



HAMPSHIRE AND
ISLE OF WIGHT
AIR AMBULANCE

2021

ANNUAL REPORT

AND FINANCIAL STATEMENTS

hiowaa.org Company Number: 5244460 | Charity Number: 1106234



Photography by Tim Wallace

CONTENTS

4	Trustees Report
12	Report of the Independent Auditors
16	Statement of financial activities
17	Balance Sheet
18	Statement of cash flows
19	Notes forming part of the accounts

TRUSTEES REPORT

Trustees and Directors

Sir John Day KCB OBE RAF (ret'd)
Chairman (Resigned July 2021)

David Drew
Chairman (From August 2021)

Gwen Moulster OBE
Vice Chair

Peter C Taylor JP, FCA, FRSA
Treasurer

Elizabeth Brown

Andrew Cheesewright FCA

Dr Andy Eynon BSc (Hons) MBBS (Hons)

Graham Hill FRCS (Tr & Orth)

Lisa Gagliani MBE
(Resigned April 2021)

Jonathan Moseley
(Resigned April 2021)

Benjamin Rogers
(Appointed July 2021)

Rebecca Brackwell-Slade
(Appointed July 2021)

Daniel Townsend
(Appointed July 2021)

David Wakeham
(Appointed July 2021)

Catharine Wilson
(Appointed July 2021)

Steve Vear MBE JP
(Appointed July 2021)

Company Secretary

Sherie Williams Ellen

Chief Executive

Alex Lochrane
(Resigned 28 February 2021)

Sherie Williams Ellen
(Acting CEO March – August 2021)

Richard Corbett
(Appointed 1 September 2021)

Auditors

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

Bankers

Handelsbanken, Oceana House, 39-49 Commercial Road,
Southampton, SO15 1GA

Lloyds Bank Plc, 49 High Street, Winchester, SO23 9BU

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

F4 Adanac Park, Adanac Drive, Nursling,
Southampton SO16 0BT

Registered Numbers
5244460 Companies House
1106234 Charity Commission

Chairman's Introduction

It's a pleasure to be able to introduce the latest Report and Financial Statements for the year ending 30th September 2021.

The Charity has been operating the Air Ambulance for 14 years, and over that time we have seen many changes to the way the organisation operates and integrates with our partner organisations. Notwithstanding the fact that the Covid-19 virus has been overwhelming, and has had a substantial impact on so many aspects of all our lives, the Air Ambulance has been there to deliver for all the residents who live across Hampshire and the Isle of Wight.

These last two years have proved challenging ones for everyone, and it is gratifying that we are emerging hopefully stronger and more determined. This is due in part to our inbuilt financial resilience, but also to the dedication of all our staff, both administrative and operational, and of course our loyal supporters who have been resolute throughout the pandemic in donating to this life-saving emergency service.

Over the last year we have seen the appointment of a number of new Trustees as well as a new Chief Executive: all have augmented both the vision and dynamism within the Charity. The team is strong and our future looks secure.

Overview

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 2021. The Trustee Report also contains a Directors' report as required by Company Law. The reference and administrative information set out on page 4 forms part of this report.

Charitable Mission and History

The Charity was formed in 2004, and became operational as an Air Ambulance in July 2007. The organisation is 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



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:

- University Hospital Southampton (UHS), who host the Helicopter Emergency Medical Services (HEMS) Care Group. UHS hold the contracts of employment (permanent/bank/honorary) for all clinical and dispatch staff. They also maintain essential clinical governance assurance, including the registration with the Care Quality Commission.
- Babcock Mission Critical Services (Onshore) (BMCS), who provide every aspect of our aviation capability.
- 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.
- Lottery Fundraising Services (LFS) our partner in running the “Flight for Life” society lottery and to deliver a canvassing facility for our Small Change Big Difference (SCBD) committed giving campaign.
- 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.

