Our rapid response services work tirelessly to save lives and alleviate pain and suffering, wherever and whenever needed.

Our values are:

Compassion

We succeed because we care. We care about our patients, our supporters, our partners and our colleagues. We act with dignity, humility, integrity and respect.

Courage

We succeed because we dare. We are bold, pioneering and brave enough to ask questions of ourselves and others while actions are taken with responsibility.

Creativity

We succeed because we innovate. We recognise that new ideas, big and small, are essential for future growth. We are curious, we embrace change, and we rise to the challenge.

Our existing strategic priorities are as follows:

1. Continuously advance rapid response and critical care services to patients.
2. Be recognised as the leading authority on pre-hospital emergency care and paediatric and neonatal transfer services.
3. Raise awareness, understanding and engagement with our charity across the country.
4. Unite people in our common purpose and create advocates who will enhance reputation and reach of the charity.
5. Be the organisation of choice and opportunity for the most talented and driven from diverse backgrounds.
6. 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.
7. Grow income to £40 million in a diverse and sustainable manner to continue and develop our services.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)

This is how we performed against that strategy in 2021:

1. Advance Clinical Services

Our clinical services, two regional air ambulances and our national children's air ambulance, continued throughout the pandemic.

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 2021 WNAA were tasked to 1372 missions, 686 by helicopter and 686 by our critical care cars. Of these 342 were road traffic collisions.

WNAA	TOTAL
RTC	342
MEDICAL	473
SPORTS	42
FALL	151
INDUSTRIAL	29
OTHER	335

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:

The medical interventions performed by the local air ambulance critical care crew at the scene of the incidents they attend make a significant difference to the long-term outcome of the patient.

When Nuneaton warehouse operative James Davies (43) was knocked off his bicycle in a road traffic collision on his way to work he suffered multiple injuries – including bleeding on the brain and a lacerated skull - and it wasn't until six weeks after the accident that his family knew he was going to recover.

He spent 108 days in hospital and is now hoping to return to work at the end of October.

"I am very grateful for what the air ambulance crew did for me. Without them I might not be here today to tell the tale," he says.



It was 6.15am on 2nd February when James was hit from behind by a heavy goods vehicle. Within 19 minutes the Warwickshire & Northamptonshire Air Ambulance critical care car attended the scene of the accident on the A444.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)



The air ambulance crew were concerned that James – who was unconscious – might have a serious head injury so he was anaesthetised and given drugs to stabilise his condition. These early interventions were crucial to his long-term recovery and helped prevent secondary brain injuries which can occur after such accidents.

James's other injuries included a fractured eye socket, fractured scapular, broken ribs, bleeding on the lungs, lacerations to his liver, kidney and spleen, four fractured vertebrae and a broken pelvis.

He was taken by land ambulance to University Hospital Coventry & Warwickshire. The air ambulance doctor who accompanied him on the nine-minute journey had informed waiting medical staff in the Accident & Emergency Department that James had lost a lot of blood, so they had some ready to give him an infusion as soon as he arrived.

James' sister Rachel James had to go to the hospital to identify him. She says:

"Even if he hadn't made the miraculous recovery he has, the care he received at the scene of the accident would have bought me time to say a final goodbye. If nothing else, we would have had that chance."

"Death was never the worst-case scenario though as he could have been trapped in a body, he couldn't use, so to see him walking around and standing up now brings tears of joy to my eyes."

James spent five weeks in intensive care and another two weeks in a major trauma ward at Coventry before he was transferred to the Central England Rehabilitation Unit, Leamington Spa – from where he was discharged on 20 May.

Rachel is so grateful to the local air ambulance for the part they played in her brother's "miraculous recovery" she is now fundraising for the charity.

She says: "There isn't enough money in the world to show how grateful we are for the care that James received that has meant he is still here with us today and able to enjoy his life, but every penny we can raise will go towards keeping the air ambulance flying and giving others the chance to survive."



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.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)

In 2021 DLR we were tasked to 2014 missions, 875 by helicopter and 1139 by our critical care cars. Of these 500 were road traffic collisions.

DLRAA	TOTAL
RTC	500
MEDICAL	728
SPORTS	92
FALL	199
INDUSTRIAL	29
OTHER	466

Patient Story – Jael Rowles

Jael Rowles from Old Brampton near Chesterfield and her family credit the critical care crew from Derbyshire, Leicestershire & Rutland Air Ambulance with saving her life after the car she was a passenger in collided with an oncoming vehicle that lost control.



Following the impact, Jael was immediately knocked unconscious and sustained serious head injuries.

The accident happened in August 2019 when Jael and two cousins were travelling in a car driven by her uncle.

Miraculously just 15 months later she has recovered enough to cycle 10km, run 2.5km and swim 400m to complete her fundraising triathlon.

"I wanted to thank the air ambulance by raising enough money for at least one mission to help other people who might find themselves in a frightening emergency like I did. The fact I was able to raise enough money to pay for nearly five missions – over £8,000- is amazing," she says.

Training for the triathlon helped Jael with her rehabilitation.

"The physical challenge was not easy for her and she had to train hard, but it gave her something to aim for," says her dad Adrian.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)



He recalls the awful moment when he and his wife Priscilla heard that their daughter and relatives had been involved in the crash.

They were phoned by a passing motorist who knew the family and recognised the people who had been injured.

"When we arrived at the scene the road was blocked and there were at least four ambulances there," he says.

Due to the time of day – it was beginning to get dark – the air ambulance crew attended the accident in the critical care car instead of the helicopter. It took them under 30 minutes to travel from their base at East Midlands Airport to the scene.

The critical care team were able to give emergency anaesthetic treatment to Jael at the scene that is usually only performed in a hospital environment.

Jael was initially sedated, before being intubated, and ventilated. This allowed the critical care team to control her body's oxygen and carbon dioxide levels so that her brain received the maximum amount of protection, and help prevent any further injury before reaching hospital

The air ambulance team accompanied Jael in a land ambulance to Sheffield Children's Hospital to continue her treatment during the journey and optimise her care further.

"The air ambulance doctor briefed the hospital staff about Jael's condition and then updated and reassured us about what was happening – for which we were very grateful," explains Adrian.

Jael was in intensive care for two weeks and the neurological ward for three months. During this time, she underwent an intensive rehabilitation programme with a team of specialists in physiotherapy, occupational therapy, speech and language therapy and neuropsychology.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)



Her parents were by her side all this time and lived at the hospital in a room provided by a charity that supports children with brain injuries.

In mid-November Jael returned home to continue her physiotherapy and by April 2020 she was able to take part in online lessons organised by her school. She went back to the classroom with a support worker in September but since the third lockdown has been doing online learning at home again.

It is testament to Jael's determination that not only did she complete her triathlon, but she did so during the Covid-19 pandemic – which meant it had to be delayed several times.

She says:

"I would like to thank again the local air ambulance, to whom I am ever grateful, for acting the way they did on that day. I think their helicopter enthused me on as it always seemed to fly over our heads when we were training. I am thankful to all the people who donated to this worthy cause."

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 71 missions in 2021 (65 Patient moves / 6 Team moves) 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 2021 especially over the historical busy winter/spring period.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)

Patient Story - Harry Younge



An 11-year-old boy with a potentially life-threatening heart condition was flown on the Children's Air Ambulance twice in 4 weeks at the height of the Covid-19 crisis.

On both occasions, Harry Younge – from the Norfolk village, Wiggenhall St Germans – could have gone into cardiac arrest or had an arrhythmia (abnormality of the heart's rhythm) during the transfer between Queen Elizabeth Hospital, Kings Lynn and Great Ormond Street Hospital, London.

Doctors decided it was safer for him to make the journey by air as his heart wasn't stable.

The Children's Air Ambulance was mobilised from its base in Oxford to pick up a specialist paediatric retrieval team from London-based Children's Acute Transport Service (CATS), fly them to King's Lynn to prepare Harry for the flight and then accompany him on the helicopter back to London.

It took just 39 and 40 minutes to transfer Harry from King's Lynn to Regents Park in London, where a land ambulance was waiting to take him to hospital. This is compared to a road journey of 102 miles which would take approximately two hours 20 minutes depending on traffic conditions at the time.

"If you are in a life-threatening situation with your child, the Children's Air Ambulance and the CATS team are who you want with you at that moment. We are very lucky to have the Children's Air Ambulance. The pilots were fabulous and the CATS team amazing. Thank God we have got them both," says Harry's mum Nina.

