



MIDLANDS AIR AMBULANCE CHARITY

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2021

Charity Number 1143118
Company Number 07683841





Charity and Company Registration

Charity and Company Registration	
Midlands Air Ambulance Charity (parent charity)	Registered Office: Hawthorn House, Dudley Road, Stourbridge, DY9 8BQ
Registered Charity Number (Charity Commission): 1143118	
Registered Company Number (Private company limited by guarantee, Companies House): 07683841	
Midlands Air Ambulance Trading Ltd (trading subsidiary)	
Registered Company Number (Private Limited Company, Companies House): 08256466	

Our advisers

Our advisers		
Auditor	Mazars LLP	First Floor, Two Chamberlain Square, Birmingham, B3 3AX
Bankers	Barclays Bank plc	Queen Square, Wolverhampton, WV1 1DS
Company secretary	Ruth Latham, Walls James Chappell (Resigned 30/11/2020)	15-23 Hagley Road, Stourbridge, DY8 1QW
	Nicola Rees, MAAC Head of Governance, Compliance and Risk (Appointed 30/11/2020)	Hawthorn House, Dudley Road, Stourbridge, DY9 8BQ
Solicitors	Withers LLP	16 Old Bailey, London, EC4M 7EG
Investment advisers	AFH Group	Buntsford Drive, Bromsgrove, B60 4JE



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CHAIR'S REPORT



It has been a great privilege to chair the Board since 2018, but without question the past 12 months have been some of the most difficult in the charity's history.

As the country went into a national lockdown directly before the start of this financial year, it was hard to predict what would happen. Thankfully, with a proactive team, the Charity was able to carry out its administrative activity at home, implementing agile working for much of the non-clinical personnel to ensure that our lifesaving service continued across the Midlands region.

Our talented and devoted clinical and operational teams worked tirelessly throughout the pandemic, treating critically ill and injured patients as well as supporting the NHS Covid-19 efforts on the frontline. Their work has been relentless, and operations have seen the introduction of new, necessary hygiene measures to ensure infection control.

Most of our community-based fundraising activities and events had to be cancelled and the team worked hard to adapt to this new working environment. They introduced innovative virtual events and communications to ensure we continued to raise vital funds and remained operational. Our online bucket collection and promotion of our regular donation scheme and Lifesaving Lottery have certainly helped us continue to treat patients in need every day.

In line with the Charity's dedication to continuous improvement, I would like to commend the organisation, which has not only retained 'Investors in People' accreditation, but it moved from Bronze to Silver - which only 15 per cent of participants achieve. The accrediting body also highlighted the significant community outreach undertaken by the organisation, specifically our health and disease education programmes.

Over the last 12-months, two new Trustees joined our Board, following the departure of Robert Fulton and Nick Whale who were long serving contributors - I would like to thank them both their dedication over the years. I would also like to formally welcome Neal Hooper and Vivienne McVey, who are committed to ensuring the organisation remains at the forefront of pre-hospital emergency medical care, in line with our vision to save lives by saving time.

As we enter our 30th year of operations, I would like to thank all those individuals, community groups, schools, grants and trusts and businesses that have supported the Midlands Air Ambulance. Looking to the future, I am proud of our exciting plans, which are designed to provide long-standing benefit across our six-county operating area.

Roger Pemberton
Chairman of the Board of Trustees

GROUP TRUSTEE REPORT For the year ended 31 March 2021

CHIEF EXECUTIVE'S REPORT



Unequivocally, the last 12 months have been one of the most challenging years for us all, bringing great change to the way we both live and work. However, despite this, Midlands Air Ambulance Charity has been able to continue work on future-proofing its lifesaving service.

Our team of fundraisers worked hard to raise vital funds for missions. This coupled with our loyal supporter base, is reflected in our end of year position (*more details can be found on page 15 and 21*). Despite this positive position, we are pragmatic and understand that communities and businesses across the Midlands will feel the economic impact of the pandemic for some time to come, therefore we remain cautiously optimistic about the future.