Structure

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:

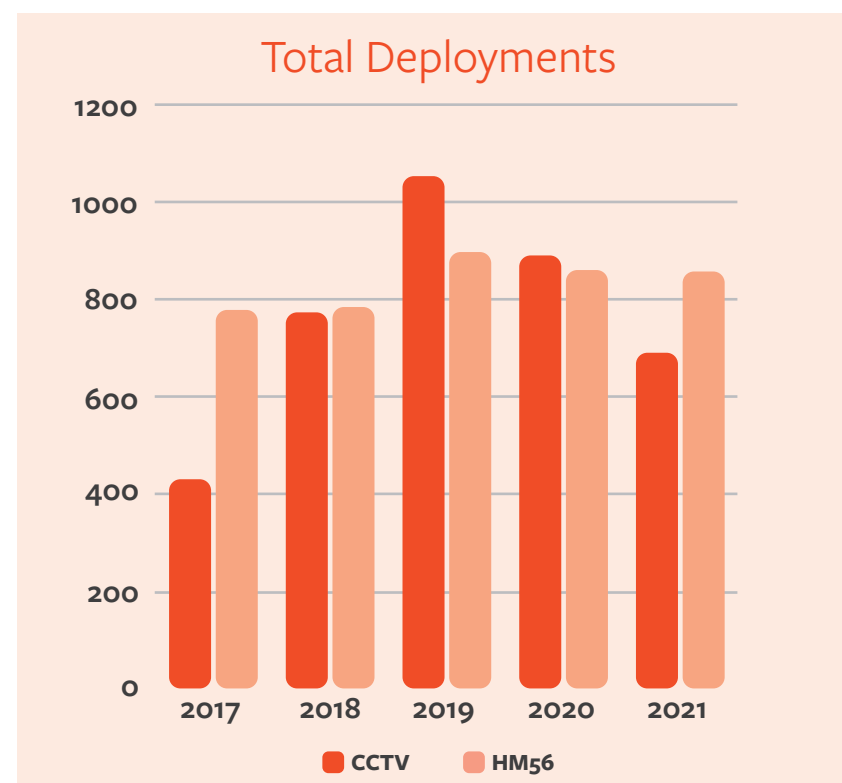
- Trustees are recruited by the Board against required skill sets and all receive appropriate induction and training. Regular, wider training and development opportunities are also offered.
- The Board of Trustees must consist of at least three individuals and will not normally exceed 12.

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 four sub-committees, chaired by a Trustee, with delegated authority to look in greater depth at those areas, covering :-

Operations, Finance & Investment, Marketing & Fundraising, Governance & People

The sub-committee 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.



Public Benefit and Openness

Having full regard to Charity Commission guidance on Public Benefit, Trustees remain confident that, through the provision of pre-hospital emergency medicine, which is freely available to the general public in Hampshire and the Isle of Wight, the Charity meets all the provisions necessary.

Two serious incidents were reported to the Charity Commission. The first incident was filed in November 2020 and related to an inappropriate use of one of the Critical Care Team vehicles by a clinician. No follow up to the initial report was required by the Charity Commission. The second incident was filed in July 2021. This incident related to a delayed CCTV deployment due to a faulty security gate at our premises in Adanac Park. No follow up to the initial report was required by the Charity Commission. No incidents required reporting to the ICO.

Activities and Achievements

Operational

The team continued to offer critical care services this year delivered by either the helicopter (HM56) or critical care team vehicles (CCTV). The vehicles are used when weather conditions prevent flying or when the evening aviation response is being delivered by Thames Valley Air Ambulance as part of our sharing agreement.

The core team consists of a dispatch crew working alongside colleagues at

SCAS and a critical care team of a pre hospital emergency medicine trained doctor and specialist paramedic.

• Deployment Numbers

In the financial year there was a total of 1,547 deployments. 857 via HM56 and 690 by CCTV. The service was operational to expected standards (time and crew coverage), actual deployment numbers are clearly based on circumstances beyond the organisations control.

• Value added:

In offering critical care services we measure our value added by assessing what we offer above and beyond a typical paramedic ambulance crew. In essence this is about bringing the hospital emergency department to the roadside/ patient's home.

• Quality

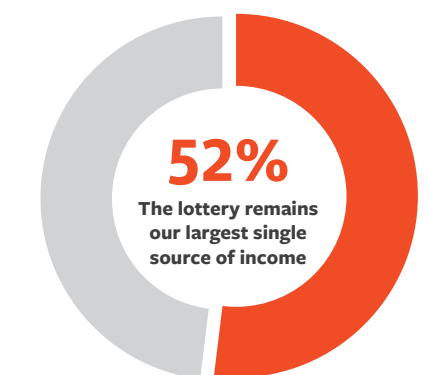
Our partnerships with UHS and SCAS not only provide excellence in clinical governance but also offers our crews the opportunity to refresh and develop their skills through practical experience both on road ambulances and in the hospital trauma setting. In this way we use our partnerships to enhance both our and our partners' services.

