

Registered Charity Number: 1083876

Company Number: 04066700



Company limited by guarantee

Financial Statements and Annual Report

For the year ended

30 June 2020

East Anglian Air Ambulance

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Year ended 30 June 2020

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East Anglian Air Ambulance

Charity Details

Year ended 30 June 2020

The Trustees present their report and audited consolidated financial statements of the charity and the group for the year ended 30 June 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice published in October 2019 applicable in the UK and Republic of Ireland (FRS 102).

Reference and administrative details

Registered charity name	East Anglian Air Ambulance
Charity registration number	1083876
Company registration number	04066700
Principal office and registered office	Hangar E Gambling Close Norwich Airport Norwich NR6 6EG
The Trustees	Major General Sir William Cubitt KCVO CBE DL (Chairman) * † D Astill † Mrs S Bourne † Ms E S Evans (appointed 17 December 2019) R S Holden * The Earl of Iveagh DL * † N R Savory FCA DL * Mrs P A Walkinshaw DL T F Wells * * Member of Finance Committee † Member of Nominations Committee
Chief Executive	P G Peal
Company Secretary	Mrs R Spencer
Auditor	Lovewell Blake LLP Chartered Accountants & Registered Auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB

East Anglian Air Ambulance

Charity Details

Year ended 30 June 2020

Solicitors

Hansells
13 The Close
Norwich
NR1 4DS

Birketts LLP
Kingfisher House
1 Gilders Way
Norwich
NR3 1UB

Bankers

NatWest Bank plc
1 Broadland Business Park
Peachman Way
Norwich
NR7 0WF

Barclays Bank plc
3 St James Court
Whitefriars
Norwich
NR3 1RJ

Virgin Money plc
Jubilee House
Gosforth
Newcastle upon Tyne
NE3 4PL

Investment Managers

BNY Mellon Fund Managers Limited
Client Service Centre
PO Box 366
Darlington
DL1 9RF

East Anglian Air Ambulance

Chairman's Introduction

Year ended 30 June 2020

The Covid-19 pandemic has affected us all in the latter months of this financial year, but I am proud to say that the East Anglian Air Ambulance has continued to deliver critical care uninterrupted throughout. The annual accounts record a surplus against a budget of a small loss.

This is a tribute to the staff of the Charity in responding decisively, expertly and compassionately to the unique challenges it faced on all fronts, and to the Charity's supporters across the four counties whose generosity and ongoing support in this time of need has been outstanding.

In the early part of the year, the Charity was pressing ahead with its plans to build a new 'home' at Norwich Airport in preparation for a move to a full 24/7 Helicopter Emergency Medical Service (HEMS) operation in 2021. Construction began in January 2020 but was halted in March, restarting some eight weeks later. This will delay the completion of the building by some twelve weeks, but the Charity is still planning to achieve 24/7 HEMS service in mid-2021.

Last financial year, the Charity was also grateful to have succeeded in its bid for capital funding from the Department of Health and Social Care (£790k) towards specialist fit-out costs for the new building, a new Rapid Response Vehicle and the construction of a new hangar to be located alongside the Cambridge base. The new hangar will ensure the helicopter is instantly available for the entire shift and should be completed in late 2020.

The Charity's fundraising operations and plans were significantly reduced by the pandemic, with numerous community and challenge events being postponed or cancelled. It is still unclear when some of those fundraising activities will be allowed to resume.

Thanks to prudent investment in IT, the Charity was able to introduce working from home as the 'new norm' from mid-March. The Charity also introduced additional online activities to support the mental health and wellbeing of both furloughed and non-furloughed staff throughout the lockdown.

The Charity took measured advantage of the Government's furlough scheme; in total some 18 staff (24% of the Charity headcount) were furloughed. No frontline staff were furloughed.

The operations team, including the critical care teams delivering the front-line service, responded magnificently to the challenges posed by the pandemic, sourcing and introducing new protective gear and methods of operation that would keep the crews safe while delivering specialist care to patients. The demand for Personal Protective Equipment (PPE), including face masks, respirators and overalls, was such that the Charity launched its first ever emergency appeal which raised almost £300,000 in just two weeks, again demonstrating the strength of support for this Charity across the community.

Some of the clinicians returned to their NHS roots in the best interests of the health of the community. A small number returned to hospital Intensive Care units or provided on-call support to ambulance crews as well as their air ambulance colleagues while others were either seconded or volunteered to work in the Nightingale emergency hospital system – all delivering selfless care for others in the best traditions of the medical profession and the Charity sector.

East Anglian Air Ambulance

Chairman's Introduction

Year ended 30 June 2020

Despite these unforeseen challenges, the Charity continues to grow and evolve. In line with its policy of finite trustee terms of office and succession planning, the board welcomed a very experienced board member with an accountancy and business background to join the Trustees. The Charity also appointed a new Medical Director and Director of Engagement and Income and appointed to the new post of Finance Director.

The Charity developed and published a new five-year strategy after completing the previous strategy a year ahead of schedule. The new strategy puts more focus on staff development, clinical research and collaboration with other charities, in addition to securing and developing its core services in pre-hospital emergency medicine, patient aftercare and first aid training. This will further reduce the impact of trauma and medical emergency on the communities served by this Charity.

The five year strategy and our Annual Review are both available at www.eaaa.org.uk/publications.

Major General Sir William Cubitt KCVO CBE DL (Chairman)
15 December 2020

East Anglian Air Ambulance

Chairman's Statement

Year ended 30 June 2020

Summary of performance

In 2019/2020, EAAA crews were tasked to 2,370 missions (2,821 in the previous year) and treated 1,608 patients (1,664 in the previous year). The difference between the numbers of missions and patients is due to stand-downs, where the patients no longer require critical care.

1,478 of these missions were attended by helicopter and 893 by Rapid Response Vehicle (RRV) due either to proximity of the patient, the new RRV-only night shift in Norwich, or occasionally to the unavailability of the helicopter for weather or technical reasons.

45% of the missions were in Norfolk, 18% in Suffolk, 17% in Cambridgeshire, 6% in Bedfordshire and the remaining 14% 'out of area' reflecting EAAA's willingness to be tasked across boundaries within the NHS East of England Ambulance Service Trust (EEAST) area and beyond. This is predominantly at night when the EAAA helicopter based in Cambridge is the only unit available across the region.

The majority of incidents attended by EAAA were cardiac arrests, road traffic collisions, non-traffic accidents, other medical emergencies, and self-harm. During the lockdown, callouts reduced overall initially but taskings to intentional self-harm and domestic violence increased, and many Road Traffic Collisions occurred at higher speeds.

Survival from cardiac arrest relies on an intact 'Chain of Survival' which includes early bystander CPR (Cardio-Pulmonary Resuscitation), early use of an AED (defibrillator), and early attendance of a critical care team such as an EAAA crew. To that end, the Charity continues to expand its community first aid training programme, although this was curtailed by the lockdown due to the coronavirus. Despite that, more than 7,000 children and adults received training in basic life support from EAAA during the financial year, including via online teaching materials.

EAAA has also further expanded its Aftercare provision for patients and their loved ones to help them come to terms with and cope with their incident and the aftermath. This can be a meeting with the crew or a longer-term programme of support and signposting to tertiary care. The Aftercare team is also leading on securing data sharing agreements with hospitals to aid research and objective measurement of outcomes. The Aftercare Team supported 308 former patients in 2019/20, a 9% increase on the previous year, despite the team's redeployment between April and July during the Covid-19 pandemic.

Blending medicine and aviation is expensive. In 2019/20, expenditure totalled £13m, of which £9.7m related to operational and support expenditure and £3.3m related to fundraising expenditure. The total expenditure equates to just £4.33 per year per head of the approximate 3 million population of the four counties, and the approximate cost per mission is £3,500.

Total income for the year was £14.8m, the majority of which was raised through our fundraising activities (£14.3m). Fundraising is a major effort every year and great credit is due to the community and the EAAA fundraising staff and volunteers, without whom we simply would not be here. The main sources of (gross) revenue were the EAAA Lottery (£6m), legacies (£3.03m) and community fundraising (£2.8m). In addition, in 2018 the Charity was successful in securing a grant of £790,00 payable over two financial years from the Department of Health and Social Care which included contributions towards the cost of equipping the new Norwich base and building a new hangar at Cambridge Airport.

East Anglian Air Ambulance

Chairman's Statement

Year ended 30 June 2020

EAAA was the first air ambulance charity to operate night HEMS (helicopter emergency medical service) missions but it does not yet fly through the night. Its next step is to move to a full 24/7 service by helicopter (and RRV) which will enable EAAA to respond round the clock by air. The charity had planned to introduce the new 24/7 service by the end of 2020 but the pandemic has delayed the introduction by some five months.