During 2020/21, our team of advanced pre-hospital emergency medicine doctors and critical care paramedics attended almost 4,500 patients by both air and by land. During this period, we reached a milestone of 63,000 air ambulance-led missions since our inception 30 years ago.

Looking to the future, and focusing on our commitment to continuous innovation, we are dedicated to tackling the following challenges:

- We are seeing increased demand for our services across the region, and we expect this trend to continue to rise in line with the Midlands growing population base.
- Coupled with demand trends, the accidents and incidents attended by our clinical team are becoming increasingly complex, meaning our pre-hospital emergency care service is needed more than ever.
- However, our existing facilities are currently insufficient and do not provide appropriate space for training and the clinical teams welfare needs. Looking to the future, it is critical to provide the optimum environment for learning development, in line with our values.

To ensure that we have the capabilities to continue our clinical care for another 30 years and beyond, I am delighted that we have started construction on our new purpose-built airbase and charity headquarters which will be located in Cosford, on the Shropshire / Staffordshire border, and will complement our existing operational network and enhance our service provision across the Midlands. The new facility will help to fulfil our strategic vision to become a centre of training excellence, enabling our clinicians to continue to provide the best possible outcomes for those unfortunate enough to have a major trauma or medical incident.

Midlands Air Ambulance Charity will continue to ensure our service remains at the forefront of clinical excellence, as well as focusing on enhancing our delivery model to support with the provision of specialist care to those who need it most in their absolute hour of need.

Hanna Sebright
Chief Executive

GROUP TRUSTEE REPORT For the year ended 31 March 2021

SURVIVOR CASE STUDY - Henry's story



On Thursday 2nd April 2020, three weeks into the first national lockdown, 14-year-old Henry Carpenter, was working on his family's farm. A freak accident left him in vital need of advanced pre-hospital emergency care on scene and urgent transit by air to Birmingham Children's Hospital.

The Midlands Air Ambulance Charity's lifesaving service was despatched by both air and land to Henry, from Clifton-on-Teme in Worcestershire, who was run over by a tractor during the lambing season.

After arriving on scene, the crew started treating Henry for his injuries, which included a fractured pelvis and dislocated hip. Henry had also torn blood vessels in his hip as he had attempted to free himself.

Critical care paramedic for MAAC, Karen Baker, who tended to Henry, said: *"We found Henry in a very poorly condition. He had life threatening injuries, especially as a broken pelvis can lead to a catastrophic internal bleed. He was in terrible pain and this would be difficult for an adult to cope with, but for a child it's even more distressing."*

After a week in hospital, Henry was discharged to continue his recovery at home, but despite making good progress, Henry was not able to receive physio treatment due to Covid restrictions and is still awaiting a hip replacement operation, so is in considerable pain. However, Henry is a determined inspirational young man, who has shown much courage and has become a superstar fundraiser for the Charity.

The clinical team who treated Henry are so heartened by his approach to life in the face of adversity. Many say that he is an inspiration for them to continue their daily lifesaving work, which can be demanding both physically and mentally. Karen concluded: *"Henry's commitment to his challenge, no matter how hard, has given everyone a real heart-warming boost at the Charity after what has been an extremely difficult year."*

Help make our next mission possible!

If you would like to become a supporter of Midlands Air Ambulance Charity either by donating, volunteering, or running an event to raise funds we would love to hear from you:

Contact us:

Web - midlandsairambulance.com

Call - 0800 8 40 20 40

Email - info@midlandsairambulance.com

Support us online:

Facebook - Midlands Air Ambulance Charity

Twitter - @MAA_Charity

Instagram - @maa_charity

GROUP TRUSTEE REPORT For the year ended 31 March 2021

TRUSTEE REPORT, INCORPORATING STRATEGIC REPORT:

Midlands Air Ambulance Charity - In brief

Midlands Air Ambulance Charity (MAAC) is responsible for delivering a regional pre-hospital emergency service across six counties. We serve a diverse and growing population across the communities of Gloucestershire, Herefordshire, Shropshire, Staffordshire, the West Midlands and Worcestershire. Our operations constitute the largest operating region in England, making us one of the busiest air ambulances.