The charity also supports crews in developing their clinical skills through a structured training pathway.

Income Generation

Our fundraising and marketing teams work with external partners both to promote the charity, engage supporters and to raise income for the charity. The key income streams include our lottery, committed giving, legacy and trust & foundation income. The lottery remains our largest single source of income

(52%). We continue to develop other income streams to reduce the risk of dependency on this income source.



The charity also gains the support of a large pool of committed volunteers who support our events and community fundraising programme. It has been another frustrating year for these volunteers as we deal with the constraints of Covid on our programme. However in September we were able to run our flagship ‘Dash in the Dark’ event and look forward to returning to a full programme when conditions allow.

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 deeply engage with individuals and groups. We employ a salaried, professional fundraising team, who do not 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 deliver 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 complete a Charity induction that focuses on gambling and fundraising regulation, including standards of behaviour that are expected 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 Chartered Institute of Fundraising, the Fundraising Regulator, and holds a society lottery license with the Gambling Commission alongside LFS. The Charity maintains strong governance practices and remains 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. The Charity take any opportunities to improve supporter care very seriously. Our fundraising activities generate very few complaints each year with fewer than 10 received in 2020/2021; none required escalation beyond the charity.

Charity Operations

The Trustees conducted a thorough recruitment process leading to the appointment of six new Trustees in

July 2021. The vacancy was advertised and recruitment undertaken in line with our Trustee Policy. The new cohort undertook a full induction programme prior to their formal appointment in July 2021.

Following the departure of Chief Executive Alex Lochrane in February 2021, Sherie Williams Ellen acted as Chief Executive while the Trustees recruited a new Chief Executive. The Trustees would like to thank Alex for his contribution to the charity during his tenure and Sherie for acting during this gap. Following a successful recruitment process Richard Corbett started with the charity in September 2021.

In January 2021 the charity moved its office location to F4, Adanac Park. The move was made more complex by the Covid lockdown but was completed successfully. The new premises offer both space for the charity team but also the ability to forward base our CCTV operational response vehicles.

We continued through the year to adapt operations based on Covid restrictions. The office reopening for staff in line with national guidance but on a hybrid pattern with home working to reduce overall numbers in the building. We were also able to re-engage office volunteers who offer us invaluable support. We continue to monitor the general situation and adapt ways of working as required.

Financial Review

Overview

Despite the impact of COVID-19 our reserves position remains one of strength. The majority of our outreach fundraising activities were cancelled but we were able to rely on the generosity of our regular donors and lottery players, as well as significant legacies, to exceed our budgeted income enabling delivery of our operational activities.

Overall, we raised £8,269,279 in 2020/21, an increase of 10% on last year (2019/20: £7,514,829) and we

expended £5,135,379 on our charitable activities, an increase of 10% on last year (2019/20: £4,678,087), and £2,676,548 on raising funds, down 13% on last year (2019/20: £3,085,619).

Income

Legacy income at £964,296 (2019/20 £262,423) showed the greatest gain. This was supported by growth in committed giving through our SCBD campaign. These gains offset the reduction in income connected to events and other areas more directly impacted by Covid restrictions.

Expenditure

From the total expenditure of £7,811,927, we spent 62% on the operation of our critical care services, 24% on lottery and fundraising costs, and the remaining 14% on support costs and investment management fees.

Charitable activities

The increase in cost of charitable activities can be directly attributed

to an increase in the number of paramedics, doctors' and clinical governance costs.