The Charity continues to work in productive partnership with its fellow air ambulance charities regionally and nationally, both to deliver the highest quality of patient care and to secure improvements in enabling infrastructure such as lit helipads at the major hospitals.

EAAA protects its service from adverse financial scenarios by holding at least 12 months' running costs in reserve. The reserve also provides income towards EAAA's running costs.

EAAA's work is a team effort. The operational crews comprise pilots employed by Babcock, clinicians who are either self-employed locum doctors or employed variously by EAAA (directly-employed consultants and registrars) or the MoD (seconded military doctors), and senior paramedics seconded from EEAST. The Charity is run by an executive staff supported by volunteers. The money is raised by a dynamic staff of directly employed and volunteer fundraisers. The Charity is ably guided by the Trustees with the support of county committees, whose contributions are greatly appreciated.

EAAA is very conscious that the funding of the critical service it provides comes from the community it serves. It is a fine example of the community providing for itself. EAAA is hugely grateful for the wonderful support it continues to receive from the community.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2020

Objectives and activities

Objectives of the Charity

The objects of the Charity are:

- The relief of sickness and injury by the provision of emergency medical services and equipment and in particular by the provision of a helicopter air ambulance service or other emergency transportation wholly or mainly within the area served by the East of England Ambulance NHS Trust;
- For the benefit of the public and the advancement of health, the provision of training, research and education in the field of pre-hospital medicine and the treatment or prevention of sickness and injury; and
- The provision of health-related services by and including the provision of post-hospital support for patients.

Activities

The East Anglian Air Ambulance (EAAA) charity deploys medical teams by helicopter or RRV to predominantly life-threatening or life-changing accidents and medical emergencies, by day and night, mainly across Norfolk, Suffolk, Cambridgeshire and Bedfordshire. EAAA teams are tasked by EEA as part of the 999 emergency system. The EAAA service is provided free of charge to the NHS and to the patient, with the funding raised from the community.

The medical teams comprise doctors trained in pre-hospital emergency medicine, and Critical Care Paramedics, with medical equipment and drugs which enable them to conduct medical interventions which are beyond the capability of the NHS road ambulance crews. They are also able to transport patients by helicopter to specialist hospitals which can be crucial given the distances often involved. They deploy from the EAAA bases at Norwich Airport and Cambridge Airport.

With survival from cardiac arrest relying on an intact 'Chain of Survival' which includes early bystander CPR (Cardio-Pulmonary Resuscitation), early use of an AED (defibrillator), and early attendance of a critical care team such as an EAAA crew, the Charity also delivers a community first aid training programme.

EAAA has also further expanded its Aftercare provision for patients and their loved ones to help them come to terms with and cope with their incident and the aftermath. This can be a meeting with the crew or a longer-term programme of support and signposting to tertiary care.

Public benefit statement

The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit and that the Charity meets the requirements in the advancement of its objects.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2020

The Charity exists to provide free of charge enhanced emergency medical care services to the people of East Anglia, by virtue of two helicopter-based teams and RRVs - each normally consisting of a doctor and a Critical Care Paramedic. These HEMS (Helicopter Emergency Medical Services) teams have the capacity to save life by conducting advanced medical interventions wherever a patient has become ill, whether for a medical reason such as a cardiac arrest or because of an accident of some kind.

The Charity's objects are pursued by means of highly-skilled and experienced senior doctors presiding over a team of clinicians using state-of-the-art equipment, delivered by the fastest means available to patients who then benefit from life-saving interventions of the kind normally delivered in an emergency department of a hospital. These can include the administration of a general anaesthetic which can increase significantly the likelihood of very seriously ill patients surviving until they can reach a hospital that is equipped to deal with them. As the NHS relies increasingly on widely distributed specialist facilities, the HEMS teams' ability to transport patients by helicopter is also of huge value.

EAAA runs a First Aid Training programme to raise awareness and encourage members of the community to feel confident in delivering cardiopulmonary resuscitation (CPR) and using a defibrillator. First aid training is available free of charge to community groups.

The Public Benefit is thus the medical treatment of critically ill or injured members of the public free of charge to the patient and to the NHS.

Strategic Report

Volunteers

The Charity has 340 volunteers, managed by a small team of staff led by the Volunteer Programme Manager. There are 220 regular volunteers and 120 occasional volunteers. Ordinarily they would support the Charity by co-ordinating collection tins, giving presentations to community groups and attending events. Increasingly they provide administrative support in the Charity's offices, helping the new Supporter Engagement Team and the lottery and events teams. There are also volunteer trainers in the First Aid programme; supporting the delivery of the Aftercare service, and of course, on the board of Trustees.

In February, the Charity hosted its volunteer celebration day, a biannual event to recognise and reward our volunteers. In addition to length of service awards the Charity also acknowledged several exceptional contributions and presented commendations from an external organisation, Room to Reward.

Unfortunately, as a result of Covid-19 the decision was made to suspend all volunteering activity early on. The Charity focused on maintaining good communications with its volunteers and sent weekly email updates ensuring everyone remained well informed and continued to feel part of the wider organisation. It has also recently set up a dedicated volunteer page on social media as an additional tool for volunteers to share ideas and communicate with each other. With the easing of restrictions, the volunteering team asked all the volunteers to complete a survey to establish who felt ready to resume limited and carefully controlled volunteering. Those who confirmed they were, were individually risk assessed, with additional medical advice being sought where appropriate.

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Year ended 30 June 2020

The Charity has been encouraged by the continued enthusiasm of its volunteers and by the innovative ways they have found to support it. As the pandemic continues, the volunteering team is focusing on implementing new opportunities including virtual presentations, socially distanced collections with contactless 'tap to donate' options, and tasks that volunteers can safely complete from home.

Charity achievements

The Charity continues to focus on delivering the best outcomes for patients and their loved ones, primarily in the pre-hospital environment and increasingly in prevention and aftercare.

The year saw a high level of the number of missions attended (although 16% less than the previous year) and patients treated, while income received exceeded the Charity's budget with costs well controlled. This enabled the Charity to continue developing and implementing its plans to move to a full 24/7 HEMS service in 2020/21 confident of the need and in its ability to deliver a further expansion to its service to the community, sustainably and ethically.

This expansion reflects the Charity's current 5 Year Strategic Plan which spans 2020-2025 and comprises 4 core strands:

1. Improve patient outcomes
2. Develop widespread positive awareness
3. Develop and maintain a secure and sustainable fundraising stream
4. Nurture and manage an outstanding team

(i) Improving patient outcomes

During 2019/20 the Charity continued its relentless focus on improving the care for its patients, whether this stems from improved internal clinical training, new equipment or interventions, data sharing with other healthcare organisations, raising public awareness of the importance of early CPR and defibrillation in cardiac arrest patients or saving vital seconds at any stage of its missions.

The Charity's aftercare service is now routinely helping about 20% of its patients during their long-term recovery. The four-strong team has strong relationships with key hospitals in the region which is paying dividends in re-establishing contact with patients at an early stage in their recovery process.

The Charity's internal and external clinical and first aid training has expanded during the year thanks to the introduction of additional trainers with clinical backgrounds who have generously volunteered their services. During the year more than 7,000 people were trained in basic life support and first aid.

In addition, Charity staff delivered Adult Advanced Life Support (RC:UK) training to 90 clinical professionals, leveraging the uniquely rich knowledge and experience of the Charity's pre-hospital clinicians.

Backed by a successful grant application to the Department of Health and Social Care, the Charity has introduced two new fully equipped Volvo XC90 Rapid Response Vehicles in addition to the existing Land Rover Discovery RRV's. The new vehicles have proved popular, reliable and effective in role.

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Year ended 30 June 2020

The grant also funded the acquisition of advanced 'white light' night vision goggles which have also proved highly effective in the night HEMS role to unlit and unsurveyed sites.

(ii) Widespread positive awareness

EAAA is fortunate to have a strong positive reputation in the region, but as a charity which relies on public donations in an increasingly competitive market, widening awareness of the importance of its work is more vital than ever before.

The Charity's work with patients underpins all its activities and the regard in which it is held by the community. The Charity recognises that reputation is precious, hard won and easily lost.

In the early part of the year, the Charity continued its outreach activities with community talks and pre-arranged visits to its bases. These activities ceased at the start of 'lockdown' but will be reintroduced as soon as possible. In the meantime, 'virtual' talks and tours are under development.

The Charity continued its policy of developing its lottery canvassers as 'ambassadors' rather than merely a salesforce. This proved successful on the doorstep, although canvassing was also halted during the lockdown.

The marketing communications team was initially focussed on promoting the Charity's 'Mission 24/7' campaign and early work on the Charity's 20th anniversary activities. The pandemic demanded a change of direction, which led to a very successful '#TogetherWe' campaign, the emergency PPE Appeal and engaging the community in combating the threat of Covid-19.