As there is an allocated parent seat on the helicopter, she was able to travel with her son on both flights. She says: "I knew he was in safe hands, but I was worried that he would have these arrhythmias, the



defibrillator implanted in him would shock or he would go into cardiac arrest in the air. It was so nerve wracking, I kept thinking hurry up and get us to London. He had been prepped so he could be quickly put to sleep and externally defibrillated if necessary. I was thinking please don't let that happen, no parent wants to see their child being defibrillated especially not whilst up in the air."

"His team had said he wasn't stable enough for him to be moved by land ambulance. He was in the helicopter because his situation could have been life threatening. Despite the fact he was getting to Great Ormond Street Hospital as quickly as possible with a team of highly skilled people it was still a very traumatic situation to be in and I was terrified."

But thankfully, since the two transfers on May 3rd and June 2nd, Harry (now 12) has had a heart transplant and is back at home.

"Since the operation he's been thriving – putting on weight, has warm hands and feet and his finger and toenails are pink again. I hadn't realised how sick he looked before the operation."

"Harry can't believe the difference either and keeps running up and down the stairs at home because he can do it now without getting out of breath. He also panicked the first time he noticed his pulse as he hadn't felt it so strong before now. It was much slower before transplant," says Nina.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)

Harry was nine years old when he collapsed after a family holiday. It was discovered that he had a heart murmur and an echocardiogram showed he had Hypertrophic Cardio Myopathy*. For two and a half years he was regularly seen at Great Ormond Street Hospital where his condition was monitored.

He was conscious both times he was on the Children's Air Ambulance and having experienced being a patient on the helicopter he now wants to tell other children about it.

Harry says:

"I was really afraid when I knew I was going to have to go in the Children's Air Ambulance, but everyone told me I would be safe and that I would get to Great Ormond Street Hospital much quicker, which was better for me."

"I had some ear defenders with a microphone and the pilot, and the CATS team talked to me and told me I would be ok. It wasn't as bad as I thought. I think I liked it better than my mum! When we got to London lots of people were in the park watching the helicopter land. I said I felt like a celebrity, there were so many people there. It was just a shame I was in my pyjamas!"

Having benefitted from the service provided by the Children's Air Ambulance Nina is keen to promote the vital work it does.



"How can it be that such a vital service is operated by a charity and has no Government funding? I think it is such an important charity and I would urge people to support it. We all think that these things happen to someone else, you don't imagine your child needing to be air lifted to hospital, but when suddenly you are in that situation, and time is of the utmost importance, you quickly realise how important it is that we have the Children's Air Ambulance. We will forever be grateful to them," she says.



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CHIEF EXECUTIVE'S REPORT (CONTINUED)

2. Be recognised as the leading authority on pre-hospital emergency care and paediatric and neonatal transfer services.

We have a strong belief and core ethos that charities like ours can and should support the work of the NHS as much as we can. We are about patients and helping people, not just helicopters. Over the years we have built an expertise in Pre-Hospital Emergency Care (PHEC) and Pre-Hospital Emergency Medicine (PHEM) and we want this to be used in the best proactive way. Similarly, we have developed substantial resources to be able to assist in national strategies.

The recognition we seek from Government and NHS is all about how we can help more. This is why we engage with NHS leaders and Government representatives as well as senior figures in the clinical world. We have very strong relationships with the clinical partner teams for our Children's Air Ambulance with all of the major children's hospitals and their paediatric intensive care teams.

For our HEMS services we work closely with both West Midlands Ambulance Service and East Midlands Ambulance Service.

Over the last year it has been difficult to advance these relationships with future thinking simply because of the pandemic and the priorities of NHS management being focussed in that area. However, all relationships are stable and will advance further in 2022.

3. Raise awareness, understanding and engagement with our charity across the country.

In 2021 we undertook a series of campaigns to continue to raise awareness of the work we do. These take the form of direct mail to homes across the regions we serve as well as social media, written and broadcast media and specific news campaigns to keep all our supporters informed and involved.

Mailing Appeals

Overall, the combined income for Individual and Regular Giving appeals achieved £3.36m which is 115% of target at an additional £450k. It also represents a £850k increase on 2020.

Total income for the Individual Giving element, which includes Warm, Cold and Raffle appeals, achieved £2.46m compared to an annual target of £1.9m. Regular Giving achieved 94% of target at £895k versus £951k. (Net income is £2.2m).

Performance has been achieved through very high responses to our appeals, which is a clear indicator that our approach and tone is providing the cut through required. This saw close to a quarter-of-a-million responses to all appeals and a 300% increase YOY.

PR and Communications

Over the course of the year the total number of press releases issued to media print, broadcast and online year numbered 321.

There were many emotive, human-interest stories that perfectly showcased the tireless work of our vital, front-line lifesaving services but one of the biggest drivers of awareness in 2021 was the launch of our two new HEMS aircraft across our counties of Warwickshire & Northamptonshire, Derbyshire, Leicestershire & Rutland. The two-month campaign achieved 55 print, broadcast and online hits. Importantly it gave the charity an opportunity to reaffirm its core messaging and shine a light on the critical services provided, the fact the charity is funded entirely through voluntary donations and the fact it supports the NHS at no cost to the NHS.

Across The Children's Air Ambulance our fantastic former patients provided wonderful, engaging case studies across England, Scotland, and Wales. This was highlighted in a piece delivered across ITV Southwest where a four-minute news piece gave a detailed account of the Children's Air Ambulance. They also interviewed a patient family.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)

In December the charity highlighted the amazing story and fundraising exploits of former patient Pip Peacock and this generated significant national and regional coverage – including Songs of Praise. Pip suffered horrific injuries when she was trampled by a herd of cows, suffering 34 broken bones, but amazingly she finished a challenge to walk 1,000 miles for the charity and this was covered across the BBC, ITV and most national newspapers.

Social Media

December saw our strongest ever ad campaign performance across social media. A Christmas campaign with a specially designed, animated pop out achieved over 1 million impressions for the two-week campaign across Facebook. The aim was to increase engagement through impressions and to drive donations through the website. It performed phenomenally well achieving more than 1million impressions and a combined reach of nearly three-quarters of a million people. This generated over 10k click throughs to our website with the link directing to our donation page. This contributed to the website's most profitable month ever.

2021 saw a 20% growth in engaged social media followers across our channels. These now stand at 211k up from 174k in 2020.

Website

A strong end of year performance saw annual revenue across the website exceed target with income of £408,105 - an increase of £78k year-on-year.

The charity also launched its new In Memory platform which generated £16k of online donations in its first four months. This represented a substantial increase over the performance of its predecessor.

Continued growth across the charity's web shop saw a 90% increase year-on-year for pageviews on the web shop and the site was voted in the top 25 Charity websites by Priority Pixel where it featured amongst sites such as RNLI, Macmillan, and Oxfam for a second year running.

The performance of our Google rankings for certain content pieces continue to contribute to the strong national exposure of our services. These specifically supported reuse and retail campaigns. This directly contributed to the website receiving three national awards over the past 12 months.

Our community fundraising teams, though curtailed for some parts of the year, continued to build relationships at local level with businesses, organisations, and schools.

In our communities, we also had some real success. Impulse Decisions a company based in Harrogate. We won a Charity of the year pitch and have recently received a donation of £57,000 with a promise of further donations in December 2022.

Our chain of 58 retail outlets across the country are there primarily to sell donated goods and generate funds, the impact on raising the awareness of the work we do, as an organisation, in stores and across their own communities should not be underestimated.

Due to the pandemic and continued restrictions placed on retail and hospitality during some periods, trade was limited. However, we successfully opened 2 'Hanger' superstores, in Beaumont Leys and Melton Mowbray. The latter includes our first drive through donation station. In addition, to the superstores we pushed into a new territory, heading northwest to Salford where a large format store was opened. Complimenting the store portfolio, we have three 'Landing Pad' coffee shops trading inside our superstores. These will be an integral part of our superstore concept, creating that community environment where our customers can engage more with us and be involved in our fundraising activities. Our stores contributed towards fundraising through collection tins, donations, events, and campaigns.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)

Website Analysis

Description	Metric	2021	2020
Total number of pages viewed	Page views	1,180,866	1,102,354
Number of sessions the page was viewed at least once	Unique page views	946,203	865,166
The average value of the page	Page Value	£2.40	£2.49
	Time on Page	1.11mins	1.06mins
	Revenue	£408,105	£329,676
	AOV	£56	£42
New vs Returning Visitors	New	Returning	New / Returning
	436,247	67,652	New: 350,237 Returning: 68,803
Page Data		Pageviews	Pageviews
Signs ups are 74 (217 in 2020)	#TheCrew	4,508	8,758
	Local Lottery	13,437	16,651
	TCAA Lottery	2,843	3,571

4. Unite people in our common purpose and create advocates who will enhance reputation and reach of the charity.

A particular highlight for the charity in 2021 was the staging of our first ever national showcase and awards event in Birmingham where we were able to bring together all of our stakeholders under the same roof in one evening. Thanks to our sponsors generosity we saw staff, volunteers, clinical partners, NHS management, Ambulance services, Government, donors, supporters, Ambassadors, suppliers and even our young #thecrew members come together and enjoy an evening of celebration of the charity and the outstanding individual and team achievements from the year.



