

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED

30 SEPTEMBER 2019



**HAMPSHIRE AND
ISLE OF WIGHT
AIR AMBULANCE**

Company Number 5244460

Charity Number 1106234



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2019

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HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

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The Trustees of Hampshire and Isle of Wight Air Ambulance (HIOWAA), who are also Directors of the charitable company for the purpose of Company Law, are pleased to present their Annual Report and the Financial Statements for the year ended 30 September 2019. The reference and administrative information set out on pages 10 and 11 forms part of this report.

Chairman's Report

The Report to the Annual Accounts always provides a moment to reflect on the Charity's achievements, and the past year has again provided plenty on which to reflect. Whether operationally, charitably or administratively, the pace of progress has continued, and I start by paying tribute to the dedication and relentless hard work of everyone associated with our Air Ambulance. This can be no more relevant than now, since the timing of this report coincides with the move from Contain to Delay in the Nation's effort to combat the Coronavirus, or CoVid-19. I know I speak for my fellow trustees and for our strategic partner University Hospital Southampton when I reaffirm our commitment to maintaining a pre-hospital critical care response during the outbreak. As I write, contingency planning is advanced and Clinical and Charity staff have robust plans in place to protect our patients and ourselves.

The Charity's Clinical Transition programme has continued to evolve and occupy much time. The Helicopter Emergency Medical Service (HEMS) Care Group is now established within Division B of one of the country's busiest Major Trauma Centres at Southampton University Hospital. Unforeseen, but perhaps predictable, cultural adaptations have been made, and the Clinical Teams have begun to establish themselves as dependable colleagues within the hospital, as well as without. Operationally, the pace has been gruelling. 2019 saw a 58% increase in missions attended, by both air and road, to a total of 2,262. In November, just after Financial Year end, the Charity passed the significant milestone of its 9,000th mission. Educationally, the HEMS Teams' skills have also continued to develop. Towards the end of the year, it was a great pleasure to see the December 2018 recruits all celebrate their qualification as HEMS Paramedics, whilst three more senior colleagues achieved advancement to Specialist Paramedic (Critical Care). The acquisition of these enhanced skills has also allowed the delivery of a Transition 'dividend', with several of these highly skilled Clinicians conducting shifts in the Hospital's Emergency Department and Operating Theatres, in addition to their Air Ambulance shifts.

Beyond the operational context, not a day seemed to pass without media mention of either BREXIT, or another charity scandal, with the Charity Commission challenging the Sector to regain lost public trust. Against this potentially demoralising and, at times, unjustified backdrop of uncertainty, the Charity's fundraising and profile-building activities have remained resilient, and it is pleasing that our overall income only dropped by £61K (0.8%). The strength of our message and the dedication of our people cut through the negative noise to reach our amazing communities across Hampshire and the Isle of Wight who, in turn, responded and continued to support **their** Air Ambulance. Across company canteens, airport terminals, shopping centres, schools and in the street, our Volunteers and Fundraising Teams have delivered the clear message that "As an independent Charity, nothing that we do today, or tomorrow, is possible without the Public's support". Many moving patient stories have also contributed to this effort, reinforcing the message that the outcomes in these stories could have been very different without the interventions of our highly specialised Critical Care Teams.

During 2019, we commissioned our first full and independent Governance Audit, which was completed in the Summer. The Audit confirmed that the Charity is well-run. It also offered some suggestions to further enhance effectiveness, which the Board is actively addressing. Alongside this Audit, the Charity also underwent successful, and unqualified, audits of our Financial Accounts and our ISO 270001 data and information governance accreditation. These further reinforced the conviction that, despite another busy and challenging year, everyone in the Charity has continued to do their absolute best, to very good effect.

The continued pace of activity in 2019 forced a pause in Strategic Planning work but, as this Report is written, a comprehensive review is underway by independent expert Consultants. It is anticipated this will present Trustees and Staff with clear conclusions and options in Summer 2020.

In closing, I commend this Annual Report to you, and I sincerely thank my fellow Trustees who have, again, given freely both of their time and their diverse and considerable expertise to help HIOWAA continue safely on its ambitious and important development path.

Sir John Day – Chairman of Trustees



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Trustees Report

Charitable Mission and History

Formed in 2005, operational in July 2007, and continually evolving in order to meet the emerging needs of patients, the Charity's Objects, as contained within its Articles of Association (amended in 2018) are:

The relief of sickness and injury and the protection of human life for the benefit of the population of and visitors to the counties of Hampshire and the Isle of Wight and surrounding areas, by the provision and support of:

- Air Ambulance services.
- Clinical operational and training services including the provision of such services to other ambulance operators and connected third parties.
- Audit, research, development, training and educational services in pre-hospital medical care; and
- Ancillary equipment and support services related to each of the above

Underpinned by the Charity's Values of: **Openness, Dedication, Professionalism and Teamwork**, HIOWAA's Mission is:

To ensure that, through your support, we always bring exceptional Critical Care to people in Hampshire and the Isle of Wight.

Pivotal to the delivery of our mission are our key partners:

- Babcock Mission Critical Services (Onshore) (BMCS), who provide every aspect of our aviation capability.
- University Hospital Southampton (UHS), who host the Helicopter Emergency Medical Services (HEMS) Care Group within Division B. From 1/11/2018, this group took full operational and clinical responsibility for the provision of HEMS and Air Ambulance Services, and they hold the contracts of employment (permanent/bank/honorary) for all clinical and dispatch staff.
- South Central Ambulance Services (SCAS) who continue to provide access to the Emergency Operations Centres, from where HIOWAA assets are dispatched.
- Thames Valley Air Ambulance (TVAA), with whom we collaborate on many operational aspects across the SCAS region. This includes the provision of extended hours cover across Hampshire, the Isle of Wight, Berkshire, Buckinghamshire and Oxfordshire.
- Through SCAS, we cooperate closely with the Isle of Wight Ambulance Service in order to provide the very necessary and unique support, vital to people on the Island.

Activities and Achievements

Having regard to the Charity Commission guidance on Public Benefit reporting, Trustees offer the following summary of achievements across the charity's scope of operations.

Operational

Overview. FY18/19 was again defined – in large measure – by Transition which was sensibly delayed by 1 month until 1/11/18. Regrettably, in the rush to achieve contract agreement and implementation, the cultural challenges and the human impact associated with this significant organisational change had been overlooked. With external assistance, however, and very strong commitment from both UHS and HIOWAA Senior Leadership, the organisational structure and ways of working have been adapted and the culture reset to build strong and positive relationships. Integral to this was the establishment of an effective management structure (The Care Group Board) and this continues to evolve successfully.