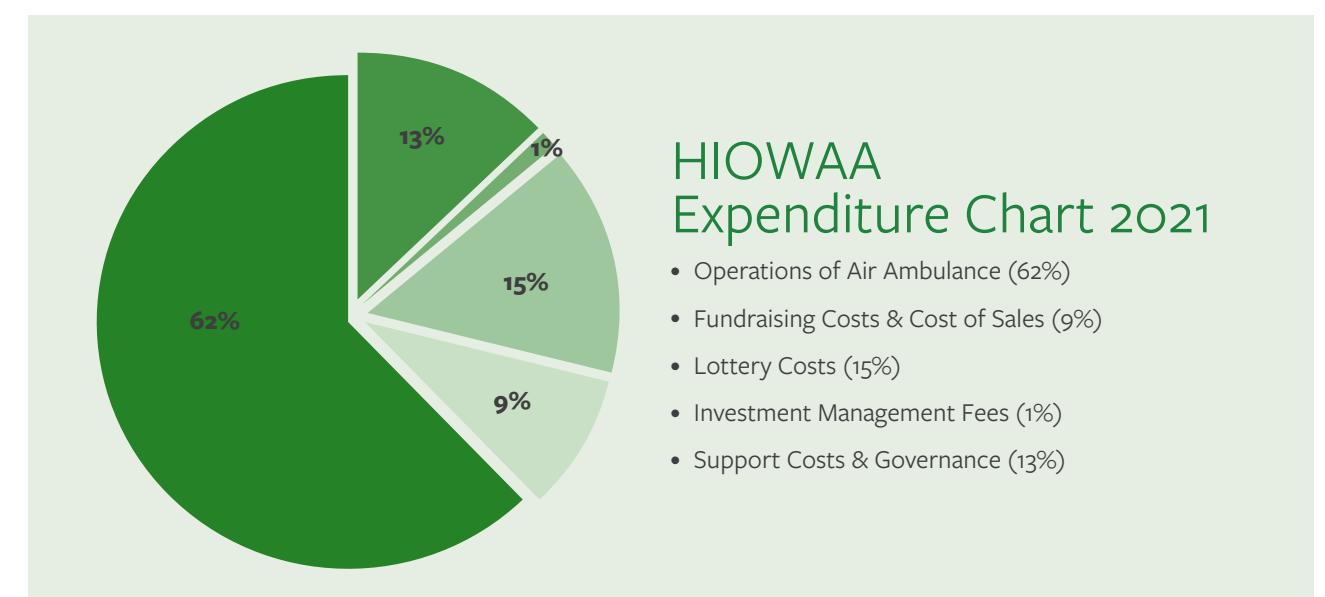
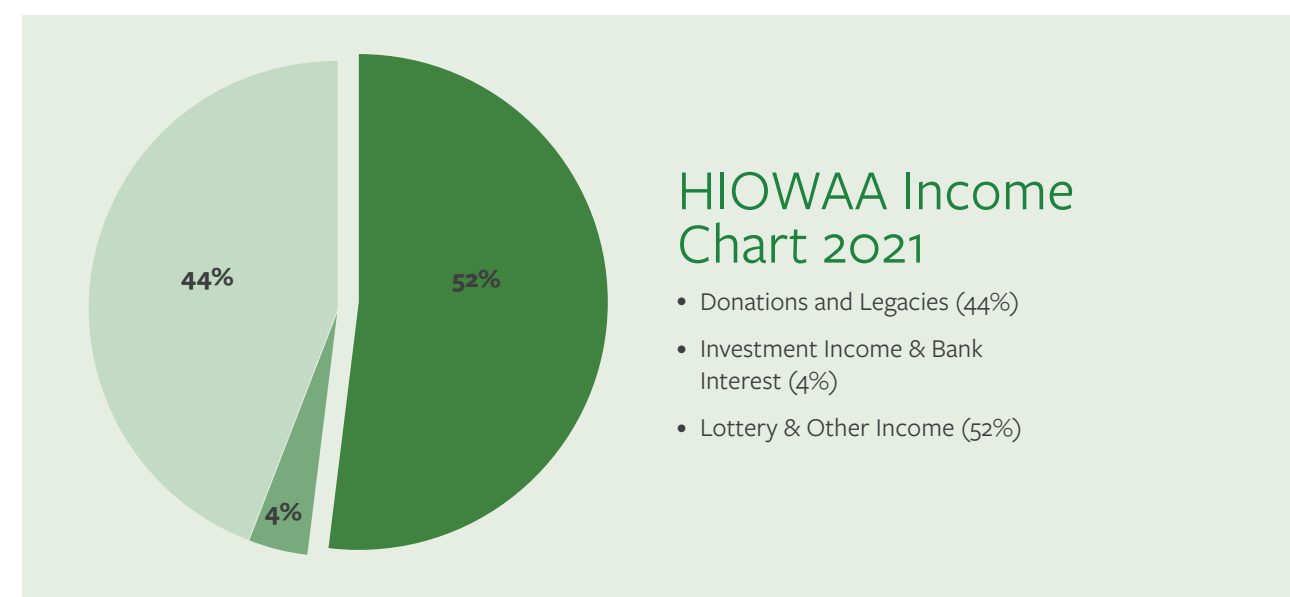
Costs of raising funds

The reduction in costs of raising funds is mainly due to COVID-19 restrictions, which forced us to cancel many events, as well as our canvassing operations. The fundraising staff costs were also lower compared to 2020.