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CHIEF EXECUTIVE'S REPORT (CONTINUED)



Though the pandemic had many negative effects on the charity, one very strong positive was how everyone already involved with us really stepped up to the plate and went above and beyond to keep us flying. In my 18 years at the charity, this is the most unified it has been showing our resilience and togetherness when it really mattered.

5. Be the organisation of choice and opportunity for the most talented and driven from diverse backgrounds.

With the pandemic hitting hard in 2021 recruitment slowed down a great deal and the charity took the position of consolidation rather than growth for most of the year. Instead, our focus shifted to looking after our people with strong wellness programmes instituted.

Keeping staff in their jobs was a big achievement for us and we are very proud to say that not one job was lost through covid. As with many companies and organisations, we adapted to working from home, invested in the technology needed to ensure our staff remained effective and diverted skills when we could to other areas such as online trading.

6. 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.

I am proud to say that the charity achieved a clean audit in 2021 and passed all external inspections and regulatory requirements. We achieved re accreditation of ISO 9001 and 14001 Certifications in January 2022 and was pleased to pass with flying colours!

Over the last 12 months we have successfully diverted over 2 million tonnes of textiles from landfill. To further this achievement in the future and to ensure that we stay at the forefront of the textiles revolution, TAAS has signed a commitment and formed an association with Wrap 2030. Whilst electric vehicles are not yet a viable option for us, the charity has procured and are phasing in a more sustainable fleet of vans expected to deliver a reduction of emissions of between 17 - 20%. To further reduce emissions, we have implemented the use of bespoke software which minimises van journeys based on route planning

7. Grow income to £30 million in a diverse and sustainable manner to continue and develop our services.

The existing strategy had us achieving an income of £30m by the end of 2022 and despite the pandemic, we remain on course to achieve this in that timescale.

Our income generation strategy remains centred around core regular giving and enterprise. It has always been central to our fundraising that we have a wide and diverse set of income streams that will generate income despite social and economic variances. The figures listed in item 3 show the correlation between awareness and income and the impressive results achieved through campaigns and media, but there are also other areas of income generation that are hugely important to the charity.

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CHIEF EXECUTIVE'S REPORT (CONTINUED)

In 2021 our lottery produced £7.7million of income. *It started as two lotteries in 2008: one for DLR and the other for WN. In September 2015, they were combined into a single lottery with 51,000 paying members, and after six and a half years, the lottery has now doubled in size. It is a tribute to our canvassers who have enlisted support in amazing numbers and continue to do so.*

Legacies – we were gifted £1 million from a legacy in December 2021 from a supporter from Derbyshire. This brought our legacy total in 2021 to a very impressive £5.6m.

Although most events were curtailed through the pandemic we did manage to encourage 36 intrepid souls to brave the elements and tackle the Channel Swim relay challenge. Teams covered the 22 miles between Dover and Calais in teams of six and took it in turns to swim the channel in rotation. This challenge was a physical and mental challenge that can only be achieved with support, willpower, and the right preparation. We offered all we could to help spur our swimmers to complete a lifetime achievement and focus all their energy on preparing for this incredible feat. Each swimmer had a fundraising target of £1,800.

We had National Media exposure, and our swimmers came from Wales, Midlands, London, Bristol, Manchester, Southampton. There was high engagement from our Children's Air Ambulance clinical teams amongst the many others – teams from our partner hospitals at Evelina Children's Hospital in London, Bristol Children's Hospital, Leicester Royal Infirmary helped raise the profile of the event and donor support quite considerably. The whole effort raised a net profit to the charity of just under £46,000.



Overall, despite the pandemic, the charity performed very well indeed against its stated strategy in 2021. The challenge of the pandemic with the economic restrictions and uncertainty it brought, coupled with the effect it had on staff, volunteers, and supporters, provided our leadership team with the biggest challenge yet. I am delighted to say that we rose to it with aplomb. The finances stayed strong and stable, our staff retention was excellent and most of all, our services continued to deliver the life saving medical care that our charity is all about.

My sincere thanks to everyone involved for seeing us through 2021 successfully. We now look forward to an even better 2022 and a future of continued achievement.

Andy Williamson
Chief Executive

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 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 Sky View Argosy Road East Midlands Airport Castle Donnington Derby DE74 2SA
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.

**THE AIR AMBULANCE SERVICE
(A company limited by guarantee)**

**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 R J Allison (appointed 2nd February 2022 and co-opted as Chair on 1st March 2022)
Mr C M Faircliffe (Outgoing Chair)
Mr J L Williams (resigned 2nd June 2021)
Mr P Wells (appointed 14th March 2022)
Mr J C R Tennent (appointed 14th March 2022)
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	Deputy CEO
K Tailor	Director of Finance
R Clayton	Director of Operations
D Young	Director of Income Generation

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 (A company limited by guarantee)

TRUSTEES' ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021**

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Helicopter Emergency Medical Services (HEMS) and Clinical Operational Report

Operating two specialist AW109 helicopters and two Rapid Response Vehicles (RRV) daily, 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 24 hours a day, 365 days a year.

Like all health and social care providers, the global pandemic remained a significant pressure on services and capacity throughout 2021. Our lifesaving Helicopter Emergency Medical Services continued throughout the pandemic with very little impact to operational delivery. I would like to record my sincere thanks to the clinical operations team and pilots for their support over the past 12 months, and their commitment to patient care.

Despite the challenges TAAS attended 1,559 critical care missions by helicopter, and a further 1,824 critical care missions by RRV – an incredible 3,383 critical care missions in total for 2021. TAAS has responded to an astonishing 45,351 lifesaving missions since services commenced in 2003, a truly remarkable achievement.

Two new AgustaWestland 109 GrandNew helicopters entered service in March 2021 following a successful helicopter selection and tendering process. Sloane Helicopters Limited (SHL) were awarded the contract to provide the helicopters, maintenance, pilots, and regulatory approvals in 2019 for a further seven years. The complexity of introducing new helicopters (manufactured in Italy) during a pandemic and the added complexity of restrictions caused by Brexit, should not be underestimated. As part of the new seven-year contract, a dedicated spare helicopter has been introduced for the first time to ensure helicopter availability is maintained during periods of maintenance and servicing.

A trial commenced in May 2021 to evaluate the effectiveness of operating extended helicopter shifts from May to August to take advantage of Daylight-Saving Time. A qualitative and quantitative evaluation of extended flying time in September 2021 proved to be very successful. Following agreement and support from both the East and West Midlands Ambulance Services, extended flying hours will again be budgeted for 2022.

Work has started to evaluate the next generation of Rapid Response Vehicles in readiness for replacement in 2022. Critical Care Paramedics will be involved in the vehicle selection/evaluation process. A number of electric vehicles will be evaluated as part of the process, but concerns remain regarding battery resilience in respect of prehospital response work.

As a pre-hospital provider committed to delivering excellence in patient care we continue to provide specialist pre-hospital doctors on all four of our operational platforms (helicopters and RRVs). TAAS achieved doctor cover at an impressive 95% of occasions in 2021. A notable achievement given the challenges associated with the ongoing pandemic. To further increase resilience, a doctor recruitment and selection event took place in 2021 to recruit 12-month fixed term fellowship positions. We are delighted to report that three positions have been offered and accepted for 2022 which will further enhance doctor cover.

As part of our ongoing commitment to training and education TAAS also 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.

Following conclusion of the RePHILL trial (randomised trial of pre-hospital blood and blood product administration) in December 2020, TAAS has begun to develop its 'blood onboard' project. Due to TAAS' geography this will be a significant, multiagency stakeholder project involving NHS blood banks, NHS ambulance services and blood biker organisations. TAAS is aiming to have blood on board all operational assets early 2022.