The organisational challenges above did nothing to affect operational service delivery, however, and mission tempo rose steadily through the year, building to a peak as HIOWAA experienced its busiest month ever, in July, completing 244 missions. The addition of two new Skoda Superb 4x4 estates in April added considerable road-response capability and contributed to a 58% increase in overall missions. Their arrival also allowed real momentum to build in training up the new cohort of 7 HEMS Paramedics who had joined the team in December. Alongside operational delivery, very important work has taken place to recognise the significant and relentless mental welfare challenges posed by HEMS roles. In May, coinciding with National Mental Health Awareness week, HIOWAA launched the CrewCare website and monitoring programme. Based around an online, anonymised, self-assessment survey taken by crews monthly, trained members of the Care Group leadership team can monitor and



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act on trends that indicate a potential worsening of mental welfare. In parallel with this monitoring, and working closely with UHS Occupational Health experts, HIOWAA sponsors regular wellbeing and team building activities designed to enhance both resilience and morale within HEMS Teams. The critical importance of this programme was brought into sharp focus at the National AAA Conference when the widow of a HEMS Dr spoke of the work she has done with East Anglia Air Ambulance since the suicide of her husband in 2016.

Data Gathering. Work has continued towards the acquisition of a comprehensive data set that allows effective knowledge management of all HEMS operations. Development of the ARC-EMS electronic patient record (EPR) system has progressed and the increasing sophistication of this system, including automated integration with patient monitors, shows considerable potential. Although some reliability issues remain, a strong relationship with the software developers SURGE has ensured these challenges are swiftly addressed. In parallel, efforts have continued to forge wider sharing agreements with both hospitals and ambulance services in order to better understand the impact that HEMS operations have on the wider trauma and acute medical picture. Progress on the implementation of a comprehensive data gathering and knowledge management strategy has been frustratingly slow but the recruitment of an Audit and Quality Improvement lead within the care group management team (Spring 2020) will add momentum and focus to this important development area.

In other operational highlights:

- **Tasking and Dispatch.** Owing to the delay in Transition, a one-month gap exists in the operational data for this financial year. Alternative analysis has been conducted over the calendar year, showing a 46% increase in aircraft missions to 1,025 and a 54% increase in vehicle missions to 1,237. The stand-down rate has remained manageable at 30%, closely reflecting UK Air Ambulance Sector averages. Analysis of night missions has shown a modest increase to 17% (365 missions) and tasking to the Isle of Wight has also increased sharply, by 75% to 215. In addition, the improved quality of data with the ARC-EMS system has also shown that enhanced clinical interventions – only possible with a Critical Care Team – were conducted in 66% of all missions.
- **Education and Training.** Transition has, as predicted, reinforced the importance of education and training, and 2019 saw strong progress across all the HEMS teams. All new recruits from December 2018 completed their HEMS Paramedic qualification and three senior paramedics completed the PG Dip in Advanced Clinical Practice, thus qualifying as Specialist Paramedics (Critical Care). Diplomas in Immediate Medical Care were achieved by two paramedics and one doctor and HIOWAA welcomed our second cohort of Pre-Hospital Emergency Medicine (PHEM) Registrar trainees, Drs Amy Andrew and Jamie Plumb, for their two-year training programme.
- **Staffing and Recruitment.** A priority this year has been consolidation and settling of new teams, both into working with each other and also into working as part of a hospital care group. Much work was done later in the year, however, on adapting work plans of existing HEMS doctors in order to facilitate increased shift coverage, whilst maintaining work/life balance. From the year end this has begun to have a positive impact. Additionally, the arrival of three experienced HEMS Doctors, one of whom has joined full-time, since year end will see doctor coverage improve gradually and sustainably, moving forward.
- Aircraft staffing levels have again been strong throughout the year, with Paramedic cover achieving 99.3% cover by day and 95% by night, and combined Doctor/Paramedic daytime cover achieving 87%, a small improvement on last year. Combined Doctor/Paramedic night cover continued to improve slowly, achieving 48%, reflecting some positive impact from the work planning activities above; this has continued to improve strongly since year-end.
- Long training pipelines for Doctors and Paramedics have resulted in only slow progress towards resilience in both aircraft and vehicle staffing levels, and Critical Care Team Vehicle (CCTV) Paramedic staffing achieved only 72% shift coverage, and combined Doctor/Paramedic teams achieved only 23%. The additional Doctors above, combined with successful qualification for several Paramedics has, however, prompted dramatic improvements since year-end, to 100% (Paramedic) and 76% (Dr/Paramedic) vehicle cover.
- **Technical Availability.** Aircraft technical availability (crew and mechanical) was adversely impacted in the first half of the year by a shortage of qualified HEMS pilots in BMCS and this, combined with adverse weather reduced overall aircraft availability to 89.6%. A very positive BMCS response to Pilot retention issues, however, resulted in a return to strong performance during the last quarter of the FY.

Fundraising



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Fundraising Approach Hampshire and Isle of Wight Air Ambulance receives no Government or National Lottery funding for routine operations, and it is only thanks to the generosity of the communities that we serve that we are able to keep the Air Ambulance flying and saving lives. Our income profile is broad and is designed to engage deeply with individuals and groups. We employ a salaried, professional fundraising team, who do not have the opportunity to earn a bonus, to manage our income streams and ensure that we meet statutory obligations to the Charity Commission and Fundraising Regulator.

Hampshire and Isle of Wight Air Ambulance work with Lottery Fundraising Service (LFS) as our third-party operator, to provide end to end management of our Flight for Life society lottery and to provide a canvassing facility for our Small Change Big Difference committed giving campaign. There is a Commercial Participation Agreement in place, detailing the obligations of each organisation and regular reviews are in place to thoroughly appraise the service provided.

The LFS canvassers undergo a Charity-driven induction process that focuses on gambling and fundraising regulation, and standards of behaviour that are expected by the charity when they interact with the public. All canvassers are 'Dementia Friends' accredited by the Alzheimer's Society to protect vulnerable persons. Additionally, the Charity conducts regular canvasser mystery shopping exercises and compliance calls to ensure quality and consistency of service.

The Charity is a member of the Institute of Fundraising and the Fundraising Regulator and holds a society lottery licence with the Gambling Commission alongside LFS. We maintain strong governance practices having achieved ISO27001 and remain compliant with the associated organisational codes of practice.

Any complaints that our fundraising activities may generate are recorded and investigated by the Charity Operations team, reviewed by the relevant line manager, or referred to our third-party operator where appropriate. We take any opportunities to improve our supporter care very seriously. Our fundraising activities generate very few complaints each year with fewer than 10 received in 2018/2019; none required escalation beyond the charity.

Overview. The last financial year has been a year of consolidation and whilst our 5 year fundraising strategy is robust, we recognise the need to regularly review performance. This year, that analysis involved scrutinizing our Charity Case For Support, making certain that it continues to be engaging, clear, memorable, informative and compelling. Also, we have spent time understanding donor perceptions through internal assessment and external market research. This work had the objective to ensure that every communication leaves the donor motivated by the difference that they can personally make; enthused by the impact that their support will have on their local community.

Essential relationships. Fundraising's continued success during a challenging year for the Third Sector is testimony to the strong collaboration between the Charity Marketing and Communications team and the Fundraising team. Continually seeking ways to raise brand awareness, they have delivered consistent and highly effective support to each of the income streams. Identifying innovative opportunities to extend our digital reach across our region they have enjoyed significant and consistent success, building the Charity's social media following with a fresh, engaging and dynamic style of content that mirrors HIOWAA as an organisation.