Investment Policy

Rathbones and Brewin Dolphin continue as HIOWAA'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.

It is our policy not to invest directly in any company in which their primary activity is the tobacco sector.





The Trustees continue to review the performance of the Charity's investments regularly, both on an ad-hoc basis and with an annual formal performance review between the managers and the Finance and Investment Sub-Committee.

Reserves Policy

The unrestricted reserves as at 30/09/2021 amounted to £17,972,804, approximately 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. A review of the reserves policy will be completed in 2022.

Remuneration Policy

The pay of all staff is reviewed annually, subject to individual staff's

satisfactory annual appraisal. The salary of SMT members is externally benchmarked and individual recommendations made by the CEO and agreed by the Governance and People Sub-Committee. 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).

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 delivery and resilience of our

life-saving service as well as the strong reputation of the Charity.

Future Strategy

The process to develop a new strategy was put on hold because of the operational impact of Covid on the charity and the uncertainty this caused. We are now re-starting this process with a view to launch a new strategy, in line with the financial year, in October 2022.

Prior to the launch of the full strategy we will be making decisions about the future of our aviation contract. The current contract with Babcock ends in October 2022. We will be reviewing options as well as deciding how we will operate after the end of the sharing agreement with TVAA in September 2022.

We are looking to develop operations with a two-phase approach, in line with the strategic planning process. Phase one will involve areas that require immediate action such as the aviation contract and recruiting to our medical teams to allow the maintenance of a full rota to deliver

the service. Phase two will look at the longer term and be implemented from October 2022.

Further Information

This report provides a snapshot of the work of the charity.

For detailed information and stories of the patients whose lives we have impacted please visit our website www.hiowaa.org for more information on our life saving work.

Our Gratitude

In closing the Trustees wish to reaffirm that our critical care service delivery is only made possible by 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 and is signed on their behalf by

David N.A. Drew

David Drew
Chairman



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 2021 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the notes to the financial statements, including 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 2021 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

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the 2021 Annual 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' 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 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, 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.

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

We obtained a general understanding of the charitable company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies and procedures regarding compliance. We also drew on our existing understanding of the charitable company's industry and regulation.

We understand that the charitable company complies with the framework through:

- Outsourcing investment management, lottery fundraising, accounts preparation and VAT and tax compliance to external experts.



- Facilitating the completion of an annual return to the Gambling Commission in respect of the Lottery Funding Service.
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the charitable company's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the charitable company:

- The Companies Act 2006, 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 January 2019) and FRS 102 in respect of the preparation and presentation of the financial statements.

- The Gambling Commission regulations in respect of provision of an annual return, based on the audited financial statements.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Inspection of correspondence with the Charity Commission and Gambling Commission regarding

any potential issues which may impact on the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via fraudulent journal entries.
- Inappropriate recognition of legacy income, as this is a judgement made by management and trustees.

These areas were communicated to the other members of the engagement team not present at the discussion. The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the assumptions used in the recognition of legacy income and comparison to post-year-end data as appropriate.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those posted at unusual times.

Overall, the senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities. In particular, both the senior statutory auditor and the audit manager have a number of years' experience in dealing with charitable companies.

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.

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.

Nexia Smith & Williamson
26/01/2022

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



STATEMENT OF FINANCIAL ACTIVITIES

Statement of Financial Activities (Incorporating Income and Expenditure Account) for the year ended 30 September 2021

	NOTE	UNRESTRICT- ED FUNDS 2021 (£)	RESTRICTED FUNDS 2021 (£)	TOTAL 2021 (£)	TOTAL 2020 (£)
Income and endowments from:					
Donations and legacies	2	3,534,882	75,691	3,610,573	2,587,099
Other trading activities	3	4,287,355	-	4,287,355	4,365,324
Investments	4	368,511	-	368,511	352,858
Other - Government Grants		2,840	-	2,840	209,548
Total		8,193,588	75,691	8,269,279	7,514,829
Expenditure on:					
Raising funds	5	2,676,455	93	2,676,548	3,085,619
Charitable activities	6	5,121,223	14,156	5,135,379	4,678,087
Total		7,797,678	14,249	7,811,927	7,763,706
Operating surplus/(deficit) for the year		395,910	61,442	457,352	(248,877)
Net gain/(loss) on investments	11	975,706	-	975,706	(316,570)
Surplus/(deficit) for the year		1,371,616	61,442	1,433,058	(565,447)
Transfers between funds		34,660	(34,660)	-	-
Net movement in funds		1,406,276	26,782	1,433,058	(565,447)
Funds at 1 October 2020		16,566,528	5,431	16,571,959	17,137,406
Funds at 30 September 2021		17,972,804	32,213	18,005,017	16,571,959

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.