Our service enables patients to receive vitally important hospital-level critical care in situ, before being conveyed to the most appropriate hospital or major trauma centre for their individual needs, giving them the best possible chance of survival and recovery. Operations are delivered between 7am – 9pm, 14 hours per day, 365 days a year. 100 per cent of our service area benefits from a transit time of less than 15 minutes by air.

Our service is provided by a team of highly skilled clinical practitioners, including both doctors and critical care paramedics. The teams administer out-of-hospital advanced clinical interventions and medicines via three Airbus helicopters - a H145 and two EC135. Additionally, our helicopter-led service is complemented by an 'over land' fleet of Rapid Response Vehicles and specialist Critical Care Cars.

Whilst we provide innovative pre-hospital treatment to critically ill and injured patients across the region, as a charity, we do not receive any Government or NHS Charities Together funding for our daily missions. We are the people's air ambulance, as we rely on the generous support of the public and local businesses to raise the £10 million needed each year to remain operational.

During the last seven years demand for our service has increased by 178 per cent - a trend that is forecast to increase annually. In 2020/21, our paramedics and doctors treated an average of 12 patients every day, bringing time critical hospital-level care to the incident scene, giving them the best possible chance of recovery and survival.

As we head into the Charity's 30th year of operations, we are committed to developing and futureproofing our service with the creation of a new medical facility, which will provide a training centre of excellence for pre-hospital emergency care. To find out more, refer to the future plans section on page 16.



GROUP TRUSTEE REPORT For the year ended 31 March 2021

Delivering public benefit

Our charitable activities focus on providing lifesaving pre-hospital emergency medicine across an operating region of 5,200sqm geography. We benefit the lives of six million people across all age groups, supporting diverse communities across a six-county area, comprising of rural and urban conurbations.

Essentially, we are here to provide patient care for occasions where advanced pre-hospital clinical skills are needed outside of the hospital environment - whether that be a road traffic accident; an individual who has had a heart-attack or fall at home; or a trauma incident in an isolated rural area.

The Charity's clinicians bring hospital-level procedures and medicines to the patient at the scene. These include sedative techniques and anaesthesia, plus interventions such as amputations and intubation, which enables the doctors and critical care paramedics to take over a patient's breathing and stabilise their condition, giving them the best possible chance of survival and recovery.

Alongside our core lifesaving service, the Charity is committed to enhancing the lives of local people and businesses, via the provision of outreach programmes. Activity has involved health education and disease infection control training. For example, delivery of CPR training and our bleed control kit network. This activity has benefited adults as well as young people, via our popular education programmes called '*Sky Champs*' and '*Mission Support Training*'.





GROUP TRUSTEE REPORT
For the year ended 31 March 2021

Our Vision, Mission and Values

Mission

To provide patients with outstanding pre-hospital care and life saving intervention through the operation of helicopter led emergency medical services.

Through the provision of a regional helicopter led emergency medical service (“HEMS”) network, our mission is two-fold (i) to save lives and (ii) to improve survivors’ quality of life. We are committed to evolving our service, with all developments being aligned to changing patient need.

Vision

Saving lives by saving time, today, tomorrow and in the future.

Focusing on a ‘one team culture’, our Board provides strong leadership and direction, supporting staff strategically to ensure efficient and effective tactical deployment relating to both clinical and non-clinical business areas.

Robust financial management, including the ability to demonstrate sustainable income generation activity alongside the appropriate use of funds, is key for ensuring organisational resilience. We utilise financial, operational and clinical data, to ensure the best use of charitable funds and we will continue to develop the service based on evidence-led patient outcome data.

We will remain innovative and proactive and adapt to wider changing environments that directly impact our core purpose. Whilst our focus is on our helicopter-led service, central to our mission is the delivery of pre-hospital care; as such we have diversified our operations to deliver this via air and land.