Of equal importance is our extraordinary team of volunteers; dedicated, enthusiastic and determined to make a difference. Their unrelenting support for HIOWAA is inspiring, helping the Charity to achieve a very significant presence in our communities that would, otherwise, be prohibitively expensive. Although small reward for their tireless efforts, the Trustees wish to record again their profound gratitude for this lively, dedicated and very hard-working group.

Specific highlights from the past year:

- **Donor Care.** The development of our Donor Journey has been central to creating a new experience that places donors 'inside' our messaging. The objective of this is to create a strong, early, bond with our donors that reinforces how important they are to us and then 'nurtures' them in a long-lasting relationship with the Charity. Gratitude is at the heart of all our engagement, both with the charity expressing gratitude to our donors, but also providing the facility for our beneficiaries to express their gratitude to the teams who responded to them.
- **Partnerships.** Corporate partnerships continue to develop successfully with a focus on representing HIOWAA as current, topical and progressive whilst also ensuring the partner sees evidence of their impact on us. This year, National Air Traffic Services (NATS) showed how successful collaboration works in practice, presenting



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HIOWAA with £55,341 after an outstanding year of fundraising activities and wider charitable support. Their target was to help HIOWAA deliver more to our community by fundraising for a new Critical Care Team Vehicle.

- **Events and Challenges.** Our 2018/9 events and challenges were built with community spirit in mind: delivering a terrific, memorable experience for each participant. Recognising that our supporters are enthusiastic and highly motivated, events were designed to make participants feel they were sharing in something extraordinary. Our first ever Dash in the Dark event was testimony to that concept coming to fruition. The 750 people who took part in the 5km run around Southampton Common at night raised £30,578. Their excitement was infectious and together they created an incredible evening for all involved.
- **Education.** Although developed as a tool to raise awareness of our service and the skills and dedication of our teams, our education programmes have matured into something much greater. Building on the social engagement and cohesion that our programmes inspire, our first education fundraising campaign was launched in 2018/19. Our 'Save Up to Suit Up' campaign was supported by over 13,000 young people who generated £12,274, being motivated by the idea of donating 10 pence pieces to HIOWAA to raise funds for new flight suits for our crew. Additionally, the 'LifeLines' programme, that brings our critical care teams and aircrew into schools to demonstrate their aviation and clinical skills first-hand to potential future pilots, engineers and clinicians, has now reached over 15,000 young people.
- **Community.** The HIOWAA 'I Tribes' campaigns have grown beyond expectations over the past year. This has been due to the very effective harnessing of each 'tribe's' passion and commitment for their common interest, and also the energy and dedication that has been invested by HIOWAA fundraisers to steward each relationship. The 'I Ride' tribe (Motorcyclists) has been remarkably successful, demonstrated by the Widows Sons Masonic Bikers Association raising an outstanding £8,000 and the Isle of Wight Ride Out gifting £2,566 to HIOWAA. Equally, the 'I Tee Off' tribe (Golf) delivered a hole in one; Barton on Sea Golf Club raised £11,053 and Blackmore Golf Club donated £10,100.

Financial Review

Overview. In an increasingly challenging fundraising climate, the charity has enjoyed a stable year, with total income holding up well and only very marginally affected by lower receipts of £61k compared to last FY. Notwithstanding this, a particularly strong performance has come from Donations, and Trustees believe this reflects the local strength of the HIOWAA brand and the high regard in which the charity is held. Conscious of the wider uncertainty caused by BREXIT, Trustees remain vigilant for possible impact across all areas of activity. It should be noted that, without the £498k gain on the charity's investment the result would have been an overall loss of £192k. Currently, all investment income is re-invested in the Portfolio and is not reflected in cashflow.

Financial performance highlights for the year:

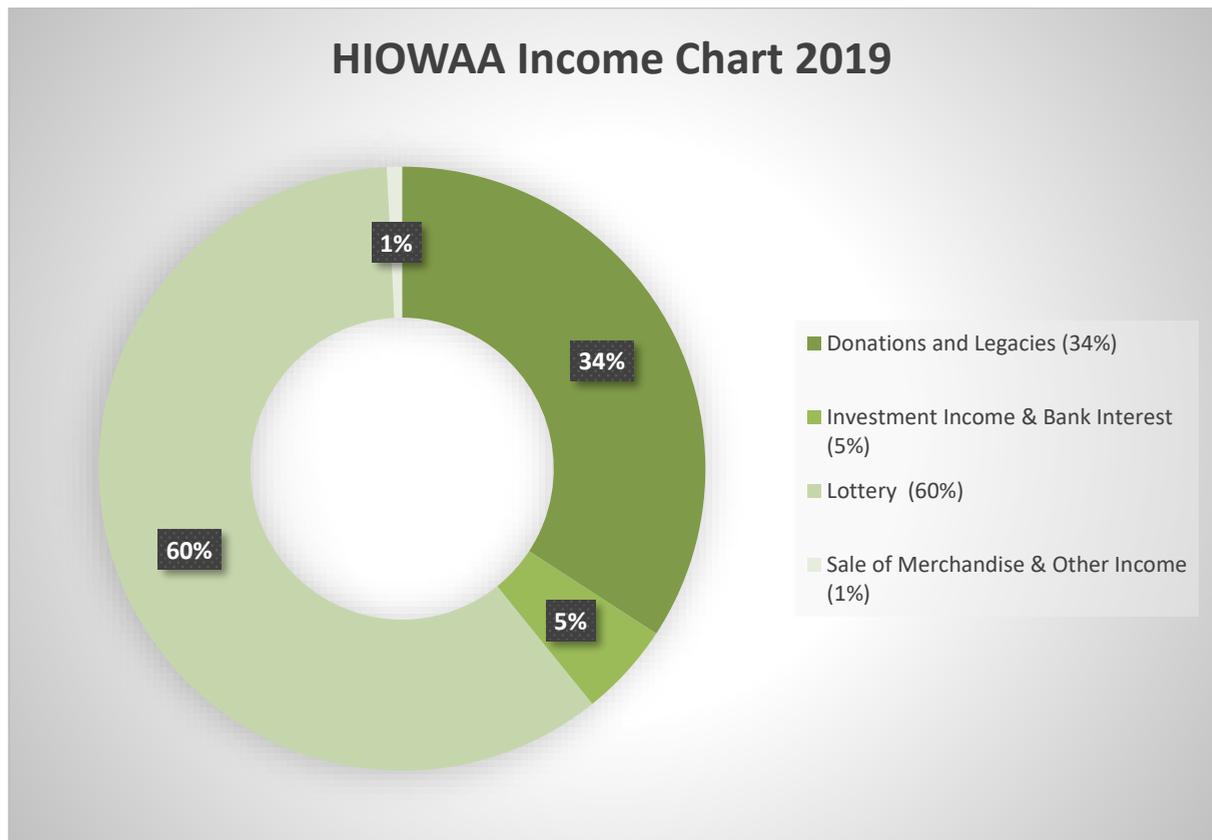
- **Income.** Total income of £7,375k was down 1% on FY17/18 attributable in part to lower Lottery income as above. Forecast lottery figures for 2020 suggest income has stabilized and will remain at the income levels seen in 2018/19, however the wider economic impact of Covid-19 has yet to be ascertained. The perceived decrease in Legacy income for the year is due to an exceptional one-off legacy payment received in FY17/18. The Income from Donations has performed extremely well during the year, with overall increase of £427k compared to FY 17/18.
- **Lottery and Direct Giving.** The HIOWAA 'Flight for Life' lottery remained a major income stream for the charity achieving 60% of the overall income. The second year of the new Direct Giving campaign, called 'Small Change Big Difference' (SCBD) made excellent progress, achieving growth of £430k on FY 17/18 and already representing 7% of the charity's total income.
- **Individual Support.** Trustees wish to record sincere gratitude to the 64,404 people who support our Flight for Life lottery and the 10,634 members of our Small Change Big Difference direct giving programme. These regular donations provide us with with a steady income; one on which we can rely, and which allows us to plan – and deliver - developments to our service. Additionally, we are hugely appreciative of the myriad of supporters who raise funds for the Charity through imaginative and inspired action amongst which the following are just a very few examples:
 - Johanna and Emma Pakenham – Completed the London marathon following Johanna's cardiac arrest after the 2018 event, jointly raising £2,156.86.
 - Stan Full – At 91 years old, Stan raised £2,087.64 zip-lining across the Snowdonia National Park
 - 3rd New Forest North Beavers – who raised £1,000 running a community fete and securing match funding from a local business
 - Shane Avery – raised £1,206.42 hosting a birthday festival in his boss's back garden!