**THE AIR AMBULANCE SERVICE
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**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Quality outcomes/audit reports continued to be reviewed monthly by the Operations Management Team and quarterly by the Clinical Governance Group. Audit assurances for anaesthesia, sedation, surgical skills and Infection, Prevention & Control for both operational bases continue to provide excellent assurance. Due to the pandemic routine inspections by the Care Quality Commission (CQC) were suspended due to risk. In the absence of on-site inspections, the CQC introduced a 'Transitional Regulatory Monitoring Approach' in 2021. This consisted of a virtual meeting between the Registered Manager (Director of Operations) and CQC Relationship Manager using a framework to seek assurance that TAAS services continued to remain safe, and patient focused throughout the pandemic. Whilst no CQC rating was applied, we are pleased to report no concerns were raised regarding TAAS clinical services.

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 continued to affect activity.

TCAA completed 66 critical missions across the country in 2021 supporting 10 NHS paediatric and neonatal specialist transport teams in their lifesaving work. TCAA has completed 650 missions since services commenced in 2012.

In addition to the pandemic, our aircraft operator Specialist Aviation Services (SAS) continued to experience considerable issues with aircraft availability due to maintenance, pilot training/vacancies, non-night rated pilots, and delayed landing site surveys all of which have affected mission numbers.

Towards the end of 2021, a termination notice was served by SAS to terminate the seven-year aircraft fleet and services contract with TCAA. The termination was in response to TCAA being asked to pay additional costs, for two aircraft, which would have doubled the monthly expenditure for the remaining four years of the contract. This would have amounted to more than £15million additional expenditure. TCAA worked hard to find a solution but unfortunately the contract with SAS concluded on 29 September 2021.

While working towards a solution with SAS, the charity developed robust contingency plans and announced that Sloane Helicopters Limited (SHL) would provide TCAA services moving forward. Working in partnership with SHL, a replacement AW169 was ordered and built at manufacturer Leonardo's factory in Italy and is scheduled to arrive in the UK early 2022 where it will have its specialist clinical interior fitted, which will be used by the charity's 11 NHS Clinical Partner Teams (CPTs).

Before the new helicopter was completed, TCAA continued to develop contingency plans with SHL to minimise any break in service and bring the fleet up to full capacity as quickly as possible in order to minimise the impact on NHS partners.

Despite the significant challenges with our former aircraft provider, we have continued to develop and innovate the services we provide in readiness for our new operation with Sloane Helicopters Limited for early 2022. We are therefore delighted to report that we have selected our incubator provider to design and build three incubator transport systems. We are currently working with NHS stakeholders to finalise the clinical requirements and design. TCAA will be the first and only helicopter provider in England to support the NHS with a helicopter certified incubator. We expect the equipment build phase to be completed by the end of 2021, and aviation certification in 2022.

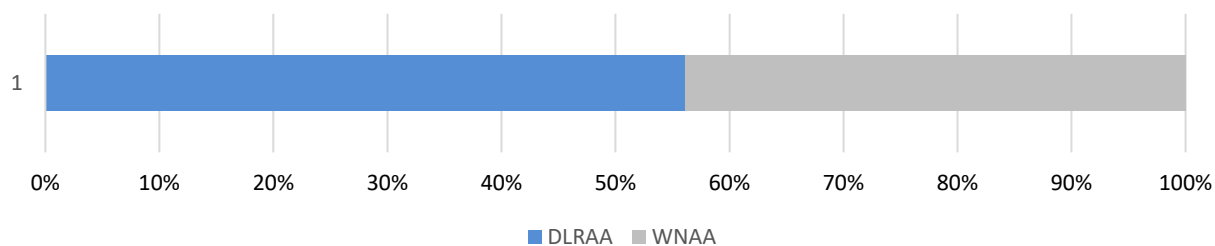
The following charts illustrate the number, type and spread of missions in 2021.

THE AIR AMBULANCE SERVICE
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TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

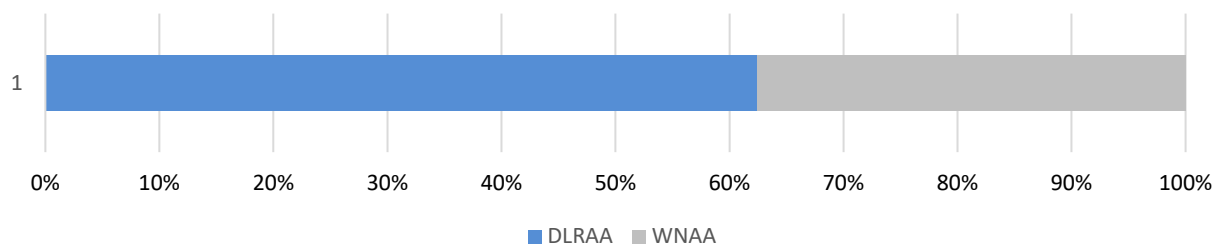
Breakdown of HEMS Missions flow by fleet 2021