The team managed a very successful 'Inspiration Awards' project which attract more than 3,600 public votes.

The in-house magazine 'Lift Off' was published 4 times during the year, being delivered to some 50,000 readers and available online.

The Charity was delighted to be recognised at the regional annual Archant Business Awards as 'Best Large Business'.

While maintaining its reputation as a life-saving charity, EAAA will continue to work on raising awareness of what the community can do to help save lives too, through partnership working and placing the organisation as a truly collaborative leader in the sector.

(iii) Secure and sustainable income

In 2019-2020 the Charity's lead income streams remained consistent with the lottery (excluding raffle) 10% up from last year and accounting for 42% of total fundraised income.

Although 13% lower than in 2019, legacies continue to develop as a significant revenue stream, representing 21% of total income.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2020

Work continues to expand other income streams such as Regular Giving (up 160% from last year), although income from Major Donors and donations from Corporates remains at a similar level to 2019 (down 6%). Income from events was significantly down due to the pandemic, with income for 2020 of £0.881m compared to £1.127m in 2019 (22% down). During the year, the Charity launched a new mass walking Challenge Event, Trek 24. The launch event attracted great support and the format will be developed in the future (once such events can be held post-pandemic).

All Charity staff are encouraged to have two questions in mind - 'am I working in the best interest of the patient?' and 'can I justify this expenditure to any donor?'

The first question has been covered in the section above. The second question encourages the Charity's staff to seek best value in every decision and minimise waste in every action. For example, the underlying brief for the Charity's new building is that it should be fit for purpose (and no more) and that the selection of materials and fittings should minimise through-life costs.

The Charity's reserves policy, detailed later, underpins its financial sustainability, providing not only that prudent provision for a 'once in a lifetime rainy day', but also a source of additional income from those reserves prudently invested and a fund established to pay for planned capital projects in the 5 year timeframe. The reserves policy is reviewed by Trustees annually.

(iv) Nurture and manage an outstanding team

To deliver the very best care for every patient, the Charity must recruit, support and develop outstanding individuals for each role in the organisation. The success of the Charity is entirely dependent on the contribution of each and every individual.

The guiding principles are the Charity's values, designed by staff in July 2019, which detail how we need to behave in order to succeed. Our recruitment places emphasis on attitude as well as aptitude, which is embedded further during a thorough induction process and continually during employment.

All staff have frequent '1-2-1's with their line managers and an annual appraisal again based on our values. A training brochure is published quarterly with a range of courses available, backed by opportunities for individual development.

Staff are encouraged to take the certificated Level 1 'First Aid at Work' training, delivered in-house, and the Mental Health First Aid programmes. The Charity is also a strong supporter and promoter of the McQueen Charter which recommends good practice in maintaining mental health in the workplace.

During the lockdown resulting from the pandemic, the Charity put in place extensive welfare and wellbeing resources to support all staff in uncertain times, whether working at home, on the front line or furloughed.

It is a credit to the Charity and its staff that recent vacancies at Director and other senior levels have been filled by internal candidates after thorough selection processes.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2020

Key performance indicators

	2020	2019
Total Missions	2,370	2,821
Total Patients	1,608	1,664
Missions by county		
Norfolk	1,066	1,234
Suffolk	422	473
Cambridgeshire	396	466
Bedfordshire	146	167
Essex	140	233
Hertfordshire	190	214
Other	10	34
	<u>2,370</u>	<u>2,821</u>
Patients by incident type		
Cardiac Arrests	415	480
Road Traffic Collisions	341	355
Accidental injury	269	256
Medical emergencies	298	340
Other	285	233
	<u>1,608</u>	<u>1,664</u>

Financial Review

Results for the year

Income

The total income for the year was £14.8m (2019: £14.1m) including restricted income (as defined in Note 1(c) and (e) in the Notes to the Financial Statements) of £859k (2019: £543k).

Voluntary income other than from legacies totalled £4.9m (2019: £4.3m) of which £859k (2019: £543k) related to restricted income which included a Government grant of £336k towards the cost of a new hangar at the Cambridge base, two new RRVs, night vision goggles and a contribution towards the cost of the new Norwich base.

Legacy income totalled £3m (2019: £3.5m) and in accordance with the accounting policy referred to in Note 1(d) in the Notes to the Financial Statements, £758k (2019: £874k), being 25% of legacy income, has been credited to the designated Planned Capital Expenditure Fund.

Trading income from EAAA's trading subsidiary which manages the lottery, raffle and sale of merchandise increased by £483k to £6.4m. Costs increased by £71k to £1.42m giving a net contribution of £4.98m (2019: £4.6m).

East Anglian Air Ambulance

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Expenditure

Expenditure totalled £13m, an increase of £1m on 2019. £759k of the increase related to helicopter operational costs and the employment of doctors/paramedics and £227k related to fundraising.

Net income before unrealised gains/(losses) on investment assets totalled £1.8m (2019: £2.1m) but investment losses of £664k (2019 saw a gain of £813k) reduced the overall increase to the Charity's funds to £1.15m (2019: £2.88m). Total funds stood at £24.6m (2019: £23.5m).

The value of the investment portfolio at 30 June 2020 was £11.3m (2019: £12.5m).

At 30 June 2020 bank deposit and current accounts comprised:

	2020	2019
	£'000	£'000
Designated cash deposit accounts (for the building of the new Norwich base)	3,068	4,856
General fund deposit account to cover lottery payments received in advance	517	514
Current account	<u>1,732</u>	<u>756</u>

Principal sources of funding

The Charity derives the majority of its income from the lottery (operated by its subsidiary company), legacies and community fundraising.

Reserves

Reserves represent those parts of the Charity's unrestricted funds that are freely available to spend on the Charity's purposes and comprise:

- Designated Funds earmarked or designated for essential future spending – for example to fund a project that could not be met from future income alone
- The General Fund excluding tangible assets such as land and buildings held for the Charity's use

	2020	2019
	£'000	£'000
Planned Capital Expenditure Fund (Designated)	4,729	5,986
General Fund	<u>15,061</u>	<u>15,040</u>
	<u>19,790</u>	<u>21,026</u>

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

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Planned Capital Expenditure Fund

A designated fund is set aside from legacy and other income towards meeting the cost of planned major capital projects up to 5 years ahead. The fund is currently being focused on the projected costs of the new Norwich base due to be handed over in January 2021, forecast to be £7m in total, £2.3m of which has already been capitalised.

25% of legacy income is credited to this fund unless otherwise agreed with the executors or if the terms of the will state otherwise. In previous years, the fund has also been enhanced by transfers from the General Fund, at the discretion of the Trustees, in order to build up sufficient funds for particular projects.

General Fund

It is the Trustees' policy that free reserves within the General Fund should be held at a level equivalent to approximately 12 months' expenditure. The Trustees consider it prudent to retain this level of reserves for ongoing working capital and to enable the Charity to continue in the event that:

- There is a temporary period of reduced income
- There is an unexpected increase in operational costs
- Unexpected management / overhead costs are incurred

In determining the level of reserves required the Trustees have considered:

- 5-year budgets and forecasts
- Working capital requirements
- Changes in legislation relating to lottery canvassing or other external pressures
- Fluctuations in legacy income
- The planned costs of moving to a 24/7 helicopter service and other revenue expenditure projects
- Risks relating to a significant increase in planned voluntary income forecast over the next 5 years
- Potential increases in operational expenditure including additional costs for the direct employment of some doctors and paramedics
- Stock market fluctuations
- Changes in Government policy relating to the provision of Air Ambulance services

At 30 June 2020 the General Fund Reserve was £15m, being the equivalent of 12.8 months' budgeted expenditure for the year to 30 June 2021.

The Trustees plan to reduce the level of the General Fund reserve over the next few years by introducing new enhanced services and moving to 24/7 helicopter operations in 2021. In the short term these costs will largely be met from reserves but in the longer term the planned increase in fundraising income is expected to produce a more balanced budget. Other capital projects will also be considered.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2020

Restricted Funds

Details of the restricted funds, which amounted to £449k at 30 June 2020, are shown in Note 17 to the financial statements.

Investment policy

The majority of the Charity's reserves are held in investments and cash or deposit accounts.

A portion of these reserves have been identified as funds required to meet cash flow needs during the next 4 years including:

- (a) Working capital
- (b) Expenditure out of restricted funds
- (c) Planned capital expenditure

The majority of these reserves are held in cash and deposits emphasizing minimal risk and access at short notice. In addition, accrued income at 30 June 2020 amounted to £3.8m which included legacy income notified but yet to be received of £2.7m and the Government grant of £790k.

The remaining reserves are held in an investment portfolio to provide capital growth whilst also generating income to support the ongoing activities of the Charity.

The key risk to the longer-term reserves is stock market volatility and the assets are therefore invested to mitigate this risk over the long term. The Trustees understand that this is likely to mean that the capital value of these investments will fluctuate. The risk profile has been set as medium.