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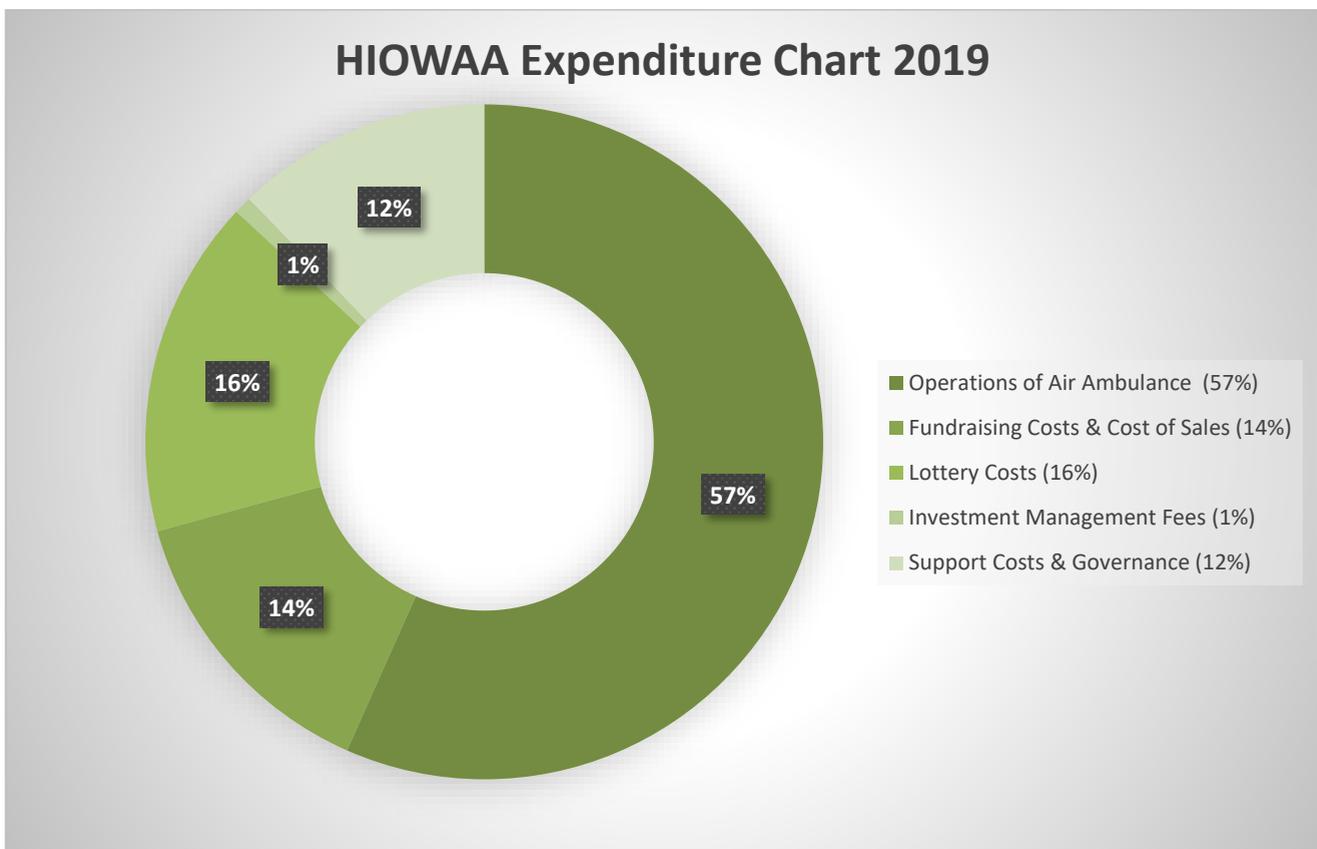
- Cash Collection Pots. Over the year, 1,144 pots were emptied and recycled from a total of 1,444, generating an impressive £82,819, up 1% on last year. At an average of £82 per pot, this represents a reassuring level of sustained, albeit casual, commitment to HIOWAA.
- **Expenditure.** Total expenditure of £7,567k was up by 27% on FY17/18. The significant increase is consistent with the expected forecast associated with Transition costs and the anticipated fundraising costs relating to the promotion of the new direct giving campaign (SCBD).
- **Operational costs** alone increased by £1,141k during the year. Planning had forecast a further increase in operational expenditure (in anticipation of completion of the Transition process and taking on full financial responsibility for the service) and so Trustees agreed that an increase in cash holdings would be prudent, in order to meet the Charity's cashflow requirement. For this reason, the year-end cash at bank position remains at a higher level than in years prior to Transition.
- The pie charts below offer a pictorial interpretation of how the charity's income and expenditure breaks down by category.





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Investments Policy

Rathbones and Brewin Dolphin continue as HLOWAA's appointed Investment Managers. The investment objective for both investment managers continues to be to preserve the value of the funds under management in real terms, balancing risk against return. Currently, all investment income is reinvested in the portfolios but the Trustees continue to review the performance of the Charity's investments regularly, both on an ad-hoc basis (via email and telephone) and with formal performance reviews between the managers and the Finance and Investment Sub-Committee, scheduled on a half yearly basis.

Reserves Policy

The unrestricted reserves as at 30/09/2019 amounted to £17,128k, or just over 3 years of estimated operational costs and 2 years of overall expenditure. The Charity's current 5 year forward forecast confirms that, on the basis of predicted income and expenditure which allow for the perceived short-term risks to charitable income, our reserves are adequate and provide sustainability of operations. The majority of our reserves are held in investments or on close call.