BALANCE SHEET AT 30 SEPTEMBER 2021

Balance Sheet at 30 September 2021 | Company number 05244460

	NOTE	TOTAL 2021 (£)	TOTAL 2020 (£)
Fixed assets			
Tangible assets	10	602,401	537,007
Investments	11	14,286,474	13,108,637
		14,888,875	13,645,644
Current assets			
Stocks		21,770	28,760
Debtors	12	966,799	621,182
Cash at bank and in hand		4,033,648	4,374,847
		5,022,217	5,024,789
Liabilities			
Creditors: Amounts falling due within one year	13	(1,906,075)	(2,078,474)
Provisions for liabilities	14	-	(20,000)
		(1,906,075)	(2,098,474)
Net current assets		3,116,142	2,926,315
Total assets less current liabilities		18,005,017	16,571,959
Net assets		18,005,017	16,571,959
Funds			
Restricted income funds	19	32,213	5,431
Unrestricted funds	18	17,972,804	16,566,528
Total funds		18,005,017	16,571,959

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

David Drew
Chairman

Peter Taylor JP FCA FRSA
Treasurer

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

STATEMENT OF CASH FLOWS ENDED 30 SEPTEMBER 2021

Statement of cash flows for the year ended 30 September 2021

	TOTAL 2021 (£)	TOTAL 2020 (£)
Cash flows from operating activities:		
Net cash (used in)/provided by operating activities	(205,088)	72,045
Cash flows from investing activities		
Purchase of property, plant and equipment	(234,948)	(166,567)
Withdrawal of investments	98,669	12,667
Interest received	168	8,615
Net cash (used in) investment activities	(136,111)	(145,285)
Change in cash and cash equivalents in the financial year	(341,199)	(73,240)
Cash and cash equivalents at the beginning of the year	4,374,847	4,448,087
Cash and cash equivalents at the end of the year	4,033,648	4,374,847

Reconciliation of surplus/(deficit) to net cash flow from operating activities		
	2021 (£)	2020 (£)
Net income/(loss) for the year	1,433,058	(565,447)
Adjustment for:		
(Gains)/Losses on investments	(975,706)	316,570
Investment income	(368,343)	(344,243)
Investment costs	67,544	63,009
Depreciation charges	169,265	193,238
Loss on disposal of fixed asset	289	24,669
Decrease/(increase) in stock	6,990	(2,213)
(Increase)/decrease in debtors	(345,617)	215,925
(Decrease)/increase in creditors	(192,400)	179,152
Interest received	(168)	(8,615)
Net cash (used in)/provided by operating activities	(205,088)	72,045

Analysis of changes in net debt would replicate the information provided above and is therefore not disclosed.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2021

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: F4 Adanac Park, Adanac Drive, Nursling, Southampton, SO16 0BT.

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 2019).

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:

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2021

Accounting policies (continued)

i) Provisions

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation.

j) Going Concern

The Charity's primary sources of income are donations, legacies, lottery and investment income. In the year to 30 September 2021 this has been aided by the government backed job retention scheme. After careful consideration of the Charity's current financial position, with due attention paid to the ongoing COVID-19 pandemic, the Trustees are confident that the Charity has adequate resources to continue in operation for the foreseeable future which is at least 12 months from the date of approval of these financial statements. Accordingly they continue to adopt the going concern basis in preparing the accounts.

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 make 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 £Nil (prior year £Nil).



NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2021

2/ Income from donations and legacies

	UNRESTRICTED FUNDS 2021	RESTRICTED FUNDS 2021	TOTAL 2021	TOTAL 2020
Donations	2,570,586	75,691	2,646,277	2,324,676
Legacies	964,296	-	964,296	262,423
	3,534,882	75,691	3,610,573	2,587,099

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 2021	TOTAL 2021	TOTAL 2020
Lottery income	4,264,428	4,264,428	4,338,009
Other income	14,906	14,906	21,383
Sale of merchandise	8,021	8,021	5,932
	4,287,355	4,287,355	4,364,324

4/ Income from investments

	UNRESTRICTED FUNDS 2021	TOTAL 2021	TOTAL 2020
Investment income	368,343	368,343	344,243
Bank interest	168	168	8,615
	368,511	368,511	352,858

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2021

5/ Expenditure on raising funds

	2021 (£)	2020 (£)
Fundraising costs and cost of sales	414,429	810,629
Fundraising staff costs	273,883	359,546
Allocated support costs (note 7)	728,088	658,224
Lottery prizes and expenses	1,192,604	1,194,211
Investment management costs	67,544	63,009
	2,676,548	3,085,619

Expenditure on raising funds was £2,676,548 (2020: £3,085,619) of which £2,676,455 (2020: £3,075,329) was unrestricted and £93 (2020: £10,290) was restricted.

6/ Expenditure on charitable activities

	2021 (£)	2020 (£)
Operation of Air Ambulance	4,825,851	4,360,717
Operation staff costs	34,175	33,492
Allocated support costs (note 7)	275,064	242,664
Grants to Institutions	-	16,545
Loss on disposal of fixed asset	289	24,669
	5,135,379	4,678,087

Expenditure on charitable activities was £5,135,379 (2020: £4,678,087) of which £5,121,223 (2020: £4,537,236) was unrestricted and £14,156 (2020: £140,851) was restricted.

7/ Analysis of expenditure on Support costs

	2021 (£)	2020 (£)
Administrative salaries and social security	613,249	567,691
Pension costs	30,588	29,591
Office costs	272,571	233,512
Other administrative costs	76,424	59,674
Governance costs	10,320	10,420
	1,003,152	900,888

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2021

	2021 (£)	2020 (£)
Support costs have been allocated as follows:		
Expenditure on raising funds (note 5)	728,088	658,224
Expenditure on charitable activities (note 6)	275,064	242,664
	1,003,152	900,888

8/ Analysis of Governance costs

	2021 (£)	2020 (£)
Auditor and accountancy fees	9,975	9,427
Trustees expenses	45	418
Other	300	575
	10,320	10,420

9/ Staff costs

	2021 (£)	2020 (£)
Wages and salaries	841,606	873,718
Employer's national insurance	71,450	76,781
Employer's pension contributions	38,840	39,819
	951,896	990,318

No Trustee, or any of their connected persons, received any remuneration in the current or prior year. Trustees travel expenses were £Nil (2020: £418) during the year. There were no related party transactions during the year.

The average number of full-time equivalent employees was 25 (2020: 26).

The key management personnel of the charity comprise 5 staff members. The total employee emoluments of the key management personnel of the Charity were £340,182 (2020: £303,821). The highest paid employee received emoluments of £73,138 (2020: £76,480) and pension contributions of £17,850 (2020: £17,850) in the year.

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

	2021 NO.	2020 NO.
£60,000 - £69,999	3	2
£70,000 - £79,999	1	1
£80,000 - £89,999	-	-

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2021

10/ Tangible fixed assets

	LEASEHOLD IMPROVEMENTS (£)	EQUIPMENT (£)	FIXTURES AND FITTINGS (£)	MOTOR VEHICLES (£)	TOTAL (£)
Cost					
At 1 October 2020	503,840	360,587	99,958	185,852	1,150,237
Additions	148,022	82,861	4,065	-	234,948
Disposals	(73,055)	(1,732)	(6,955)	-	(81,742)
At 30 September 2021	578,807	441,716	97,068	185,852	1,303,443
Depreciation					
At 1 October 2020	203,229	219,957	71,395	118,649	613,230
Charge for the year	49,290	75,672	6,317	37,986	169,265
Eliminated on disposal	(73,055)	(1,443)	(6,955)	-	(81,453)
At 30 September 2021	179,464	294,186	70,757	156,635	701,042
Net book value At 30 September 2021	399,343	147,530	26,311	29,217	602,401
At 30 September 2020	300,611	140,630	28,563	67,203	537,007

The net book value of assets under finance lease was £NIL (2020: £2,644).