The Charity chooses to invest with reputable fund managers who specialise in charities and consider environmental, social and governance factors within the portfolio held.

The Finance Committee has the responsibility for recommending strategy and monitoring the performance of the investments which are held in pooled funds managed by BNY Mellon Fund Managers Limited, an authorised investment manager regulated by the FCA. The Committee reviews the information provided by the investment manager quarterly and reports to the Trustees who are responsible for decision making. The investment manager is required to present in person to the Committee on an annual basis.

Professional advice is taken where appropriate on the investment of cash deposits. EAAA policy is that the amount of cash held in current accounts or other deposit accounts with any one bank or institution is not to exceed £500k for more than three months. An exception to this policy is the holding of funds in a deposit account in relation to the construction of the new base at Norwich.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2020

Going concern

The Charity's financial position and performance have been outlined in the financial review above. The Trustees have assessed projected future income, expenditure and cash flows and analysed the strength of the Charity's reserves and liquid assets. Consideration has been given to stability and diversity of various income streams in making this assessment.

As highlighted earlier in this report, the global pandemic has had a significant effect on both our operations and the fundraising activities we have been able to undertake. We have been fortunate and are very appreciative of the ongoing willingness of our supporters to continue to donate to keep our services going in these times. We have also been grateful for the funding received from government. We do anticipate that maintaining similar levels of income will not be possible in the coming months and have revised our income forecasts down considerably for the financial year 2020-21. However, we are committed to finding new and innovative ways of generating income so we can maintain our existing services and move to providing 24/7 helicopter missions during 2021.

The Trustees conclude that there is reasonable expectation that the Charity and its subsidiary have adequate resources to continue their activities for the foreseeable future. We will monitor progress against our longer-term financial plan and take appropriate steps to mitigate factors arising from the pandemic. Accordingly, the Trustees consider it wholly appropriate to continue to adopt the going concern basis in preparing the financial statements.

Plans for the future

The aims of the previous 5 Year Strategic Plan were broadly met ahead of the 2021 timeframe. The Charity has developed a new 5 Year Strategic Plan to run from 2020-2025 which moves from three core strands to four interlinked strands which puts even greater focus on the importance of the Charity's staff. This was published early in 2020.

The Charity's clinical and operations teams continue to develop improvements and introduce new technologies in critical care, ensuring the best possible patient outcomes.

The engagement and fundraising teams will develop wider regular giving and broaden the appeal of the Charity's challenge events such as Trek 24, while expanding awareness of the Charity's work across the region.

The Charity anticipates occupying its new Norwich operations base and headquarters early in 2021.

This new facility draws on the experience of other air ambulance charities around the UK, who have been generous in sharing their knowledge. It incorporates the latest thinking in energy efficient building design, flexible workspaces, fatigue management for night shift crews and a very advanced interactive immersive training facility partly funded by a successful bid to the Department of Health and Social Care.

The pandemic has encouraged the Charity to make flexible and remote working available to all, so the new building will be configured to promote 'social' working while facilitating independent working remotely.

During the financial year ahead, the Charity will conclude a new multi-year agreement with its helicopter services provider Babcock Mission Critical Services Onshore. This will facilitate greater partnership working as the Charity explores the cutting edge of 24/7 HEMS provision.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2020

This completion of its core service capability will allow the Charity to put more effort into prevention, first aid training and aftercare, which could reduce the number of patients requiring pre-hospital emergency care, improve the condition in which they are presented, and hasten their rehabilitation after what may well have been the worst moment of their lives.

This developing vision is not something that can be delivered by EAAA on its own. It will require research, campaigning and collaboration with other charities, public sector and community organisations and the general public to make a noticeable difference and reduce the impact of trauma and medical emergency on the community.

Structure, governance and management

Constitution

EAAA was established on 6 September 2000 as a charitable company limited by guarantee. It is governed by its Articles of Association which were fully reviewed and updated by the Trustees on 20 February 2018.

East Anglian Air Ambulance (Trading) Limited was formed on 2 January 2001 as a wholly-owned subsidiary to carry out trading activities on behalf of the Charity.

Recruitment and appointment of Trustees

The Directors of the Charity are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The Trustees oversee the governance of the Charity and are responsible for ensuring that the Charity is being run in accordance with the strategy and agreed policies and procedures.

All the Trustees listed on page 1 held office throughout the year and at the date of this report, with the exception of Ms Evans, who joined in December 2019.

The Trustees, when complete, comprise of at least 5 and not more than 9 persons. Trustees are appointed to serve in 3-year terms and do not normally hold office for more than 6 years, subject to a maximum of 9 years. The Chairman may serve for a maximum 2 additional terms.

The current Trustees are the Members of the Charity for Company Law purposes.

The election and re-election of Trustees normally takes place at the Annual Trustees meeting.

A Nomination Committee leads the process of selection of candidates for appointment to the Board of Trustees and to make recommendations to the Trustees as regards plans for succession.

Trustee induction and training

On appointment Trustees are given an induction briefing and a comprehensive Trustee Governance Manual which includes:

- Information about the organisational structure of the Charity
- Guidance on their roles and responsibilities
- The Memorandum and Articles of Association
- The latest statutory and management accounts

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2020

Trustees attend training sessions and are encouraged to keep up to date with Charity issues by reading Charity Commission newsletters and other relevant publications. The Charity uses the Charity Commission's Governance Code as a framework by which to assess application of good practice and opportunities for improvements.

Organisational structure

The Charity is governed by the Trustees who meet every 3 months and are responsible for the strategy and direction of the organisation.

A Finance Committee comprising 5 Trustees, the Chief Executive, Company Secretary, one independent person and representatives of the Executive Team meets quarterly to consider financial matters and risk management issues and reports to the Trustees accordingly.

At the date of this report, the Executive Team comprises:

- Chief Executive
- Director of Engagement and Income
- Director of Operations
- Medical Director
- Finance Director
- Head of Human Resources

The Executive Team directs the day-to-day operational and fundraising activities of the Charity. The Chief Executive provides monthly written reports to the Trustees (more frequently on occasion such as in the early weeks of the pandemic).

Decisions requiring Trustee approval are defined in the Trustees Governance Manual and include:

- Board and Committee appointments
- The Charity's strategic aims, its objectives and direction
- The appointment and remuneration packages of the Chief Executive and Executive Directors

The Charity is a member of Air Ambulances UK (AAUK), renamed and re-established as a national charity in January 2020. AAUK was formed from the merger of the national trade association and the sister national fund-raising charity. AAUK provides grants and membership services to the UK's air ambulance charities and its wider membership, including ambulance services and the supply chain that provides this valuable life-saving service. Members are governed by a Code of Conduct which formally recognises the integral part that air ambulances play in the medical service provision.

The Chief Executive has regular meetings with EEAST and with his counterparts at the Essex & Herts Air Ambulance Trust (EHAAT) and Magpas Air Ambulance which also serve the EEAST area.

The Charity's wholly owned trading subsidiary, East Anglian Air Ambulance (Trading) Limited runs a lottery and undertakes certain trading activities. The company operates independently of the Charity in accordance with Charity Commission guidelines.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2020

Remuneration Policy

The success of the Charity is largely dependent on its ability to attract and retain talented staff, with appropriate skills, who share its core values and passion for the cause of saving lives following the motto "Together We Save Lives".

The Charity is therefore committed to investing in its people, both from a remuneration perspective and in terms of their professional and personal development.

The Charity has a structured pay policy which ensures that salaries reflect the knowledge, skills, responsibilities and personal competencies required for the satisfactory performance of each role. Salaries are reviewed annually and benchmarked primarily against the non-profit sector.

The remuneration packages of the Chief Executive and Executive Directors are benchmarked against those of similar organisations and are reviewed by the Nominations Committee before being ratified by the Trustees.

Risk management

The Charity has a comprehensive Risk Management Policy. The Risk Register is monitored each month by the Executive Team and is reviewed quarterly by the Finance Committee which reports to the Trustees.

Risks are categorised under the following headings:

- Entity-wide
- Sustainable business
- EAAA reputation
- Patient outcomes (including clinical)
- Outstanding team
- Facilities

Department Directors are responsible for ensuring that controls are established to mitigate risks through planning and operational decision making, management systems, insurance cover and special advice. All staff involved in decision making have successfully completed a programme of training in the Principles of Risk Assessment. The Charity uses Datix software to report and manage incidents, almost all of which result from one of the risks referred to above.