Future Plans

Regrettably, the full extent of the outstanding post-Transition implementation work was not apparent at the time of the Annual Strategy Day in June, only becoming clear at year end. The result of this was that, although strong and positive conclusions had been drawn in June, they were incomplete, with the principal uncertainty remaining around how the charity and UHS should work to develop the Future Service Delivery model. Notwithstanding this, Trustees agreed the following objectives as both enduring and essential to underpin future strategic decisions:

- The development of a fully supported Knowledge Management Strategy to both gather the right data and then draw the understanding from it to shape future, evidenced-based decisions.
- To achieve a detailed understanding of overall operational demand and current performance against this need, including the Isle of Wight (IoW), in order to then set realistic service delivery development targets. In considering the IoW and the growing level of non time-critical transfer requests, Trustees agreed that progress should be made towards a partial commissioning agreement with IoW Clinical Commissioners, in order to encourage greater accountability for non-urgent tasking.



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- To quantify and formalise Education as a pillar of the Charity's fundraising and profile building strategy.
- To develop a detailed map of HIOWAA's Stakeholders in order to fully appreciate who influences, or is influenced, by the Charity's activities. From this, the Charity will then develop an Engagement Plan to link the effective influencing of Stakeholders to the achievement of strategic objectives.
- Mindful of the potential impact of the above work on the Charity's Objects and Case for Support, it was agreed that these would be formally reviewed and changes proposed, if or when appropriate.

Since year-end, an external review of all factors affecting the effectiveness of clinical/operational service delivery has been commissioned and will report in the Spring of 2020. Acknowledging a long-term aspiration to collocate all charity activities (Aviation, Clinical, Fundraising and Head Office) in one base, the review will examine basing, service delivery – including service delivery to the IoW - future aircraft options, and key relationships. Given that the current contract for aviation services with BMCS will expire in 2022, this review will provide important and timely signposts towards what future aviation service is required.

Also since year-end, the charity has endured its first tangible effect of BREXIT, as the Landlords of the 22 Oriana Way Head Office have given strong indication that they will not seek to renew their own lease in Jan 2021, which will trigger the termination of HIOWAA's own lease. As a result, Trustees have commissioned a Task and Finish sub-group to identify alternative office accommodation for the charity, with the intention to move before the end of 2020. Lastly, as this report is finalised, the Nation is grappling with the growing impact of the Coronavirus Pandemic. As a result, and although HIOWAA's brand position, reputation and financial foundations are solid, any future strategy and plans must inevitably become hostage to the outcomes and aftermath of this national emergency.

Enabling and Sustaining Future Plans

Efforts to diversify income streams and reduce the concentration risk associated with the Lottery have continued to make progress with lottery income accounting for 60% overall income, down from 62% in FY 17/18. In parallel, the Small Change Big Difference committed giving campaign continues to grow on target and at year end had 9,519 members. Aligned with these programmes, work continues to both understand why and when donors cease to support HIOWAA, as well as implementing programmes to engage and retain them, since donor retention is paramount to growth. An integral part of this, the HIOWAA Donor Journey seeks to create a lifelong, personalised relationship with donors, regularly engaging them with tailored communications that reinforces the demonstrable impact of their gift and continues to inspire benevolence. The programme centres on connecting donors with our crews, using inspirational language and short, personalized film clips that emphasize the donors' accomplishment: to fund and facilitate the crews to do their job and how their generosity makes a positive difference to people's lives. Initially introduced on the Flight for Life Lottery, to try and stem new member attrition, this programme has already had a positive effect, reducing it from 8.3% to 3.5%. As a result, the programme is now being adapted to the SCBD donor and will be implemented in Spring 2020.

In addition to measures designed to optimise the efficiency and diversity of current fundraising strategies, Trustees have reaffirmed their commitment to investing in HIOWAA's people and all members of the fundraising team are now engaged in professional development courses. In parallel, programmes of targeted market research have been commissioned to better understand what type of person supports HIOWAA and why, as well as improving the form and substance of the messages they receive from the Charity. Regular analysis of our social media impact complements this research and has the cumulative objective of bringing highly trained and innovative fundraisers into contact with donors in the most effective and impactful manner to create a long lasting, mutually beneficial relationships.

Finally, whilst working to secure and diversify income, effort will continue to drive down costs and increase efficiency in expenditure. A key pillar of this is to improve crew rostering, whereby paramedics and doctors' shift patterns are managed more effectively, thereby getting more 'bang for the clinical buck'. Significantly improved and more accurate, detailed, financial reporting, and a growing sense of shared purpose with UHS finance staff, is assisting this greatly. Clearly, all of the work above will have renewed importance in the aftermath of the Coronavirus Pandemic, as all charities strive to understand the potentially far-reaching financial consequences of this crisis. Notwithstanding this, Trustees remain confident that HIOWAA is as well placed as possible to recover quickly from any aftershocks and to suffer only minimal short to medium term impact on Service Delivery.

In closing, Trustees wish to record again their sincere gratitude for the amazing generosity of the peoples of Hampshire and the Isle of Wight, without whose ongoing support, none of the service we provide would be possible.



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Administration, Governance and Structure

Trustees and Directors

Sir John Day KCB OBE RAF(ret'd)	Chairman
Rachel Peppiatt	Vice Chair
Liz Brown	
Andrew Cheesewright FCA	
David Drew	
Dr Andy Eynon BSc(Hons) MBBS(Hons)	
Lisa Gagliani MBE	
Graham Hill FRCS (Tr&Orth)	
Jonathan Moseley	
Gwen Moulster OBE	
Robert Prescott	(Deceased 26 March 2019)
Peter C Taylor JP, FCA, FRSA	Treasurer

Company Secretary

Sherie Williams Ellen

Chief Executive

Alex Lochrane

Auditors

Nexia Smith & Williamson, 15-17 Cumberland Place Southampton Hampshire SO15 2BG

Bankers

Handelsbanken, 3 Carlton Crescent, Southampton, SO15 2EY
Lloyds TSB Plc, High Street, Winchester
CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ
NatWest, 25 West Street, Poole, Dorset, BH15 1LD
CCLA Investment Management Ltd, 80 Cheapside, London, EC2V 6DZ

Investment Managers

Rathbone Brothers Plc, 32 Southgate Street, Winchester, SO23 9EH
Brewin Dolphin, 12 Smithfield Street, London EC1A 9BD

Registered Office

Office Unit, 22 Oriana Way, Nursling, Southampton SO16 0YU

Registered Numbers

5244460 Companies House
1106234 Charity Commission



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Governance

Public Benefit and Openness

Having full regard to Charity Commission guidance on Public Benefit, Trustees remain confident that, through the provision of an Air Ambulance Service, for the advancement of health and the saving of life, which is freely available to the general public in Hampshire and the Isle of Wight, the Charity meets all the provisions necessary.