11/ Fixed asset investments

	2021 (£)	2020 (£)
Market value at 30 September 2020	13,108,636	13,156,640
Additions/(Disposals)/(Income withdrawals)	269,676	331,575
Free withdrawals	(67,544)	(63,009)
Increase/(Decrease) in market value	975,706	(316,570)
Market value at 30 September 2021	14,286,474	13,108,636
Historic cost at 30 September 2021	12,350,302	12,021,702

Total investment income as disclosed on the face of the Statement of Financial Activities also includes £168 (2020: £8,615) of bank interest. All investments are listed.

No single investments exceeded 5% of total market value. The cash element was £472,474.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2021

12/ Debtors

	2021 (£)	2020 (£)
Accrued income	441,036	171,992
Prepayments	444,566	315,937
Other debtors	81,197	133,253
	966,799	621,182

13/ Creditors: amounts falling due within one year

	2021 (£)	2020 (£)
Trade creditors	904,433	1,206,879
Other creditors	3,219	5,867
Lottery receipts in advance	467,913	535,939
Accruals	510,612	309,959
Other taxation and social security	19,898	19,830
	1,906,075	2,078,474

14/ Provisions for liabilities

	2021 (£)	2020 (£)
Dilapidations	-	20,000
	-	20,000

The provision for liabilities for prior year (£20,000) related to dilapidations costs for the charity's previous head office at 22 Oriana Way, Southampton.

	AT 1 OCTOBER 2020 (£)	TRANSFERRED TO CREDITORS (£)	AT SEPTEMBER 2021 (£)
Analysis of Provisions for liabilities	20,000	(20,000)	-
	20,000	(20,000)	-

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2021

15/ Controlling party

The charity is controlled by its Trustees.

16/ Commitments under operating leases

The charity had commitments under non-cancellable operating leases as set out below:

	LAND AND BUILDINGS 2021 (£)	OTHER 2021 (£)	LAND AND BUILDINGS 2020 (£)	OTHER 2020 (£)
Within one year	93,001	1,560,896	108,829	1,503,432
In two to five years	348,832	2,961	372,004	1,250,014
In more than five years	550,463	-	620,292	-
	992,296	1,563,857	1,101,125	2,753,446

The charge to the Statement of Financial Activities relating to operating leases for the year was £1,612,261 (2020: £1,571,673)

17/ Contingent assets

The estimated cash value of contingent assets is NIL. (2020: NIL)

18/ Analysis of Unrestricted funds

	AT 1 OCTOBER 2020 (£)	NET MOVEMENT IN FUNDS (£)	TRANSFERS (£)	AT 30 SEPTEMBER 2021 (£)
General fund - operational reserve	16,566,528	1,371,616	34,660	17,972,804
	16,566,528	1,371,616	34,660	17,972,804

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2021

Analysis of Unrestricted funds-prior year

	AT 1 OCTOBER 2019 (£)	NET MOVEMENT IN FUNDS (£)	TRANSFERS (£)	AT 30 SEPTEMBER 2020 (£)
General fund - operational reserve	17,128,245	(563,067)	1,350	16,566,528
	17,128,245	(563,067)	1,350	16,566,528

19/ Analysis of Restricted funds

	AT 1 OCTOBER 2020 (£)	NET MOVEMENT IN FUNDS (£)	TRANSFERS (£)	AT 30 SEPTEMBER 2021 (£)
Reserve for specified capital expenditure	-	37,923	(34,660)	3,263
Reserve for specific operational costs	2,931	17,569	-	20,500
Reserve for other specific costs	2,500	5,950	-	8,450
	5,431	61,442	(34,660)	32,213

Analysis of Unrestricted funds-prior year

	AT 1 OCTOBER 2019 (£)	NET MOVEMENT IN FUNDS (£)	TRANSFERS (£)	AT 30 SEPTEMBER 2020 (£)
Reserve for specified capital expenditure	-	350	(350)	-
Reserve for specified operational costs	1,161	2,770	(1,000)	2,931
Reserve for COVID 19 operational expenditure	-	140,000	(140,000)	-
Reserve for other specific costs	8,000	(5,500)	-	2,500
	9,161	137,620	(141,350)	5,431

20/ Post Balance Sheet Events

There are no post balance sheet events in the current year.

21/ Analysis of net assets between funds

Fund balances at 30 September 2021 are represented by:

	UNRESTRICTED FUNDS (£)	RESTRICTED FUNDS (£)	TOTAL FUNDS (£)
Tangible fixed assets	602,401	-	602,401
Investments	14,286,474	-	14,286,474
Net current assets	3,083,929	32,213	3,116,142
	17,972,804	32,213	18,005,017



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