Total 1559 Missions



Breakdown of HEMS RRV Missions by fleet 2021

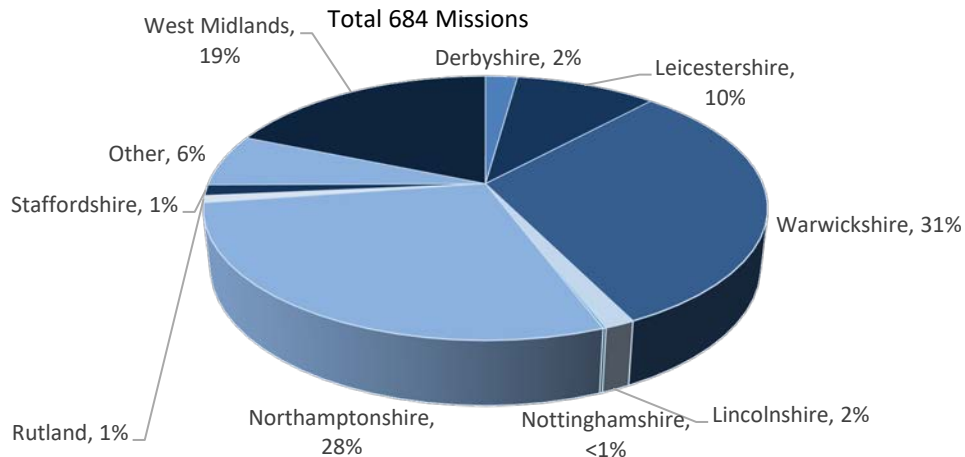
Total 1824 Missions



Breakdown of regions served by WNAA HEMS

Aircraft 2021

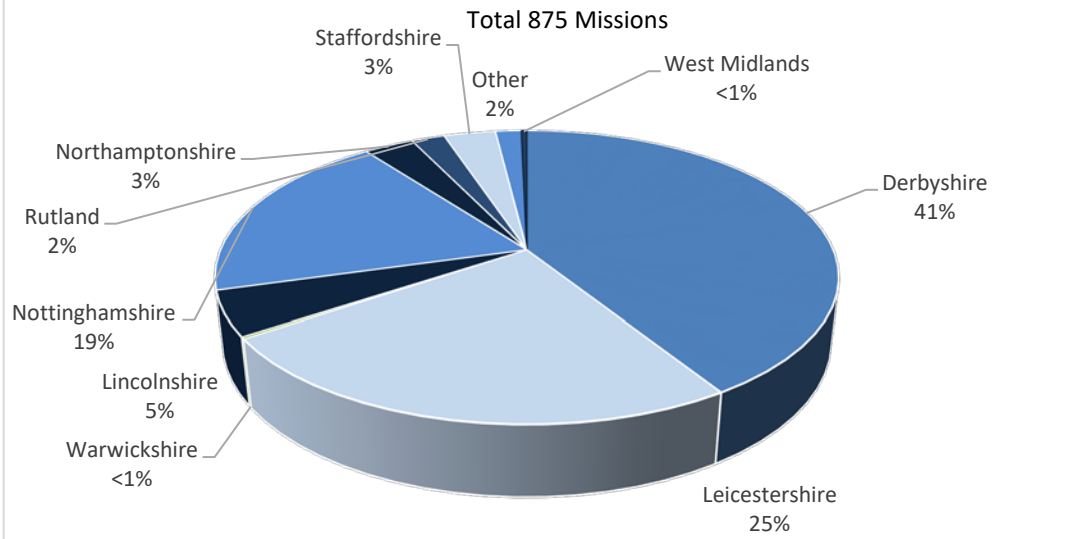
Total 684 Missions



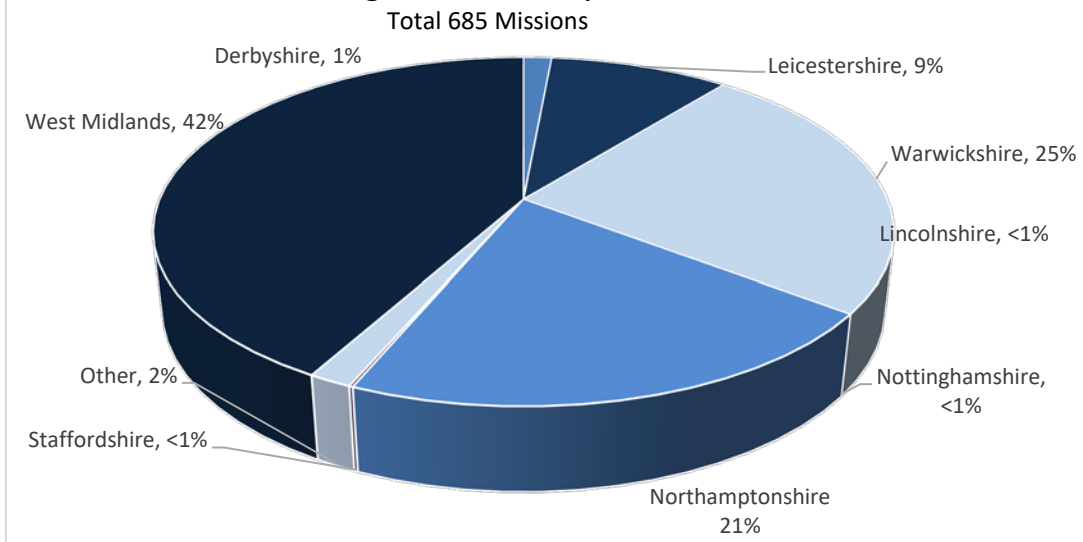
**THE AIR AMBULANCE SERVICE
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**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Breakdown of regions served by DLRAA HEMS Aircraft
2021**

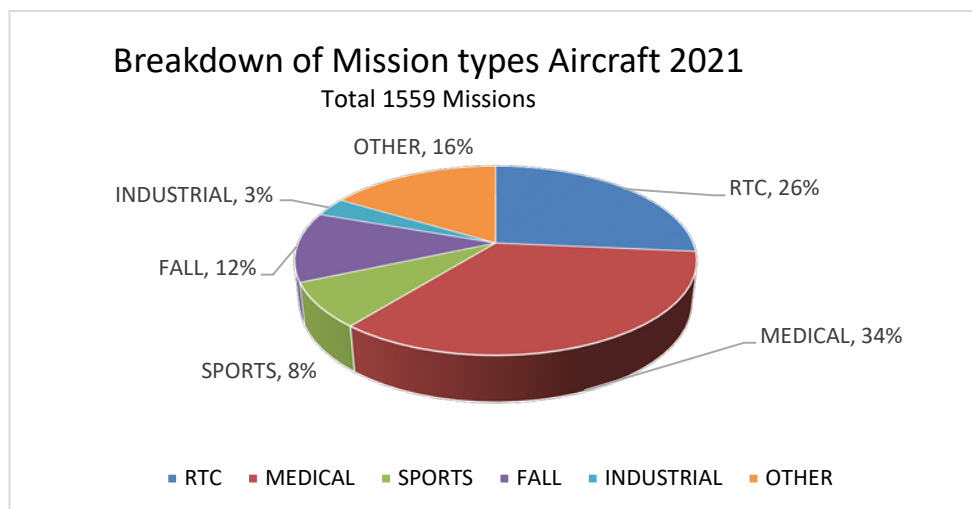
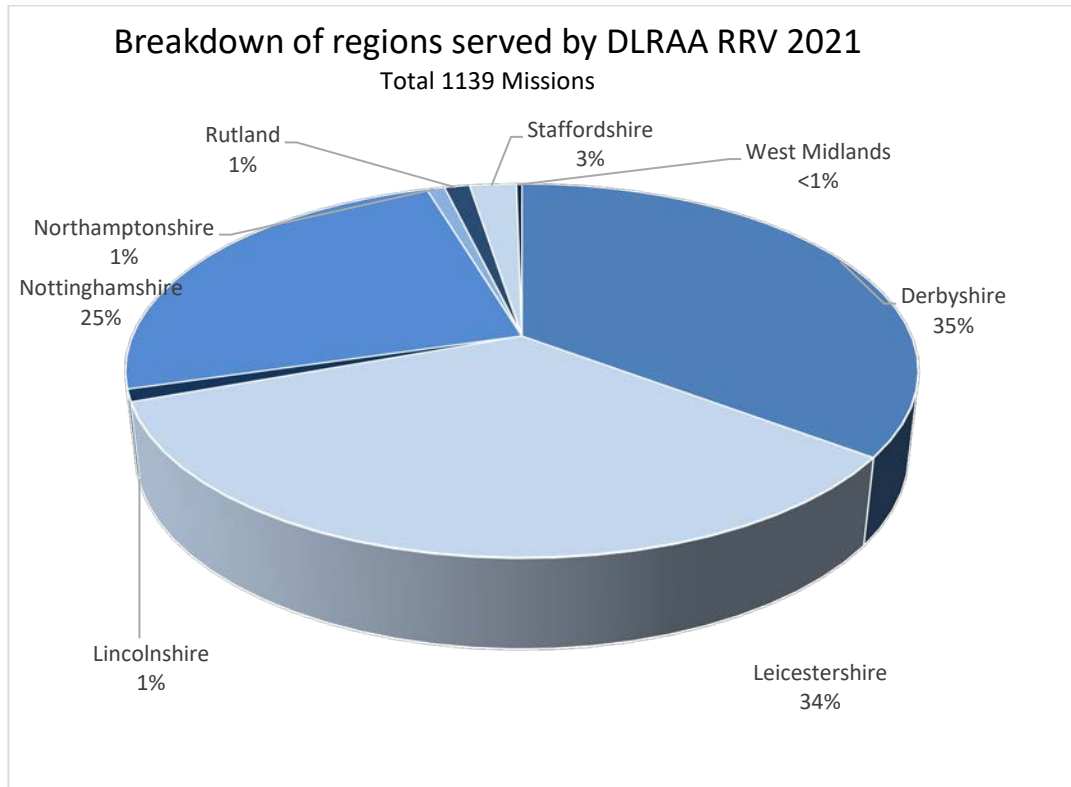


Breakdown of regions served by WNAA RRV 2021



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TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

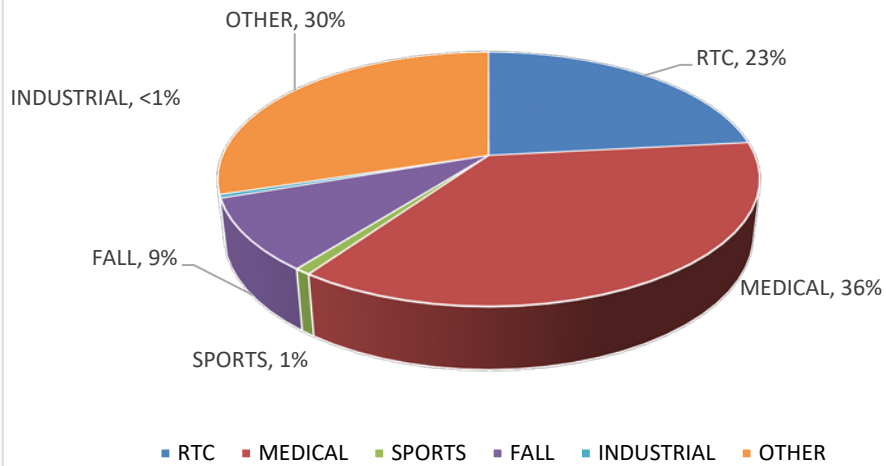


**THE AIR AMBULANCE SERVICE
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**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