As already indicated, the Charity has continued work to step up to the new regulatory requirements that have been introduced in the wake of historical incidents of poor governance and practice. ISO27001 accreditation has been revalidated with a very successful external audit and compliance with the Data Protection Act 2018 remains good; the culture within the Charity continues to support a very positive attitude by all staff to ensure that HIOWAA and our agents look after properly the data we gather. Further to last year's report there have been no incidents in the Financial Year that required reports to the Charity Commission or ICO.

Structure

Registered on 8/10/2004, full details of the Charity are available online at both the Charity Commission and Companies House websites, but the following is a high level synopsis:

- Incorporated as a Company Limited by Guarantee (Co Reg no 05244460) under Articles of Association updated on 20th February 2018 (Trustees are Directors and Members of the Charitable Co with liability of £10).
- Trustees are recruited by the Board against required skill sets and all receive appropriate induction and training. Regular, wider training and development opportunities are also offered.
- The Board of Trustees must consist of at least three individuals and will not normally exceed 12.

Trustees serve an initial term of three years, after which they may offer themselves for re-election; a Trustee will not normally serve for longer than nine years. Formal Trustee full Board meetings occur quarterly in order to achieve routine governance business and additionally, as required, for special purpose briefings. The Board has five sub-committees, chaired by a Trustee, covering operations, finance & Investment, fundraising & marketing, governance and remuneration, with delegated authority to look in greater depth at those areas. The minutes form part of Board papers. Trustees also remain in regular contact with the Senior Management Team (SMT) as required to offer advice and support.

Strategic direction of the Charity is determined by the Trustees, through their 5 year strategy and financial plan, which the Chief Executive and SMT are then authorised to deliver in addition to managing the day-to-day business of the Charity and its fundraising activities. In addition, to coordinate operational activity and enhance external cooperation, the Chief Executive meets regularly with UHS, SCAS, Babcock and TVAA. Externally, the Charity is a member of the Air Ambulances UK, the representative body for Air Ambulance charities in the UK that not only acts a single voice for the AA community with central government, but who also receives and distributes donations made to air ambulances nationally.

Pay Policy for Staff

The pay of all staff is reviewed annually by a remunerations sub-committee who will normally, subject to individual staff's satisfactory annual appraisal, recommend that the Board approves annual increases in line with average earnings. Specifically, the salary of the SMT is externally benchmarked and individual recommendations made to the Board by the Remunerations sub-committee and CEO. The salary of the CEO is reviewed separately, subject to satisfactory annual appraisal by the Chairman and Treasurer. In accordance with the revised FRS102, further detail on senior staff pay is contained in the notes to the financial statements (note 9). Once again, an independent annual assessment of HIOWAAs' gender pay gap was conducted and it was pleasing to record a gap of 6%, against the ONS 2017 national average of 9%, but effort will be maintained to keep this gap as low as feasible.

Risk

On behalf of Trustees, the Chief Executive maintains a comprehensive Risk Register, broken down into five key areas (Governance and Compliance; Operations; Income Generation; Finance; People) and designed to assess risks that may impact on the Charity achieving its agreed objectives. Whilst some areas of operational and clinical risk are transferred to our key partners, Trustees review quarterly the top 5 risks that could impact on both the



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2019

risk are transferred to our key partners, Trustees review quarterly the top 5 risks that could impact on both the delivery and resilience of our life-saving service as well as the strong reputation of the Charity. The detailed review of individual risks is delegated to the respective sub-committee, with the Chief Executive maintaining accountability for People.

Our gratitude

In closing and, as in previous years, the Trustees wish to reaffirm that the Air Ambulance is only flying due to the generosity and very broad support that the Charity receives right across the people and communities of Hampshire and the Isle of Wight. Accordingly, Trustees wish to record their sincere gratitude for this wide-ranging and vital generosity.

Trustees' Responsibilities for Financial Statements

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with the Companies Act 2006 and for being satisfied that the Financial Statements give a true and fair view. The Trustees are also responsible for preparing the Financial Statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Trustees acknowledge their responsibilities to:

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

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

Auditors

Nexia Smith Williamson were appointed as the Charity Auditors, on 27th Sept 2016. The current Trustees confirm that they have taken all necessary steps to make themselves aware of any information needed by the Charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information which has not been disclosed to Nexia Smith Williamson.

In preparing this Trustees' report advantage has been taken of the small companies' exemption.

This report was approved by the Trustees on *21st April 2020* and is signed on their behalf by:

Sir John Day
Chairman



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2019

Independent Auditors' Report



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Opinion

We have audited the financial statements of Hampshire and Isle of Wight Air Ambulance (the 'charitable company') for the year ended 30 September 2019 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2019 and of 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter – impact of COVID-19

We draw attention to note 20 of the financial statements, which describes the impact of COVID-19 on the charity. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2019

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.

Opinion 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' Annual Report, which incorporates the Directors' Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report contained within the Trustees' Annual Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2019

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.

Julie Mutton
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

Date: 22 April 2020



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2019

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Income and endowments from:					
Donations and legacies	2	2,504,367	17,260	2,521,627	2,478,306
Other trading activities	3	4,482,839	-	4,482,839	4,596,855
Investments	4	370,615	-	370,615	360,765
Total		7,357,821	17,260	7,375,081	7,435,926
Expenditure on:					
Raising funds	5	3,043,724	5,000	3,048,724	2,561,967
Charitable activities	6	4,515,488	2,838	4,518,326	3,376,977
Total		7,559,212	7,838	7,567,050	5,938,944
		(201,391)	9,422	(191,969)	1,496,982
Net gains/ (loss) on investments	11	498,605	-	498,605	(23,935)
Net income		297,214	9,422	306,636	1,473,047
Transfers between funds		5,500	(5,500)	-	-
Net movement in funds		302,714	3,922	306,636	1,473,047
Funds at 1 October 2018		16,825,531	5,239	16,830,770	15,357,723
Funds at 30 September 2019		17,128,245	9,161	17,137,406	16,830,770

The statement of financial activities incorporating the income and expenditure account includes all gains and losses recognised in the year.

All amounts relate to continuing activities.

The notes on pages 19 to 28 form part of these financial statements.



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2019

BALANCE SHEET AT 30 SEPTEMBER 2019

Company number 05244460			
	Note	Total 2019 £	Total 2018 £
Fixed assets			
Tangible assets	10	588,347	561,559
Investments	11	13,156,640	12,355,750
		<u>13,744,987</u>	<u>12,917,309</u>
Current assets			
Stocks		26,547	36,237
Debtors	12	837,107	555,943
Cash at bank and in hand		4,448,087	4,860,503
		<u>5,311,741</u>	<u>5,452,683</u>
Liabilities			
Creditors: Amounts falling due within one year	13	(1,919,322)	(1,539,222)
		<u>3,392,419</u>	<u>3,913,461</u>
Net current assets			
		<u>17,137,406</u>	<u>16,830,770</u>
Total assets less current liabilities			
		<u>17,137,406</u>	<u>16,830,770</u>
Net assets			
		<u>17,137,406</u>	<u>16,830,770</u>
Funds			
Restricted income funds	19	9,161	5,239
		<u>17,128,245</u>	<u>16,825,531</u>
Unrestricted funds	19	17,128,245	16,825,531
		<u>17,137,406</u>	<u>16,830,770</u>
Total funds			

Approved by the Trustees and authorised for issue on and signed on their behalf by:

Sir John Day
Chairman

Peter Taylor JP FCA FRSA
Treasurer

24th April 2020.