Where cash is required for capital projects within a 2-year period, the Trustees move funds from the investment portfolio to cash deposits as a hedge against adverse investment performance. Two such transfers were agreed during the year to ensure sufficient funds are available to complete the construction of the new Norwich Base. The actual transfer of funds took place in March and July 2020.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2020

The major risks and uncertainties facing the Charity have been identified as being issues which would lead to a curtailment or cessation of the air ambulance service as a result of:

- A disruption (whether short, medium or long term) in the service availability of the aircraft resulting from technical fault, accident or grounding of all similar aircraft
- A significant and ongoing fall in fundraising income
- The inability of the Charity to meet clinical standards and respond to clinical issues

The Trustees are satisfied that, so far as is practicable, procedures and systems are in place to mitigate these risks and others identified in the risk assessment process.

Health and Safety

EAAA is committed to promoting a positive safety culture throughout the Charity in accordance with its Health & Safety policies, procedures and risk assessments and all legislation.

The Charity will ensure that all operations are carried out in a way to remove and/or control any risk and ensure the health, safety and welfare of all its trustees, staff, volunteers, patients and all those that could be affected by activities.

Safeguarding

EAAA has a robust Safeguarding Policy aimed at protecting the health, wellbeing and human rights of all people, in particular children and adults at risk, who come into contact with the Charity. This includes staff, volunteers, individuals who benefit from the Charity's work (for example patients and those attending first aid courses, events and seminars) and donors and potential donors (for example those approached to join the lottery). All employees complete appropriate safeguarding training courses. Volunteers are given comprehensive information leaflets about safeguarding and their responsibilities and are required to comply with them.

Fundraising regulation

The Charity follows the guidance issued by the Fundraising Regulator, subscribes to the Direct Marketing Association and abides by the requirements of the General Data Protection Regulation (GDPR).

Several of the Fundraising Team are members of the Institute of Fundraising, the Chartered Institute of Marketing and the Direct Marketing Association and use these sources to stay abreast of changes and trends within the sector.

Fundraising complaints

The Charity continues to use an online reporting system for reporting, recording and monitoring all complaints. Fundraising complaints are evaluated daily and responded to as quickly as possible.

In the year to 30 June 2020, EAAA received complaints relating to lottery canvassing from less than 0.02% of people contacted.

The complaints policy is published on the Charity's website.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2020

Equal opportunities

EAAA is committed to ensuring equal opportunities, fairness of treatment, dignity, work-life balance and the elimination of all forms of discrimination in the workplace for all. The Charity aims to create a working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit. This commitment extends to staff, applicants, volunteers and contractors engaged in the work of the Charity.

Environmental management

EAAA is committed to setting a good example in minimising its energy consumption and carbon footprint using practical, affordable means that are endorsed and supported by the community.

The Charity recognises that helicopters running on non-renewable hydrocarbon fuel are not exemplars of low carbon transport. The Charity must therefore ensure that it delivers a service which is as efficient and effective as possible, while looking forward to a time when more environmentally friendly means of delivering critical care to patients suffering trauma or medical emergency become available.

Our objectives are to:

- Actively monitor and encourage the development of more eco-friendly means of delivering a pre-hospital emergency medicine service by air and road
- Seek ways of reducing the Charity's carbon footprint throughout the entire operation
- Minimise the Charity's impact on the environment by regularly reviewing and evaluating the efficiency and effectiveness of our work
- Raise staff and volunteer awareness of environmental issues and promote individual good practice by setting eco-friendly values
- Communicate environmental performance both within the organisation and to the Charity's stakeholders annually

Regulatory bodies

The Charity is subject to regulation by the Care Quality Commission, Civil Aviation Authority, Charity Commission, Gambling Commission, Information Commissioner and the Fundraising Regulator.

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2020

Connections with non-charities

EAAA follows the Charity Commission's guidance which requires charities to consider their relationships with non-charity organisations. The Charity has reviewed its relationship with its trading subsidiary, East Anglian Air Ambulance (Trading) Limited and the following organisations which are involved in delivering services to its beneficiaries:

- Babcock Mission Critical Services Onshore Limited (which owns and runs the aircraft)
- East of England Multi-Professional Deanery (which provides and employs Pre-Hospital Emergency Medicine "PHEM" trainee doctors)
- NHS East of England Ambulance Service Trust (EEAST) which provides PHEM trained paramedics, manages the Critical Care Desk and the deployment of missions, and oversees Clinical Governance.

Arrangements with these organisations and any risks identified in working with them are reviewed on a regular basis and action taken where appropriate.

Trustees' responsibilities

The Trustees (who are also directors of EAAA for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

East Anglian Air Ambulance

Trustees' Report (including Directors' Report and Strategic Report)

Year ended 30 June 2020

In so far as the Trustees are aware:

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

Signed by order of the Trustees on 15 December 2020.

Major General Sir William Cubitt KCVO CBE DL (Chairman)

East Anglian Air Ambulance

Independent Auditor's Report to the Members of East Anglian Air Ambulance

Year ended 30 June 2020

Opinion

We have audited the financial statements of East Anglian Air Ambulance (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 June 2020 which comprise the Group Statement of Financial Activities (including the Income and Expenditure account), the Group and Parent Charitable Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 30 June 2020, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 group's or the parent 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.

Other information

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

East Anglian Air Ambulance

Independent Auditor's Report to the Members of East Anglian Air Ambulance

Year ended 30 June 2020

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 (including the Strategic Report and Trustees' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' 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 kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

East Anglian Air Ambulance

Independent Auditor's Report to the Members of East Anglian Air Ambulance

Year ended 30 June 2020

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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.

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 for our audit work, for this report, or for the opinions we have formed.

Mark Proctor FCA DChA (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered Accountants and statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

11 March 2021

East Anglian Air Ambulance

Group Statement of Financial Activities (Including Income and Expenditure Account)

Year ended 30 June 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Income					
Donations and legacies	2	7,061,741	859,046	7,920,787	7,771,941
Other trading activities	3	6,393,504	-	6,393,504	5,910,828
Investments	4	351,082	-	351,082	357,859
Other	5	169,235	-	169,235	60,537
Total income		13,975,562	859,046	14,834,608	14,101,165
Expenditure					
Raising funds	6	3,283,418	-	3,283,418	3,056,864
Charitable activities	7	9,661,487	76,453	9,737,940	8,979,414
Total expenditure		12,944,905	76,453	13,021,358	12,036,278
Net income before gains on investments		1,030,657	782,593	1,813,250	2,064,887
Net (losses)/gains on investments	13	(664,480)	-	(664,480)	812,651
Net income		366,177	782,593	1,148,770	2,877,538
Transfers between funds	17	917,332	(917,332)	-	-
Net movements in funds		1,283,509	(134,739)	1,148,770	2,877,538
Total funds brought forward	17	22,872,708	583,888	23,456,596	20,579,058
Total funds carried forward	17	24,156,217	449,149	24,605,366	23,456,596

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 30 to 49 form part of these financial statements.

East Anglian Air Ambulance

Group and Parent Charitable Company Balance Sheets

30 June 2020

	Note	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fixed assets					
Tangible assets	12	4,366,300	1,846,717	4,366,300	1,846,717
Investments	13	11,293,979	12,458,459	11,293,981	12,458,461
Cash at bank and in hand					
Designated fund deposits		3,068,351	4,856,324	3,068,351	4,856,324
		18,728,630	19,161,500	18,728,632	19,161,502
Current assets					
Stocks	14	113,983	69,677	101,298	65,931
Debtors	15	5,173,604	4,177,541	5,460,778	3,935,680
Cash on deposit		517,493	513,628	517,493	513,628
Cash at bank and in hand		1,731,959	755,679	929,627	416,164
		7,537,039	5,516,525	7,009,196	4,931,403
Creditors: Amounts falling due within one year	16	(1,660,303)	(1,221,429)	(1,135,341)	(639,188)
Net current assets		5,876,736	4,295,096	5,873,855	4,292,215
Total assets less current liabilities		24,605,366	23,456,596	24,602,487	23,453,717
Net assets		24,605,366	23,456,596	24,602,487	23,453,717
Charity Funds					
Restricted funds	17	449,149	583,888	449,149	583,888
Unrestricted funds					
Designated funds	17	4,728,733	5,985,637	4,728,733	5,985,637
General fund	17	19,427,484	16,887,071	19,424,605	16,884,192
Total Charity funds		24,605,366	23,456,596	24,602,487	23,453,717

The financial statements were approved and authorised for issue by the Board on 15 December 2020.

Signed on behalf of the board of Trustees

Major General Sir William Cubitt KCVO CBE DL (Chairman)

N R Savory FCA DL

Company number: 04066700

The notes on pages 30 to 49 form part of these financial statements.