Values

Receptive	We are open to new ideas and ways of working across our clinical and charity operations, providing total transparency to all stakeholders.
Respectful	We are a community-based organisation with a ‘ one team ’ culture that embraces and encourages honesty .
Responsible	We aim to create the best possible future for everyone and strive to place sustainability at the heart of everything we do.
Relevant	We define success as continuous improvement and aim for excellence in our life-saving services and community projects.
Recognition	We value our relationships - with staff, supporters and the wider communities we serve - working together to achieve the best possible patient outcome.



GROUP TRUSTEE REPORT
For the year ended 31 March 2021

Strategic Overview

Midlands Air Ambulance Charity has been in operation since 1991, and has now responded to over 63,000 missions, making it one of the UK's longest established and busiest air ambulances.

We continue to invest in our operations and activities, in line with annual increase in demand for our helicopter-led pre-hospital service. Please refer to page 12 to find performance data relating to our air operations and critical care car missions.

Each year we set a business plan for the forthcoming financial year, as approved by the Board of Trustees. Performance against the business plan is monitored by the Senior Leader Team and reported to the Board of Trustees at each Board meeting.

Despite the challenges brought about by the pandemic, the organisation has made much progress against the key objectives contained with the 2020/2021 business plan, which are summarised below:

Objectives	Performance
To complete a full review of our clinical operational model and to continue to develop our patient care.	<ul style="list-style-type: none"> ✓ Approval of the development of a facility that will future proof operations via the provision of new Headquarters, airbase and centre of clinical training excellence. ✓ Model reviewed and new independent clinical provision identified for implementation during FY2021/22. ✓ Identified opportunities to enhance the care provided to patients. Examples include (i) Lucas devices - a mechanical chest compression device that helps lifesaving teams around the world deliver high-quality, consistent chest compressions to sudden cardiac arrest patients and (ii) portable high-performance blood and IV fluid warmers to enable blood transfusions.
To implement a MAAC social impact that puts the development, health and well-being of our people, including aircrew and staff as well as the wider community of volunteers, corporate partners, donors and supporters at the heart of everything we deliver.	<ul style="list-style-type: none"> ✓ An organisation is only as good as its people, as such continuous professional development is a central theme. 100% of staff, across both the clinical and non-clinical teams, undertook training activity, ranging from online courses to formal qualifications alongside participation in coaching and mentoring programmes. ✓ Volunteers are key to the Charity's success and during COVID-19, many turned to home-based support tactics. This ranged from hosting virtual talks/presentations; helping us raise money via virtual bucket collections and profiling the Charity within their online network. ✓ The Charity worked hard to support its vulnerable volunteers by undertaking welfare calls and checks, triaging issues with other community partners and providing those that needed help with essential food or medical supplies.