The notes on pages 19 to 28 form part of these financial statements.



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Total 2019 £	Total 2018 £
Cash flows from operating activities:		
Net cash (used in) / provided by operating activities	(220,856)	1,446,914
Cash flows from investing activities		
Purchase of property, plant and equipment	(202,332)	(85,582)
Withdrawal of investments	-	1,500,000
Interest received	10,772	-
Net cash (used in) / generated from investment activities	(191,560)	1,414,418
Change in cash and cash equivalents in the financial year	(412,416)	2,861,332
Cash and cash equivalents at the beginning of the year	4,860,503	1,999,171
Cash and cash equivalents at the end of the year	4,448,087	4,860,503
Reconciliation of net income to net cash flow from operating activities		
	2019	2018
	£	£
Net income for the year	306,636	1,473,047
Adjustment for:		
(Gains) / losses on investments	(498,605)	23,935
Investment income	(359,843)	(355,793)
Investment costs	64,113	77,339
Depreciation charges	175,544	134,718
Decrease / (increase) in stock	9,690	(17,363)
(Increase) in debtors	(281,164)	(10,732)
Increase in creditors	373,545	121,763
Interest received	(10,772)	-
Net cash (used in) / provided by operating activities	(220,856)	1,446,914



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2019

1 Accounting policies

Hampshire and Isle of Wight Air Ambulance is a company limited by guarantee and incorporated in England and Wales. The Address of the registered office is: Office Unit 22 Oriana Way, Nursling, Southampton, SO16 0YU.

The financial statements have been prepared in accordance with the Charity Commission Statement of Recommended Practice (SORP) on Accounting and Reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

The Trustees confirm that the charity is a public benefit entity, as defined in FRS102.

a) Accounting Convention

The financial statements are prepared under the historical cost convention with the exception of investments, which are included at revalued amounts.

b) Income

Income is recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Income represents the value of all grants, donations and other income receivable in respect of the year. Legacy income is included on receipt or when it becomes probable that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

Income from the lottery is recognised in the period in which the individual prize draws are held. Income received in advance of those draws is deferred until the period in which they take place.

c) Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the respective category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Support costs are allocated to the category of expenditure to which they apply, including direct staff cost, such as operational and fundraising staff. Where costs are not directly attributable, such as administrative staff costs, these are apportioned on the basis of time spent by those staff on different activities.

d) Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. The rates generally applied are on a straight line basis, as follows:

Leasehold Improvements	Over life of lease
Fixtures and Fittings	Over 4 – 10 years
Equipment	Over 4 – 5 years
Motor Vehicles	Over 4 Years

Only tangible fixed assets costing more than £1,000 are capitalised.



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2019 contd.

Accounting policies (continued)

- e) **Leased assets**
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.
- f) **Investments**
Investments are included in the balance sheet at market value.
- g) **Funds**
Unrestricted general funds can be used in accordance with the charitable objects of the organisation at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are given for particular restricted purposes.
- h) **Presentation currency**
The functional currency of the charity is in pounds sterling and the financial statements are also presented in pounds sterling.

Judgements in applying accounting policies and key sources of estimation.

Estimates and judgements are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made.

The estimates and assumptions that are considered to be key to Hampshire and Isle of Wight Air Ambulance are outlined below:

Recognition of legacy income: where notifications of legacies are received prior to the balance sheet date but the income has not been received, an accrual for legacy income will be made if it is probable that the legacy will be received and the value of incoming resources can be measured with sufficient reliability.

Where these measurement criteria have not been met, consideration is made to determine whether the legacies meet the definition of a contingent asset. At the year end the estimated cash value of contingent assets is £61,000 (prior year £59,000). Note 17 gives more details.

2 Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Donations	1,979,094	17,260	1,996,354	1,568,823
Legacies	525,273	-	525,273	909,483
	<u>2,504,367</u>	<u>17,260</u>	<u>2,521,627</u>	<u>2,478,306</u>



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2019 contd.

The charity benefits greatly from the involvement and support of its many volunteers, details of which are given in the Trustees report. In accordance with FRS102 and the Charity's SORP (FRS 102) the economic contribution of general volunteers is not recognised in the accounts.

3 Income from other trading activities

	Unrestricted funds 2019 £	Total 2019 £	Total 2018 £
Lottery income	4,423,102	4,423,102	4,579,728
Other income	41,640	41,640	-
Sale of merchandise	18,097	18,097	17,127
	<u>4,482,839</u>	<u>4,482,839</u>	<u>4,596,855</u>

4 Income from investments

	Unrestricted funds 2019 £	Total 2019 £	Total 2018 £
Investment income	359,843	359,843	355,793
Bank interest	10,772	10,772	4,972
	<u>370,615</u>	<u>370,615</u>	<u>360,765</u>

5 Expenditure on raising funds

	2019 £	2018 £
Fundraising costs and cost of sales	746,117	333,127
Fundraising staff costs	327,279	230,580
Allocated support costs (note 7)	675,910	598,499
Lottery prizes and expenses	1,235,305	1,322,422
Investment management costs	64,113	77,339
	<u>3,048,724</u>	<u>2,561,967</u>

Expenditure on raising funds was £3,048,724 (2018: £2,561,967) of which £3,043,724 (2018: £2,558,115) was unrestricted and £5,000 (2018: £3,852) was restricted.



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2019 contd.

6 Expenditure on charitable activities

	2019 £	2018 £
Operation of air ambulance	4,138,157	3,064,904
Operation staff costs	125,931	85,167
Allocated support costs (note 7)	254,238	226,906
	<u>4,518,326</u>	<u>3,376,977</u>

Expenditure on charitable activities was £4,518,326 (2018: £3,376,977) of which £4,515,488 (2018: £3,375,600) was unrestricted and £2,838 (2018: £1,377) was restricted.

7 Analysis of expenditure on Support costs

	2019 £	2018 £
Administrative salaries and social security	530,387	438,372
Pension costs	28,621	26,714
Office costs	308,193	259,827
Other administrative costs	46,595	89,968
Governance costs	16,352	10,524
	<u>930,148</u>	<u>825,405</u>

Support costs have been allocated as follows:

	2019 £	2018 £
Expenditure on raising funds (note 5)	675,910	598,499
Expenditure on charitable activities (note 6)	254,238	226,906
	<u>930,148</u>	<u>825,405</u>

8 Analysis of Governance costs

	2019 £	2018 £
Auditor and accountancy fees	7,893	8,262
Trustees expenses	2,070	1,179
Other	6,389	1,083
	<u>16,352</u>	<u>10,524</u>



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2019 contd.