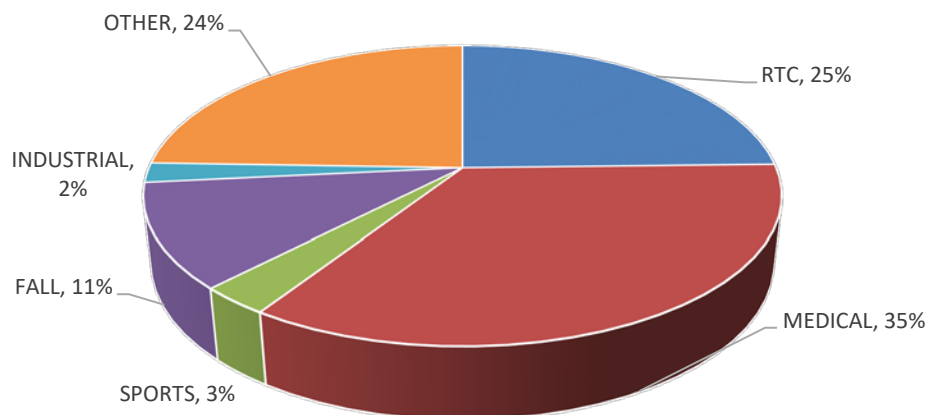
Breakdown of Mission types RRV 2021

Total 1824 Missions



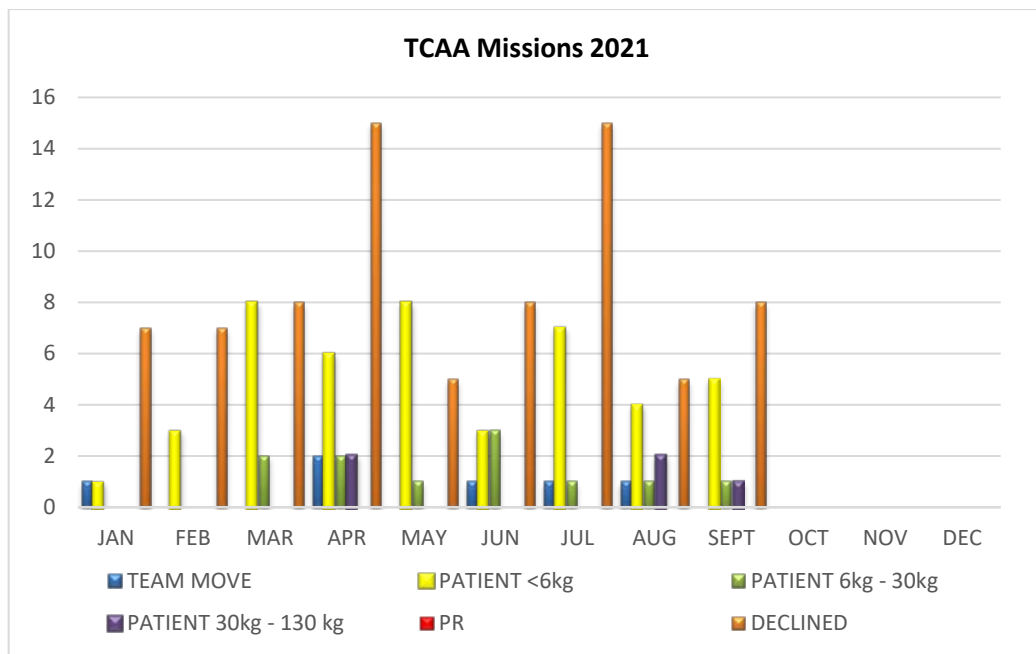
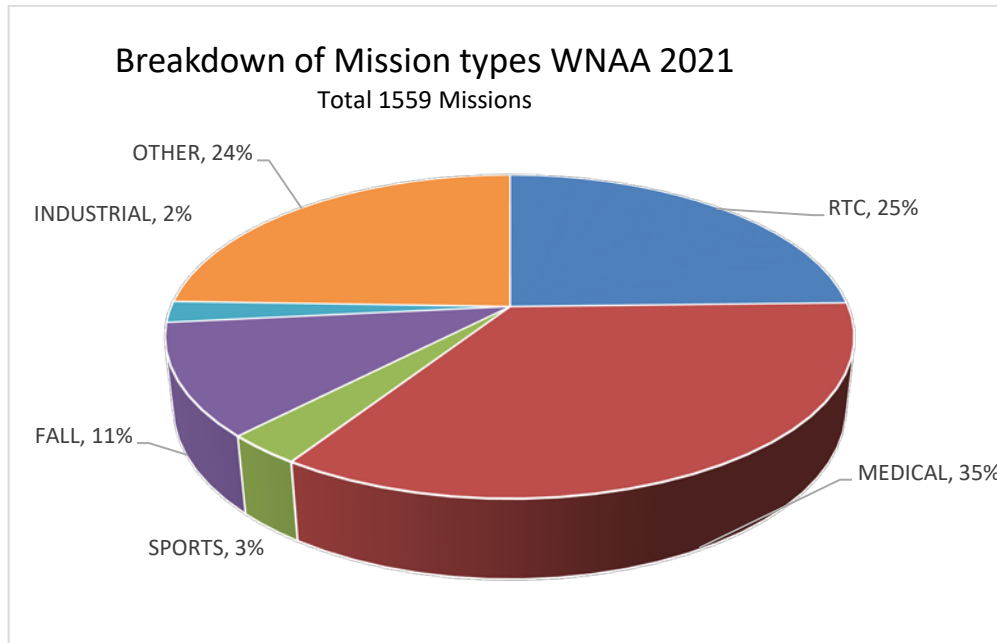
Breakdown of Mission types WNAA 2021

Total 1559 Missions



**THE AIR AMBULANCE SERVICE
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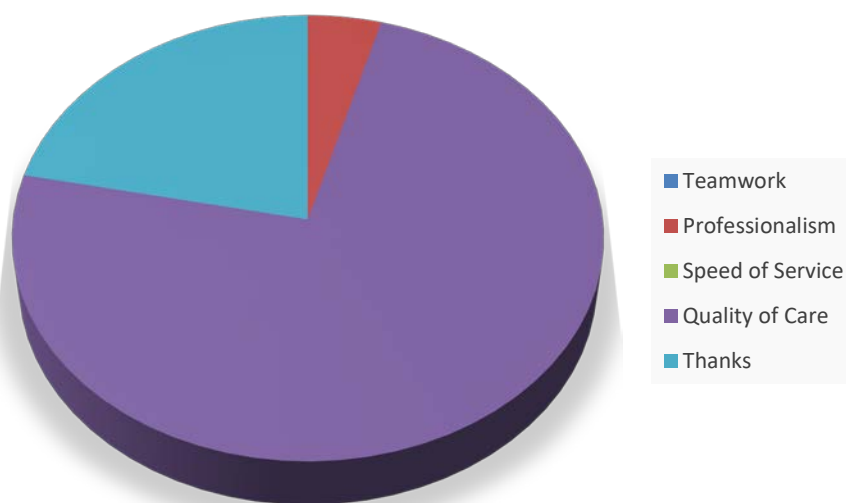
**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**



THE AIR AMBULANCE SERVICE
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TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Compliments 2021



THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 we believe that it enables us to ensure that we put the needs of the patient at the top of our entire decision making.

At the start of the 2021 financial year, the UK entered a further lockdown due to the coronavirus pandemic and their remained uncertainty about the impact this would have on our fundraising and retail operations.

By the end of January 2021, we completed a major reforecasting exercise, which confirmed that as we transitioned out of lockdown, we remained well placed to consolidate our operations and further investment in our activities, which saw our retail operation expand from 56 to 59 outlets across the country and service delivery of two new HEMS helicopters in March 2021.

We benefitted from an incredible response from our supporters, enabling us to perform better than anticipated, generating a total £30.4m income for the year, being £5 more than the previous year.

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 as always, 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 2021, in line with the desire to secure the stability of the Charity by holding 12 months operational costs, which are approximately £16m. As at 31 December 2021 the Charity held unrestricted free reserves of £25m. 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

The financial statements have been prepared on a going concern basis as the trustees consider that adequate reserves continue to be available to fund the activities of the charity and group for the foreseeable future and believe no material uncertainties exist. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Streamlined Energy and Carbon Reporting (SECR)

The Charitable group is reporting energy and carbon emissions in compliance with Companies (Trustees Report) and Energy and Carbon Report Regulations 2019.

Our emissions remained low in 2021 due to the COVID-19 pandemic, with our shops and offices closed for at least the first quarter of the year and limited business travel. Whilst we expect energy usage in buildings to return to 2019 levels, business travel is likely to stay much lower with virtual meetings replacing many of the journeys previously undertaken.

UK Greenhouse and gas emissions and energy use data for the period	2021
Energy consumption used to calculate emissions (kWh)	1,475,597
Emissions in metric tonnes CO ₂ e	
Gas consumption	31.79
Owned transport	34.42
Purchased electricity	20.72
Business travel in employee owned vehicles	48.77
Total emissions in metric tonnes CO ₂ e	<u>135.7</u>
Intensity ratio	<u>0.36</u>

The Charity was exempt from reporting in 2020, as it fell below the threshold and therefore comparatives are not provided.

The chosen intensity measurement ratio is total gross emissions in CO₂e per no. of employees.

**THE AIR AMBULANCE SERVICE
(A company limited by guarantee)**

**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021, we employed 375 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).