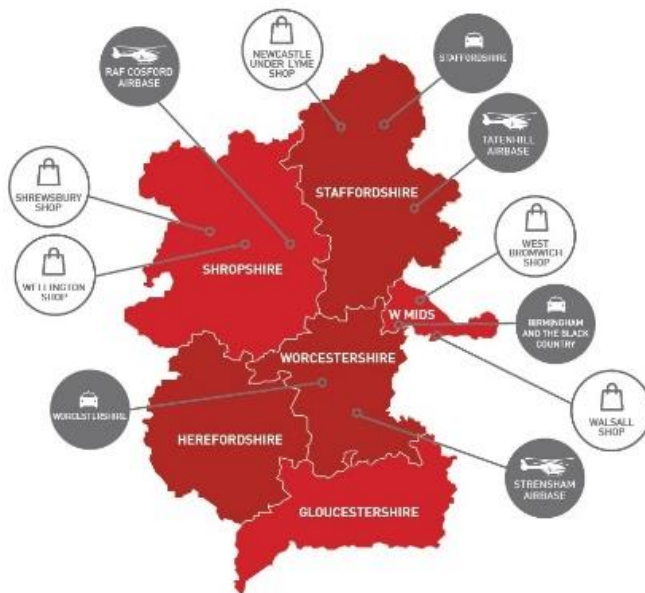


GROUP TRUSTEE REPORT
For the year ended 31 March 2021

	<ul style="list-style-type: none"> ✓ Health and well-being – the clinical team have implemented a programme called TRiM, a proactive peer group-led approach to supporting employees who are subject to post traumatic stress. ✓ The Charity has a dedicated health and well-being team who deliver an annual programme of activities as well as the provision of Mental Health First Aiders.
To develop our income streams embracing new technology and resources	<ul style="list-style-type: none"> ✓ The Charity has benefited from a loyal support base and seen committed giving income streams (the lottery and direct debits) holding strong over the last 12 months. Alongside this, the organisation has seen a surge of 90% new online supporters via social media channels. ✓ The online environment has been essential during COVID-19, this will continue as we ease out of lockdown. The value of online donations via the Charity website increased by nearly 50%. Additionally, approximately 40% uplift was provided from third party online sources, such as Just giving, Virgin Money etc.
Ensure compliance in all areas of governance across the organisation.	<ul style="list-style-type: none"> ✓ An internal governance programme has been established to support with compliance, quality, equality and diversity. ✓ CRM system has been implemented, which will support with UK GDPR compliance, whilst also enabling enhanced donor care capabilities. ✓ VAT arrangements have been implemented to ensure compliance and reduce liabilities where possible.
Futureproofing and amplifying the MAAC brand.	<ul style="list-style-type: none"> ✓ As part of implementing the fundraising and marketing strategy, the team has focused on amplifying the Charity brand profile, which has been essential to enable donations and support during the pandemic. ✓ A comprehensive and inclusive year long programme has been established to maximise the Charity's 30th Birthday, which will provide an opportunity to reflect on past achievements, whilst also looking forward to the next 30 years and future aspirations.

GROUP TRUSTEE REPORT For the year ended 31 March 2021

Operational environment



We work in partnership with two Ambulance Service Trusts who play a vital role in reviewing 999 calls, identifying cases where our services can help and tasking our teams with lifesaving missions.

These teams ensure we are dispatched to the most appropriate missions – those where we can make a significant difference. These are notably serious trauma cases or time critical medical emergencies within our operating patch, and cross border when required.

Our health partners include: (i) *West Midlands Ambulance Service NHS Foundation Trust (WMAS)* is our key health partner across Herefordshire, Shropshire, Staffordshire, the West Midlands and Worcestershire. Our clinical staff are provided to us through secondment arrangements with WMAS and (ii) *South Western Ambulance Service NHS Foundation Trust (SWASFT)* tasks us in Gloucestershire region.

Clinical model

Our staff are not only provided with critical care training and helicopter emergency medical services (HEMS) training; they receive and practice up to date training on new procedures and clinical equipment throughout their placement with us. The provision of services we can provide is continuously updating and improving, furthering patient care. Our service is provided utilising WMAS clinical policies and procedures. Our operations are within WMAS' Care Quality Commission registration.

Aviation model

Babcock Mission Critical Services (BMSC) has been an intrinsic part of our operations since 1991. As our aviation partner, they provide our Aircraft Operators Certification (AOC) and the specialist delivery team - the pilots and engineers - promote safety and excellence across everything we do. The Charity currently owns one H145, one E135, and lease a further E135 from BMSC.

Income generation model

The funding for our service is received from individuals, corporate partners and grants. The current economic environment, encompassing austerity, inflation and uncertainty due to Brexit and COVID-19 will put strain on individuals' finances as well as corporations' profitability. Against this backdrop of potential reduced income generation in the future, the costs of operating our services are forecast to increase (i.e., inflation, wage increases, fuel price increases). Furthermore, it is imperative that we evolve and develop our service by purchasing new medical equipment. MAAC will monitor these factors in the forthcoming financial year, as well as its financial position and strength, to ensure it can continue to provide its charitable activities in the short, medium and long-term.