East Anglian Air Ambulance

Group Statement of Cash Flows

Year ended 30 June 2020

	Note	Group 2020 £	Group 2019 £
Net cash flow from operating activities	23	<u>1,180,838</u>	<u>1,691,029</u>
Cash flows from investing activities			
Income received from investments		307,710	320,047
Receipts from sale of tangible fixed assets		-	924
Payments to acquire tangible fixed assets		(2,839,748)	(232,417)
Bank interest received		43,372	37,812
Disposal of investments		500,000	-
Purchase of investments		-	(500,000)
Net cash flow from investing activities		<u>(1,988,666)</u>	<u>(373,634)</u>
Net (decrease)/increase in cash and cash equivalents		(807,828)	1,317,395
Cash and cash equivalents at 1 July 2019	24	<u>6,125,631</u>	<u>4,808,236</u>
Cash and cash equivalents at 30 June 2020	24	<u>5,317,803</u>	<u>6,125,631</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		5,317,803	6,125,631
Cash and cash equivalents at 30 June 2020	24	<u>5,317,803</u>	<u>6,125,631</u>

The notes on pages 30 to 49 form part of these financial statements.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

1. General information

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) General information and basis of preparation

East Anglian Air Ambulance is a private charitable company limited by guarantee in the United Kingdom. The registered office is Hangar E, Gambling Close, Norwich Airport, Norwich, NR6 6EG. The nature of the charity's operations and principal activities are to relieve sickness and injury by the provision of an air ambulance service.

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice published in October 2019, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in Sterling which is the functional currency of the Charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiary East Anglian Air Ambulance (Trading) Limited on a line by line basis. A separate Statement of Financial Activities, or Income and Expenditure account, for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

(c) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

1. General information (continued)

(d) Income

All income is included in the Statement of Financial Activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Legacies are included in the Statement of Financial Activities when the legacy has been received unless, before receipt, there is sufficient evidence to provide the necessary certainty that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

Donated goods and professional services are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity is probable and can be measured reliably. In accordance with the Charity SORP, general volunteer time is not recognised. Upon receipt, donated goods and services are recognised on the basis of the fair value to the Charity, being the amount the Charity would have been willing to pay to obtain the services on the open market. An equivalent amount is recognised as expenditure in the period of receipt.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from the government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, if it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

1. General information (continued)

(e) Legacies

With effect from 1 July 2012, 25% of all legacies received are credited directly to the Planned Capital Expenditure designated fund, unless otherwise agreed with the Executors. If the will indicates how the legacy is to be used it is credited to a restricted fund.

(f) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure includes any VAT which cannot be recovered and is charged as an expense in the Statement of Financial Activities in the year in which it is incurred. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, if it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including merchandise and lottery.

Expenditure on charitable activities comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, staff time or estimated usage as set out in notes 6 and 7.

(g) Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the period in which the cost is incurred.

Amounts payable for the provision of the helicopter are charged to the Statement of Financial Activities in the period to which they relate.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

1. General information (continued)

(h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Assets under construction	- not depreciated
Plant & motor vehicles	- 20% straight line
Cambridge base	- 5% straight line
Medical & helicopter equipment	- 25% straight line
Fixtures, fittings, computers & database	- 33.3% straight line
Website	- 20% straight line

All items costing less than £500 are written off in the year of purchase.

(i) Fixed asset investments

Fixed asset investments comprise shares held in the subsidiary company, East Anglian Air Ambulance (Trading) Limited, together with a portfolio of quoted investments in pooled funds managed by BNY Mellon Fund Managers Limited. Investments in subsidiaries are measured at cost less impairment. Quoted investments are revalued to their fair value at the balance sheet date and the unrealised gain or loss is taken to the Statement of Financial Activities.

(j) Stocks

Stocks are valued at the lower of cost and net realisable value.

(k) Pensions

The Charity operates a defined contribution pension scheme. The charge in the Statement of Financial Activities represents the contributions payable by the Charity during the year.

(l) Tax

The Charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

1. General information (continued)

(m) Going concern

The Trustees have considered the Charity's position at the time of signing the financial statements, and in particular the current issues caused by Covid-19 and its potential impact on the Charity. Although it is difficult to forecast the likely impact that Covid-19 will have on the Charity for the remainder of the 2020-21 financial year the Trustees consider that it is right to continue to adopt the going concern basis of accounting in preparing these financial statements. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

(n) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

(i) Accrued legacy income

Management judgements are required to estimate a suitable amount of legacy income to accrue at the reporting date. The amount is calculated based on the conditions set out in the Charity SORP (FRS 102).

At 30 June 2020 the financial statements include accrued legacy income of £2,726,715 (2019: £2,639,147).

(ii) Donated goods and services

Management judgement is used to estimate the fair value of professional services donated to the Charity in respect of Doctors and Critical Care Paramedics. This is calculated based on the fair value to the Charity, being the number of hours donated multiplied by the hourly rate that the Charity would have expected to be charged to obtain the services on the open market.

The financial statements for the year ended 30 June 2020 include donated goods and services of £919,026 (2019: £736,348).

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

1. General information (continued)

(o) Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the Statement of Financial Activities.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

2. Income from donations and legacies

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£	£
Collections & collecting tins	122,283	-	122,283	145,213	-	145,213
Third party & Charity events	881,121	-	881,121	1,127,405	-	1,127,405
Grants from trusts	404,028	-	404,028	125,600	-	125,600
Corporate donors	246,891	-	246,891	304,702	-	304,702
General donations	822,587	-	822,587	691,296	-	691,296
In memoriam	420,263	-	420,263	357,113	-	357,113
Gift Aid tax reclaimed	91,530	-	91,530	132,422	-	132,422
Circle of Benefactors	121,435	-	121,435	114,029	-	114,029
Donations towards Norwich base	-	-	-	-	9,585	9,585
HM Treasury Capital Funding	-	336,472	336,472	-	453,841	453,841
Donations towards medical equipment	-	522,574	522,574	-	73,184	73,184
Donated goods and services	919,026	-	919,026	736,348	-	736,348
Donations towards training	-	-	-	-	6,875	6,875
Legacies	3,032,577	-	3,032,577	3,494,328	-	3,494,328
	7,061,741	859,046	7,920,787	7,228,456	543,485	7,771,941

Total income from Government grants amounted to £420,133 (2019: £453,841), which includes £83,661 (2019: £nil) shown within other income in note 5.

3. Income from other trading activities

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£	£
Lottery income	6,002,224	-	6,002,224	5,478,144	-	5,478,144
Raffle income	325,498	-	325,498	361,044	-	361,044
Merchandise income	62,041	-	62,041	70,014	-	70,014
Scratch card income	3,741	-	3,741	1,626	-	1,626
	6,393,504	-	6,393,504	5,910,828	-	5,910,828

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

4. Income from investments

	2020			2019		
	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£	£	£	£
Bank interest received	43,372	-	43,372	37,812	-	37,812
Dividends received	307,710	-	307,710	320,047	-	320,047
	351,082	-	351,082	357,859	-	357,859

5. Other income

	2020			2019		
	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£	£	£	£
Income from recycling	18,908	-	18,908	5,705	-	5,705
Furlough grant received	83,661	-	83,661	-	-	-
Training courses	66,666	-	66,666	54,832	-	54,832
	169,235	-	169,235	60,537	-	60,537

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

6. Analysis of expenditure on raising funds

	Costs of generating voluntary income £	Fundraising trading (lottery) £	Fundraising trading £	Total 2020 £	Total 2019 £
Fundraising & event costs	233,524	273,023	-	506,547	471,819
Lottery prizes	-	160,996	-	160,996	160,963
Canvassers and agents commission	-	732,591	-	732,591	645,843
Marketing and consultancy	163,232	13,597	-	176,829	157,130
Goods for resale	-	-	32,581	32,581	52,252
Staff costs	1,050,104	154,295	40,274	1,244,673	1,132,379
Premises establishment costs	74,806	7,332	7,567	89,705	72,551
Administration costs	212,037	100,526	6,171	318,734	339,567
Depreciation and profit/loss on disposal of fixed assets	13,337	2,475	4,950	20,762	24,360
Total 2020 (unrestricted)	1,747,040	1,444,835	91,543	3,283,418	3,056,864
Total 2019 (unrestricted)	1,598,569	1,328,356	129,939	3,056,864	

Costs are allocated directly or apportioned on the following basis:

Staff costs	Staff time
Premises establishment costs	Floor area
General office administration costs	Staff time
Training and recruitment costs	Staff time
Legal and professional	Time
Depreciation	Usage
Bank charges and interest	Transactions

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

7. Analysis of expenditure on charitable activities

	Operational & support costs £	Governance costs £	Total 2020 £	Total 2019 £
Helicopter costs	5,331,962	-	5,331,962	5,350,585
Doctors' salaries and fees	1,285,634	-	1,285,634	924,440
Doctors and Critical Care Paramedics - donated services	919,026	-	919,026	736,348
Other staff costs	1,179,255	-	1,179,255	1,093,072
Medical consumables and other clinical costs	161,958	-	161,958	116,598
Premises establishment costs	83,282	-	83,282	77,002
Administration costs	430,511	46,909	477,420	409,467
Depreciation and profit/loss on disposal of fixed assets	299,403	-	299,403	271,902
	9,691,031	46,909	9,737,940	8,979,414
Restricted	76,453	-	76,453	
Unrestricted	9,614,578	46,909	9,661,487	
Total 2020	9,691,031	46,909	9,737,940	
Restricted	14,900	-	14,900	
Unrestricted	8,923,355	41,159	8,964,514	
Total 2019	8,938,255	41,159	8,979,414	