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 the Group had in place 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 2021**

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 7 September 2022 and signed on its behalf by:

Robert J Allison
Chairman

**THE AIR AMBULANCE SERVICE
(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AIR AMBULANCE SERVICE
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021 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 2021, 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.

**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 2021**

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 30, 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.

**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 2021**

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 2021**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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.

Glen Bott FCA

Senior Statutory Auditor
for and on behalf of:

Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

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

Date: 7 September 2022

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 2021

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2021 Total £'000	2020 Total £'000
Income					
<i>Incoming resources from generated funds</i>					
Donations and legacies	2	7,954	3,020	10,974	8,900
Other trading activities	2	19,072	-	19,072	16,299
Investment income	4	319	-	319	178
		<hr/>	<hr/>	<hr/>	<hr/>
Total income		27,345	3,020	30,365	25,375
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure					
<i>Costs of raising funds</i>					
Costs of generating voluntary income		4,349	-	4,349	3,563
Commercial trading operations and other costs		11,593	-	11,593	10,837
<i>Charitable activities</i>					
Operation of Air Ambulances		6,003	3,016	9,019	8,829
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	5	21,945	3,016	24,961	23,229
		<hr/>	<hr/>	<hr/>	<hr/>
Net income before gains on investments		5,400	4	5,404	2,146
Net gain on fixed asset investments		1,143	-	1,143	460
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		6,543	4	6,547	2,606
Reconciliation of funds					
Total Funds brought forward at 1 January 2021		21,987	660	22,647	20,041
		<hr/>	<hr/>	<hr/>	<hr/>
Total Funds carried forward at 31 December 2021		28,530	664	29,194	22,647
		<hr/>	<hr/>	<hr/>	<hr/>

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 2021

	Note	2021	2020
		£'000	£'000
Fixed assets			
Tangible assets	10	1,480	1,200
Investments	11	<u>13,603</u>	<u>9,460</u>
		15,083	10,660
Current assets			
Debtors	12	3,952	3,244
Stocks		503	327
Cash at bank and in hand		12,007	10,261
		<u>16,462</u>	<u>13,832</u>
Creditors: amounts falling due within one year	13	(2,351)	(1,845)
		<u></u>	<u></u>
Net current assets		14,111	11,987
		<u></u>	<u></u>
Net assets		29,194	22,647
		<u></u>	<u></u>
Funds			
Unrestricted funds			
General funds	15	26,927	21,527
Investment revaluation reserve	15	1,603	460
Restricted funds	14	664	660
		<u></u>	<u></u>
		29,194	22,647
		<u></u>	<u></u>

The notes on pages 39 to 55 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 7 September 2022.

Robert J Allison
Chairman

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CHARITABLE COMPANY BALANCE SHEET
Company number: 04845905

As at 31 December 2021

	Note	2021	2020
		£'000	£'000
Fixed assets			
Tangible assets	10	620	586
Investments	11	<u>13,604</u>	<u>9,461</u>
		14,224	10,047
Current assets			
Stocks		15	16
Debtors	12	3,912	3,622
Cash at bank and in hand		10,648	9,763
		<u>14,575</u>	<u>13,401</u>
Creditors: amounts falling due within one year	13	<u>(1,087)</u>	<u>(1,099)</u>
Net current assets		<u>13,488</u>	<u>12,302</u>
Net assets		<u>27,712</u>	<u>22,349</u>
Funds			
Unrestricted funds			
General funds	15	25,445	21,229
Investment revaluation reserve	15	1,603	460
Restricted funds	14	<u>664</u>	<u>660</u>
		<u>27,712</u>	<u>22,349</u>

The notes on pages 39 to 55 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on their behalf on 7 September 2022.

Robert J Allison
Chairman

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOW YEAR ENDED 31 DECEMBER 2021

	2021 £'000	2020 £'000
Reconciliation of net incoming resources to net cash flow from operating activities		
Net income	6,547	2,606
Depreciation	525	530
Loss on disposal of tangible fixed assets	-	(3)
Net gain on fixed asset investments	(1,143)	(460)
Increase in stock	(176)	(25)
Decrease/(increase) in debtors	(708)	1,805
(Decrease)/Increase in creditors	506	(260)
Investment income received	<u>(319)</u>	<u>(178)</u>
Net cash inflow from operating activities	<u>5,232</u>	<u>4,015</u>

Cash Flow Statement

Net cash inflow from operating activities	5,232	4,015
Cash flows from investing activities	319	178
Purchase of intangible fixed assets	(3,000)	(9,000)
Purchase of tangible fixed assets	<u>(805)</u>	<u>(261)</u>

Increase in cash and cash equivalents in the year

<u>(1,746)</u>	<u>(5,068)</u>
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Analysis of changes in net cash

	At 1 January 2021 £'000	Cash flow £'000	At 31 December 2021 £'000
Cash at bank and in hand	<u>10,261</u>	<u>1,746</u>	<u>12,007</u>

Reconciliation of Movement in Cash

	2021 £'000	2020 £'000
Net increase in cash and cash equivalents for the year	1,746	(5,068)
Cash and cash equivalents as at 1 January 2020	<u>10,261</u>	<u>15,329</u>
Cash and cash equivalents as at 31 December 2020	<u>12,007</u>	<u>10,261</u>

Cash flows from investing activities

	2021 £'000	2020 £'000
Investment income received	<u>319</u>	<u>178</u>

**THE AIR AMBULANCE SERVICE
(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

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.

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:

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.

**THE AIR AMBULANCE SERVICE
(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies – continued

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 2021

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 2021**

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 2021**

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 2021

2. Donations and legacies	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£'000	£'000	£'000	£'000
Donations	4,982	-	4,982	4,546
Legacies	2,953	2,674	5,627	3,765
Grants receivable (see note 3)	19	346	365	589
	<hr/>	<hr/>	<hr/>	<hr/>
	7,954	3,020	10,974	8,900
	<hr/>	<hr/>	<hr/>	<hr/>
Other trading activities				
Charity shop income (see note 11.1)	9,083	-	9,083	7,111
Lottery income	7,683	-	7,683	7,044
Event income	380	-	380	433
Government grants receivable	1,552	-	1,552	1,587
Other grants receivable	-	-	-	50
Other	374	-	374	72
	<hr/>	<hr/>	<hr/>	<hr/>
	19,072	-	19,072	16,297
	<hr/>	<hr/>	<hr/>	<hr/>

Included within government grants receivable is £0.98m (2020:£0.9m) claimed under the Small Business Grant Fund and £0.572m (2020:£0.687m) claimed under the Coronavirus Job Retention Scheme.

Income from donations and legacies in 2020 was £8.9m of which £7.332m was attributable to unrestricted funds and £1.568m to restricted funds. Income from other trading activities in 2020 was £16.297m all of which was attributable to unrestricted funds.

3. Material grants received by category	2021 £'000	2020 £'000
Sources of material grants:		
General Charities of the City of Coventry	90	90
The Margaret Giffen Charitable Trust	20	25
Rugby Group Benevolent Fund	-	10
The Bernard Sunley Trust	20	-
Children are Butterflies	-	40
O'Brien Charitable Trust	10	10
AAA UK	-	181
Lions Club International Foundation	11	-
Dignity	10	-
The EBM Charitable Trust	10	10
Mahoro Charitable Trust	10	-
Groundworks (Tesco Bags of Help)	-	12
Other < £10,000	184	211
	<hr/>	<hr/>
Total	365	589
	<hr/>	<hr/>

THE AIR AMBULANCE SERVICE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

4. Investment income	2021 £'000	2020 £'000
Bank interest	3	33
Investment income	315	144
Other	<u>1</u>	<u>1</u>
	<u>319</u>	<u>178</u>

5. Resources expended by activity

		Costs of Fundraising					
		Basis of <i>Generating</i> Trading <i>Charitable</i> Governance					
		Allocation	Voluntary	costs	activities	costs	
		£'000	£'000	£'000	£'000	2021 £'000	2020 £'000
Costs directly allocated to activities							
Fundraising Costs	Direct	1,383	-	-	-	1,383	1,214
Operations	Direct	-	-	8,124	-	8,124	8,036
Marketing and PR	Direct	2,098	-	-	-	2,098	1,503
Trading costs	Direct	-	11,185	-	-	11,185	10,488
Depreciation	Direct	-	303	222	-	525	528
Support costs allocated to activities							
Support Services	Hours	<u>868</u>	<u>-</u>	<u>673</u>	<u>105</u>	<u>1,646</u>	<u>1,460</u>
		<u>4,349</u>	<u>11,488</u>	<u>9,019</u>	<u>105</u>	<u>24,961</u>	<u>23,229</u>

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

The expenditure in 2020 was £23.229m of which £21.694m was attributable to unrestricted funds and £1.535m to restricted funds.