9 Staff costs	2019	2018
	£	£
Wages and salaries	887,765	687,088
Employer's national insurance	84,895	62,649
Employer's pension contributions	39,559	34,621
	1,012,219	784,358

No trustee, or any of their connected persons, received any remuneration in the current or prior year. Trustees travel expenses were £2,070 (2018: £1,179) during the year.

The average number of full-time equivalent employees was 28 (2018: 25).

The key management personnel of the charity comprise 5 staff members in addition to the Trustees. The total employee emoluments of the key management personnel of the Charity were £381,295 (2018: £310,164). The highest paid employee received emoluments of £79,910 (2018: £66,128) and pension contributions of £2,397 (2018: £17,163) in the year.

The following employees received employee benefits (excluding employer pension costs and employers NI) during the year between:

	2019	2018
	No.	No.
£60,000 - £69,999	1	-
£70,000 - £79,999	1	1
£80,000 - £89,999	1	-



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2019 contd.

10 Tangible fixed assets

	Leasehold improvements £	Equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 October 2018	392,569	222,703	86,452	107,938	809,662
Additions	-	85,986	38,432	77,914	202,332
At 30 September 2019	392,569	308,689	124,884	185,852	1,011,994
Depreciation					
At 1 October 2018	105,608	74,062	32,971	35,462	248,103
Charge for year	48,810	66,535	23,475	36,724	175,544
At 30 September 2019	154,418	140,597	56,446	72,186	423,647
Net book value At 30 September 2019	238,151	168,092	68,438	113,666	588,347
At 30 September 2018	286,961	148,641	53,481	72,476	561,559

The net book value of assets under finance lease was £2,644 (2018: £3,516).

11 Fixed asset investments

	2019 £	2018 £
Market value at 30 September 2018	12,355,750	13,601,232
Additions / (Disposals)	359,843	(1,144,208)
Fee withdrawals	(57,558)	(77,339)
Increase / (Decrease) in market value	498,605	(23,935)
Market value at 30 September 2019	13,156,640	12,355,750
Historic cost at 30 September 2019	11,812,601	11,443,020

Total investment income as disclosed on the face of the Statement of Financial Activities also includes £10,772 (2018: £4,972) of bank interest. All investments are listed.

No single investments exceeded 5% of total market value. The cash element was £132,794.



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2019 contd.

12 Debtors	2019	2018
	£	£
Accrued income	188,546	45,256
Prepayments	552,573	348,917
Other debtors	95,987	161,770
	<u>837,107</u>	<u>555,943</u>
	<u><u>837,107</u></u>	<u><u>555,943</u></u>
13 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	476,936	441,787
Lottery receipts in advance	603,881	689,053
Accruals	808,387	388,886
Other taxation and social security	30,118	19,496
	<u>1,919,322</u>	<u>1,539,222</u>
	<u><u>1,919,322</u></u>	<u><u>1,539,222</u></u>
14 Financial Instruments	2019	2018
	£	£
Financial Assets		
Cash at bank and in hand	4,448,087	4,860,503
Financial assets that are debt instruments Measured at amortised cost	214,093	147,821
	<u>4,662,180</u>	<u>5,008,324</u>
	<u><u>4,662,180</u></u>	<u><u>5,008,324</u></u>

Financial Assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2019 contd.

	2019 £	2018 £
Financial Liabilities		
Financial liabilities that are measured at amortised cost	1,887,204	1,519,726
	<u>1,887,204</u>	<u>1,519,726</u>

Financial liabilities that are measured at amortised cost comprise other creditors, lottery receipts in advance and accruals

15 Controlling party

The charity is controlled by its Trustees.

16 Commitments under operating leases

The charity had commitments under non-cancellable operating leases due in the next 12 months as set out below:

	Land and buildings 2019 £	Other 2019 £	Land and buildings 2018 £	Other 2018 £
Within one year	71,529	1,500,144	71,529	1,469,574
In two to five years	141,063	1,253,271	180,310	2,697,301
In more than five years	41,480	-	73,762	-
	<u>254,072</u>	<u>2,753,415</u>	<u>325,601</u>	<u>4,166,875</u>

The charge to the Statement of Financial Activities relating to operating leases for the year was £1,571,673 (2018: £1,541,103)

17 Contingent assets

The charity has been notified of material legacies which have not been included in the Statement of Financial Activities because the conditions for recognition have not been met. The estimated cash value is £61,000 (2018: £59,000)



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2019 contd.

18 Analysis of Unrestricted funds

	At 1 October 2018 £	Net Movement in Funds £	Transfers £	At 30 September 2019 £
General fund - operational reserve	16,825,531	297,214	5,500	17,128,245
	<u>16,825,31</u>	<u>297,214</u>	<u>5,500</u>	<u>17,128,245</u>

Analysis of Unrestricted funds – prior year

	At 1 October 2017 £	Net Movement in Funds £	Transfers £	At 30 September 2018 £
General fund - operational reserve	14,707,723	1,467,808	650,000	16,825,531
New aircraft fund	400,000	-	(400,000)	-
Additional services fund	250,000		(250,000)	
	<u>15,357,723</u>	<u>1,467,808</u>	<u>-</u>	<u>16,825,531</u>

19 Analysis of Restricted funds

	At 1 October 2018 £	Net Movement in Funds £	Transfers £	At 30 September 2019 £
Reserve for specified capital expenditure	5,000	500	(5,500)	-
Reserve for specific operational costs	239	922	-	1,161
Reserve for other specific costs	-	8,000	-	8,000
	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2019 contd.

5,239	9,422	(5,500)	9,161
<u>5,239</u>	<u>9,422</u>	<u>(5,500)</u>	<u>9,161</u>

Analysis of Restricted funds – prior year

	At 1 October 2017 £	Net Movement in Funds £	Transfers £	At 30 September 2018 £
Reserve for specified capital expenditure	-	5,000	-	5,000
Reserve for specific operational costs	-	239	-	239
	<u>-</u>	<u>5,239</u>	<u>-</u>	<u>5,239</u>

20 Post balance sheet events and going concern

Since the year end the Charity has made no capital commitments (2018: 69,276).

As this report is finalised, the nation is beginning to adjust to the impact of the Coronavirus pandemic. Although detailed analysis is difficult in this rapidly-evolving crisis, it is clear that all areas of charity activity will be affected with likely significant impacts in income generation, reserves and service delivery. At this time it has not been possible to give an estimate of the financial impact of this post balance sheet event. Our priority is our patients and, currently, all effort is focused on keeping our clinical teams fit and protected in order to continue delivering the best possible Critical Care service alongside their NHS colleagues. Given the strength of the charity's Brand, our presence in our communities and our strong reserves position, however, Trustees are confident that HIOWAA is as well placed as possible to weather the storm and emerge strong; the charity is very much still a Going Concern!

21 Analysis of net assets between funds

Fund balances at 30 September 2019 are represented by:

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	583,347	-	588,347
Investments	13,156,640	-	13,156,640
Net current assets	3,383,258	9,161	3,392,419
	<u>17,128,245</u>	<u>9,161</u>	<u>17,137,406</u>