Costs are allocated directly or apportioned on the following basis:

Staff costs	Staff time
Premises establishment costs	Floor area
General office administration costs	Staff time
Training and recruitment costs	Staff time
Legal and professional	Time
Depreciation	Usage
Bank charges and interest	Transactions

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

8. Net income for the year

Net income is stated after charging:	2020	2019
	£	£
Depreciation of tangible assets	320,165	295,225
Loss on disposal of tangible assets	-	1,038
Operating lease rentals - helicopter standing charges	4,527,688	4,418,315
Operating lease rentals - other	96,951	69,455

9. Auditor's remuneration

	2020	2019
	£	£
Audit of the Charity's annual financial statements	12,300	11,950
Audit of the subsidiary company's annual financial statements	7,150	6,950
Professional services	17,044	12,687
	<u>36,494</u>	<u>31,587</u>

10. Trustees' and key management personnel remuneration and expenses

The Trustees did not receive any remuneration from the Charity during the year or in the previous year.

No members of the Board received expenses in the course of their duties during the year in respect of travel and subsistence (2019: none).

The total amount of employee benefits received by key management personnel was £408,927 (2019: £413,630). The Trustees consider the key management personnel to be the CEO and four directors (2019: CEO and three directors).

11. Staff costs and employee benefits

The average number of contracted employees and full time equivalent (FTE) during the year was as follows:

	2020	2019	2020	2019
	No.	No.	FTE No.	FTE No.
Operations	11	9	9	8
Doctors	9	7	6	4
Locum Doctors	25	18	-	-
Lottery	3	4	3	4
Fundraising	27	27	25	24
Communications and marketing	4	4	4	4
Administration	17	17	16	15
	<u>96</u>	<u>86</u>	<u>63</u>	<u>59</u>

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

11. Staff costs and employee benefits (continued)

The total staff costs and employee benefits were as follows:

	2020	2019
	£	£
Wages and salaries	2,690,842	2,423,606
Social security costs	272,485	236,300
Pension contributions	133,990	128,067
Life insurance	7,078	6,405
	<u>3,104,395</u>	<u>2,794,378</u>

The aggregate ex-gratia payments during the year totalled £10,000 (2019: £nil).

The number of employees who received total employee benefits (excluding pension contributions) of more than £60,000 was as follows:

	2020	2019
	No.	No.
£60,000 to £70,000	2	1
£80,000 to £90,000	-	1
£90,000 to £100,000*	1	1
£110,000 to £120,000**	1	1
£120,000 to £130,000**	1	-
£150,000 to £160,000	-	1

Year ended 30 June 2020: * Chief Executive, ** Doctor.

12. Tangible fixed assets - Group

	Norwich base (under construction)	Cambridge base	Plant & motor vehicles	Fixtures, fittings and computers	Medical & helicopter equipment	Total
	£	£	£	£	£	£
Cost						
At 1 July 2019	129,326	1,566,092	380,612	510,181	635,141	3,221,352
Additions	2,183,474	-	100,049	84,750	471,475	2,839,748
Transfers	-	-	-	(84,333)	-	(84,333)
At 30 June 2020	<u>2,312,800</u>	<u>1,566,092</u>	<u>480,661</u>	<u>510,598</u>	<u>1,106,616</u>	<u>5,976,767</u>
Depreciation						
At 1 July 2019	-	268,975	240,077	439,754	425,829	1,374,635
Charge for the year	-	78,362	62,783	54,467	124,553	320,165
Transfers	-	-	-	(84,333)	-	(84,333)
At 30 June 2020	<u>-</u>	<u>347,337</u>	<u>302,860</u>	<u>409,888</u>	<u>550,382</u>	<u>1,610,467</u>
Net book value						
At 30 June 2020	<u>2,312,800</u>	<u>1,218,755</u>	<u>177,801</u>	<u>100,710</u>	<u>556,234</u>	<u>4,366,300</u>
At 30 June 2019	129,326	1,297,117	140,535	70,427	209,312	1,846,717

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

12. Tangible fixed assets - Charity

	Norwich base (under construction)	Cambridge base	Plant & motor vehicles	Fixtures, fittings and computers	Medical & helicopter equipment	Total
	£	£	£	£	£	£
Cost						
At 1 July 2019	129,326	1,566,092	380,612	499,517	635,141	3,210,688
Additions	2,183,474	-	100,049	84,750	471,475	2,839,748
Transfers	-	-	-	(84,333)	-	(84,333)
At 30 June 2020	2,312,800	1,566,092	480,661	499,934	1,106,616	5,966,103
Depreciation						
At 1 July 2019	-	268,975	240,077	429,090	425,829	1,363,971
Charge for the year	-	78,362	62,783	54,467	124,553	320,165
Transfers	-	-	-	(84,333)	-	(84,333)
At 30 June 2020	-	347,337	302,860	399,224	550,382	1,599,803
Net book value						
At 30 June 2020	2,312,800	1,218,755	177,801	100,710	556,234	4,366,300
At 30 June 2019	129,326	140,535	1,297,117	70,427	209,312	1,846,717

13. Fixed asset investments

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Market value at 1 July 2019	12,458,459	11,145,808	12,458,459	11,145,808
Additions at cost	-	500,000	-	500,000
Disposals	(500,000)	-	(500,000)	-
Net (loss)/gain on revaluation	(664,480)	812,651	(664,480)	812,651
Market value at 30 June 2020	11,293,979	12,458,459	11,293,979	12,458,459
Investment in subsidiary at 1 July 2019 and 30 June 2020	-	-	2	2
Carrying value at 30 June 2020	11,293,979	12,458,459	11,293,981	12,458,461
Investments at fair value comprise:				
Equities	11,293,979	12,458,459	11,293,979	12,458,459
Total	11,293,979	12,458,459	11,293,979	12,458,459

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

13. Fixed asset investments (continued)

Investments at fair value represent the investment in the Newton Growth and Income Fund For Charities. The fair value is determined by reference to the market value at the balance sheet date.

The Charity holds 2 shares of £1 each in its wholly owned subsidiary company East Anglian Air Ambulance (Trading) Limited (company number 04136827) which is incorporated in the United Kingdom. The company runs a lottery, operates Grand Raffle Draws and sells merchandise. The profits of the company are donated to the East Anglian Air Ambulance by Gift Aid.

The summary financial performance of the subsidiary is:

	2020	2019
	£	£
Turnover	6,393,504	5,910,828
Expenditure	(1,417,370)	(1,346,527)
Bank interest receivable	5,826	6,613
Profit	4,981,960	4,570,914
Amount donated to East Anglian Air Ambulance by Gift Aid	4,981,960	4,570,914
Net assets	2,881	2,881

14. Stocks

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Retail goods for resale	306	140	306	140
Drugs and medical consumables	113,677	69,537	100,992	65,791
	113,983	69,677	101,298	65,931

15. Debtors

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Trade debtors	40,975	5,068	21,975	5,068
Amount due from subsidiary undertakings	-	-	367,992	41,567
Other debtors	97,153	16,907	96,655	16,164
VAT	625,226	57,534	588,866	56,501
Prepayments	611,494	601,400	586,534	556,774
Accrued income	3,798,756	3,496,632	3,798,756	3,259,606
	5,173,604	4,177,541	5,460,778	3,935,680

Accrued income includes accrued legacy income of £2,726,715 (2019: £2,639,147) and HM Treasury capital funding of £790,313 (2019: £453,841).

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

16. Creditors: amounts falling due within one year

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Trade creditors	792,104	433,223	763,419	342,319
Taxation and social security	80,634	80,861	80,634	80,861
Accruals and deferred income	782,135	705,110	288,708	213,773
Other creditors	5,430	2,235	2,580	2,235
	<u>1,660,303</u>	<u>1,221,429</u>	<u>1,135,341</u>	<u>639,188</u>

Included within accruals and deferred income is £481,927 (2019: £423,120) relating to income from lottery ticket sales and £nil (2019: £52,809) relating to raffle income received in advance. These amounts relate to monies received before the year end for draws held at later dates. Deferred income from 2019 of £513,496 (2019: £528,496) has been credited to the Statement of Financial Activities during the year.