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6. Staff costs

	2021 £'000	2020 £'000
Wages and salaries	7,293	6,959
Social security costs	595	561
Pension costs	209	205
Redundancy and termination payments	<u>6</u>	<u>14</u>
	<u>8,103</u>	<u>7,739</u>

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

	2021 No.	2020 No.
Aviation Operations	31	30
Fundraising	29	20
Trading	275	288
Administration	<u>43</u>	<u>43</u>
	<u>375</u>	<u>381</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 £209,127 (2020: £205,027) were charged to the Statement of Financial Activities during the year. At the balance sheet date, there were £39,539 outstanding contributions (2020: £36,928).

Key Management Personnel (Senior management) remuneration

There were five (2020: four) members of the senior management team and their aggregate remuneration in respect of qualifying services for the Group was:

	2021 £'000	2020 £'000
Remuneration receivable	437	421
Social security costs	52	48
Pension contributions	<u>13</u>	<u>13</u>
	<u>502</u>	<u>482</u>

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

	2021 No.	2020 No.
£140,000 to £149,999	1	-
£130,000 to £139,999	-	1
£100,000 to £109,999	1	1
£90,000 to £99,999	<u>2</u>	<u>2</u>

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

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7. Trustees and connected persons' transactions

Trustees' expenses reimbursed

During the year expenses of £Nil (2020: £102) were reimbursed to nil (2020: 2) Trustees.

Trustees' remuneration

No trustees received remuneration during the year (2020: Nil).

The Charity pays an insurance premium in respect of Trustees' and Individuals' liability cover at a cost of £878 (2020: £489).

8. Net incoming resources	2021	2020
	£'000	£'000
This is stated after charging:		
Auditors' remuneration - audit services	17	16
Depreciation – owned assets	525	530
Loss on disposal of tangible fixed assets	-	(3)
Operating Lease Costs	<u>6,439</u>	<u>6,609</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.

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10. Tangible fixed assets

GROUP

	Leasehold Property £'000	Fixtures & fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2021	141	1,614	2,349	151	4,255
Additions	-	357	448	-	805
Disposals	(7)	(400)	(150)	(12)	(569)
At 31 December 2021	134	1,571	2,647	139	4,491
Depreciation					
At 1 January 2021	90	1,210	1,656	99	3,055
Charge for the year	9	197	301	18	525
Disposals	(7)	(400)	(150)	(12)	(569)
At 31 December 2021	92	1,007	1,807	105	3,011
Net book value					
At 31 December 2021	42	564	840	34	1,480
At 31 December 2020	51	404	693	52	1,200

CHARITY

	Leasehold Property £'000	Fixtures & fittings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2021	134	289	1,691	135	2,249
Additions	-	1	255	-	256
Disposals	-	-	-	-	-
At 31 December 2021	134	290	1,946	135	2,505
Depreciation					
At 1 January 2021	83	282	1,212	86	1,663
Charge for the year	9	6	189	18	222
Disposals	-	-	-	-	-
At 31 December 2021	92	288	1,401	104	1,885
Net book value					
At 31 December 2021	42	2	545	31	620
At 31 December 2020	51	7	479	49	586

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11. Investments

Group	Managed Funds £'000	Total £'000
Cost or Valuation		
At 1 January 2021	9,460	9,460
Additions	3,000	3,000
Net gains on investments	1,143	1,143
At 31 December 2021	13,603	13,603

Charity	Investments in Subsidiaries £'000	Managed Funds £'000	Total £'000
Cost or Valuation			
At 1 January 2021	1	9,460	9,461
Additions	-	3,000	3,000
Net gains on investments	-	1,143	1,143
At 31 December 2021	1	13,603	13,604

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 2021:

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 2021 are shown below. Audited accounts will be filed with the Registrar of Companies.

	2021 £'000	2020 £'000
Turnover	9,083	7,111
Cost of sales	(924)	(650)
Administration expenses	(8,023)	(7,698)
Other operating income	<u>1,652</u>	<u>1,643</u>
Operating profit	<u>1,788</u>	<u>406</u>
Profit after tax	<u>1,788</u>	<u>406</u>
Retained earnings at the beginning of the year	299	1,353
Profit for the year	1,788	406
Gift aid payment	<u>(604)</u>	<u>(1,460)</u>
Retained earnings at the end of the year	<u>1,483</u>	<u>299</u>
The assets and liabilities at 31 December were:		
Fixed assets	861	612
Current assets	2,469	1,310
Current liabilities	<u>(1,847)</u>	<u>(1,623)</u>
Total net assets	<u>1,483</u>	<u>299</u>
Aggregate share capital and reserves	<u>1,483</u>	<u>299</u>

12. Debtors	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year				
Amounts due from group undertaking	-	-	581	876
Trade debtors	106	201	32	18
Other debtors	1	5	1	4
Prepayments	983	804	610	579
Accrued income	2,513	2,035	2,513	2,035
VAT	349	199	175	110
	<u>3,952</u>	<u>3,244</u>	<u>3,912</u>	<u>3,622</u>

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13. Creditors

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade creditors	700	424	304	273
Taxation and social security	168	155	94	81
Other creditors	43	42	24	42
Accruals and deferred income	1,440	1,224	665	703
	<u>2,351</u>	<u>1,845</u>	<u>1,087</u>	<u>1,099</u>

Included within accruals and deferred income is an amount of £0.5m (2020 £0.5m) received from Libor banking fines.

14. Restricted funds

	Balance at 1 Jan 2021	Incoming Resources	Outgoing Resources	Transfers	Balance at 31 Dec 2021
	£'000	£'000	£'000	£'000	£'000
The Children's Air Ambulance – Incubator	58	-	-	-	58
CAA Helicopter lease appeal	-	349	349	-	-
DLRAA Helicopter lease appeal	-	902	902	-	-
WNAA Helicopter lease appeal	-	1,349	1,349	-	-
Lloyds Charities Trust	49	-	-	-	49
Various Other Trusts and Foundations	54	420	416	-	58
LIBOR Funding	<u>499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>499</u>
	<u>660</u>	<u>3,020</u>	<u>3,016</u>	<u>-</u>	<u>664</u>

	Balance at 1 Jan 2020	Incoming Resources	Outgoing Resources	Transfers	Balance at 31 Dec 2020
	£'000	£'000	£'000	£'000	£'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>

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**NOTES TO THE FINANCIAL STATEMENTS
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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.

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15. Unrestricted funds (group)

	1 Jan 2021 £'000	Incoming £'000	Outgoing £'000	Gains on Invest- ments £'000	Transfers £'000	31 Dec 2021 £'000
General funds	21,527	27,345	21,945	-	-	26,927
Investment revaluation reserve	460	-	-	1,143	-	1,603
	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
Unrestricted funds (charity)						
	1 Jan 2021 £'000	Incoming £'000	Outgoing £'000	Gains on Invest- ments £'000	Transfers £'000	31 Dec 2021 £'000
General funds	21,229	17,215	12,999	-	-	25,445
Investment revaluation reserve	460	-	-	1,143	-	1,603
	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

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16. Analysis of net assets between funds

	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	14,709	374	15,083	10,282	375	10,657
Net current assets	13,936	290	14,226	11,705	285	11,990
	<u>28,645</u>	<u>664</u>	<u>29,309</u>	<u>21,987</u>	<u>660</u>	<u>22,647</u>

17. Operating lease commitments

At 31 December 2021 the charitable group had future minimum lease payments under non-cancellable operating leases as set out below.

Group

	2021		2020	
	Land and Buildings £'000	Other items £'000	Land and buildings £'000	Other items £'000
Operating leases which expire:				
Within 1 year	1,421	5,582	1,441	6,556
Between 1 to 5 years	3,500	31,342	3,513	16,235
More than 5 years	1,242	5,040	998	3,300
	<u>6,163</u>	<u>41,964</u>	<u>5,952</u>	<u>26,091</u>

Charity

	2021		2020	
	Land and Buildings £'000	Other items £'000	Land and buildings £'000	Other items £'000
Operating leases which expire				
Within 1 year	93	5,542	93	6,519
Between 1 to 5 years	347	31,285	439	16,208
More than 5 years	-	5,040	-	3,237
	<u>440</u>	<u>41,867</u>	<u>532</u>	<u>25,964</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 (2020: none)