17. Analysis of charitable funds

Analysis of movements in unrestricted funds

Year ended 30 June 2020

	Balance at 1 July 2019	Income	Expenditure	Transfers	Investment losses	Balance at 30 June 2020
	£	£	£	£	£	£
General Fund	16,887,071	13,217,418	(12,944,905)	2,932,380	(664,480)	19,427,484
Designated Planned Capital Expenditure Fund	5,985,637	758,144	-	(2,015,048)	-	4,728,733
	<u>22,872,708</u>	<u>13,975,562</u>	<u>(12,944,905)</u>	<u>917,332</u>	<u>(664,480)</u>	<u>24,156,217</u>

Transfers to the General Fund comprise amounts from the restricted Medical Equipment Fund of £518,661, HM Treasury Capital Fund of £389,086 and Norwich Base Fund of £9,585 and from the designated Planned Capital Expenditure Fund of £2,015,048. All of these transfers are in respect of tangible assets purchased.

Year ended 30 June 2019

	Balance at 1 July 2018	Income	Expenditure	Transfers	Investment gains	Balance at 30 June 2019
	£	£	£	£	£	£
General Fund	16,307,938	12,684,098	(12,021,378)	(896,238)	812,651	16,887,071
Designated Planned Capital Expenditure Fund	4,112,055	873,582	-	1,000,000	-	5,985,637
	<u>20,419,993</u>	<u>13,557,680</u>	<u>(12,021,378)</u>	<u>103,762</u>	<u>812,651</u>	<u>22,872,708</u>

A transfer of £103,762 was made to the General Fund representing medical equipment purchased during the year using restricted funds. At 30 June 2019 a transfer of £1,000,000 was made from the General Fund to the Planned Capital Expenditure Fund.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

17. Analysis of charitable funds (continued)

Analysis of movements in restricted funds

Year ended 30 June 2020

	Balance at 1 July 2019 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2020 £
Medical Equipment Fund	113,587	522,574	(69,578)	(518,661)	47,922
Training Fund	6,875	-	(6,875)	-	-
HM Treasury Capital Fund	453,841	336,472	-	(389,086)	401,227
Norwich Base Fund	9,585	-	-	(9,585)	-
	583,888	859,046	(76,453)	(917,332)	449,149

Transfers comprise amounts from the Medical Equipment Fund of £518,661, HM Treasury Capital Fund of £389,086 and Norwich Base Fund of £9,585 to the General Fund in respect of tangible assets purchased.

Year ended 30 June 2019

	Balance at 1 July 2018 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2019 £
Medical Equipment Fund	144,165	73,184	-	(103,762)	113,587
Training Fund	14,900	6,875	(14,900)	-	6,875
HM Treasury Capital Fund	-	453,841	-	-	453,841
Norwich Base Fund	-	9,585	-	-	9,585
	159,065	543,485	(14,900)	(103,762)	583,888

The transfer of £103,762 from the Medical Equipment Fund represents medical equipment purchased during the year using restricted funds.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

17. Analysis of charitable funds (continued)

Fund descriptions

(a) General funds

These represent the tangible fixed assets and 'free reserves' of the group excluding designated funds.

(b) Designated funds

Planned Capital Expenditure Fund

In addition the Charity has a "designated" fund set aside from legacy and other income towards the cost of capital projects planned during the next five years.

25% of all legacy income is credited directly to this fund, unless otherwise agreed with the executors or the terms of the will state otherwise. The fund may also be enhanced by transfers from the General Fund, at the discretion of the Trustees, in order to build up sufficient reserves for particular planned projects. It is anticipated that the fund will make a substantial contribution to the cost of the new base in Norwich.

	£
Fund balance at 1 July 2019	5,985,637
25% of legacy income	758,144
Transfer to General Fund	(2,015,048)
Fund balance at 30 June 2020	<u>4,728,733</u>

(c) Restricted funds

Medical Equipment Fund

This fund represents donations received towards the purchase of medical equipment. Once the equipment has been purchased the cost is transferred back to unrestricted funds. The balance carried forward at 30 June 2020 is £47,922 (2019: £113,587).

Training Fund

This fund represented donations received towards training costs. The balance carried forward at 30 June 2020 is £nil (2019: £6,875).

HM Treasury Capital Fund

This fund comprises funding receivable from HM Treasury towards the new Norwich base, the purchase of Rapid Response Vehicles and night vision goggles. The balance carried forward at 30 June 2020 is £401,227 (2019: £453,841).

Norwich Base Fund

This fund comprised donations received towards the cost of the new base in Norwich. The balance carried forward at 30 June 2020 is £nil (2019: £9,585).

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

18. Analysis of group net assets between funds

At 30 June 2020

	General Fund £	Designated Funds £	Restricted Funds £	Total £
Fixed asset investments	11,293,979	-	-	11,293,979
Tangible fixed assets	4,366,300	-	-	4,366,300
Stock	113,983	-	-	113,983
Debtors	3,701,612	681,679	790,313	5,173,604
Bank	1,611,913	4,047,054	(341,164)	5,317,803
Creditors	(1,660,303)	-	-	(1,660,303)
Fund balances at 30 June 2020	19,427,484	4,728,733	449,149	24,605,366

At 30 June 2019

	General Fund £	Designated Funds £	Restricted Funds £	Total £
Fixed asset investments	12,458,459	-	-	12,458,459
Tangible fixed assets	1,846,717	-	-	1,846,717
Stock	69,677	-	-	69,677
Debtors	3,594,387	129,313	453,841	4,177,541
Bank	139,260	5,856,324	130,047	6,125,631
Creditors	(1,221,429)	-	-	(1,221,429)
Fund balances at 30 June 2019	16,887,071	5,985,637	583,888	23,456,596

19. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Land & buildings 2020 £	Aircraft 2020 £	Land & buildings 2019 £	Aircraft 2019 £
Operating leases expiring:				
Not later than one year	99,940	4,884,635	-	4,683,617
Later than one and not later than five years	37,149	2,072,450	-	6,957,085
	137,089	6,957,085	-	11,640,702

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

20. Trustees indemnity insurance

During the year the Charity purchased an insurance policy which is designed specifically for Charity Trustees. The cost of this policy for the year was £994 (2019: £1,048).

21. Company status

The Company is limited by guarantee. In the event of winding up, each member is liable to contribute a sum not exceeding £1.

22. Surplus of the Charity (parent company)

A surplus of £1,148,770 (2019: £2,877,538) has been recognised in the accounts of the Charity. The Charity is not required to produce its own profit and loss account because of the exemption provision in Section 408 of the Companies Act 2006.

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	Group 2019 £
Net income for the year	1,148,770	2,877,538
Income received from investments	(307,710)	(320,047)
Depreciation of tangible fixed assets	320,165	295,225
Net losses/(gains) on investments	664,480	(812,651)
Bank interest received	(43,372)	(37,812)
Loss on disposal of tangible fixed assets	-	1,038
Increase in stocks	(44,306)	(47,097)
Increase in debtors	(996,063)	(472,103)
Increase in creditors	438,874	206,938
Net cash flows from operating activities	<u>1,180,838</u>	<u>1,691,029</u>

24. Reconciliation of net cash flow movement to movement in net funds

	Group 2020 £	Group 2019 £
Increase in cash in the period & change in net funds	(807,828)	1,317,395
Net funds at 1 July 2019	6,125,631	4,808,236
Net funds at 30 June 2020	<u>5,317,803</u>	<u>6,125,631</u>

The Charity holds a bank deposit of £517,493 (2019: £513,628) on behalf of East Anglian Air Ambulance (Trading) Limited.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2020

25. Related party transactions

The company has taken advantage of the exemptions conferred by FRS 102 not to make disclosures regarding transactions with East Anglian Air Ambulance (Trading) Limited.

The Charity received donations totalling £18,605 (2019: £31,703) from Charitable Trusts and another entity connected to a Trustee.

The Charity purchased services amounting to £275 (2019: £1,750) from Hansells Solicitors and Financial Advisers, a business in which R S Holden has an interest. The balance owed to Hansells Solicitors and Financial Advisers at 30 June 2020 was £nil (2019: £nil).

The Charity purchased services amounting to £19,269 (2019: £nil) from Mills & Reeve LLP, a business in which D Astill has an interest. The balance owed to Mills & Reeve LLP at 30 June 2020 was £nil (2019: £nil).

The Charity made purchases amounting to £125 (2019: £nil) from R C Snelling Limited, a business in which N Savory is a director. The balance owed to R C Snelling Limited at 30 June 2020 was £nil (2019: £nil).

26. Financial instruments

The carrying amounts of the group and charity's financial instruments are as follows:

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Financial assets				
Measured at fair value through net income	11,293,979	12,458,459	11,293,979	12,458,459

27. Capital commitments

The Charity had capital commitments at 30 June 2020 of £4,047,972 in respect of the construction of the new Norwich base (2019: £60,300 in respect of the purchase of tangible fixed assets).