GROUP TRUSTEE REPORT For the year ended 31 March 2021

Clinical operational performance 2020-21

Analysis of clinical performance - an unprecedented year

During the first wave of the pandemic, as part of our collaborative approach, we joined the regional emergency response team to deliver a coordinated fight against COVID-19. We gave on the ground support to the NHS and West Midlands Ambulance Service (WMAS) by providing our clinical resources and skills.

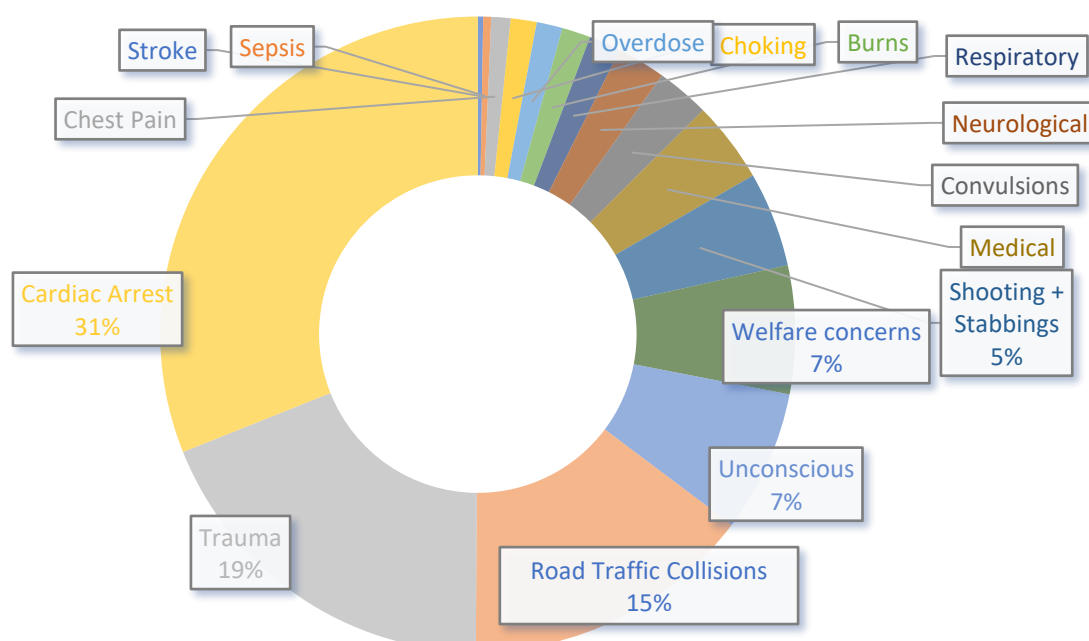
As the nation was told to stay at home during three lockdown periods, demand for our highly skilled clinicians did not falter. Our doctors and critical care paramedics are skilled to provide the very best specialist care in the pre-hospital environment. So, while they did not need to adapt their clinical skillset to meet patients' needs during this pandemic, the team had to quickly incorporate new ways of working. For example, undertaking missions in level three PPE, which includes loud breathing apparatus, making working conditions much more challenging, but these were necessary measures to keep patients safe. Enhanced deep cleaning procedures were introduced in light of the pandemic and have become working practice to protect both patients and staff.

The impact of the pandemic is demonstrated by these figures, with key factors such as the redeployment of clinicians during the first wave and increased operational processes (see above) has impacted on outputs by -8%. The critical care paramedics and pre-hospital emergency medicine doctors undertook an average of 12 incidents daily during the financial year, bringing advanced skillsets, medicine and equipment to the incident scene.

Lifesaving service

Our clinical teams administered advanced clinical interventions and medicines to 4,390 patients across both air and land, via our fleet of helicopter ambulances and critical care cars. The missions attended are shown below.

Mission types by air and land, April 2020 – March 2021

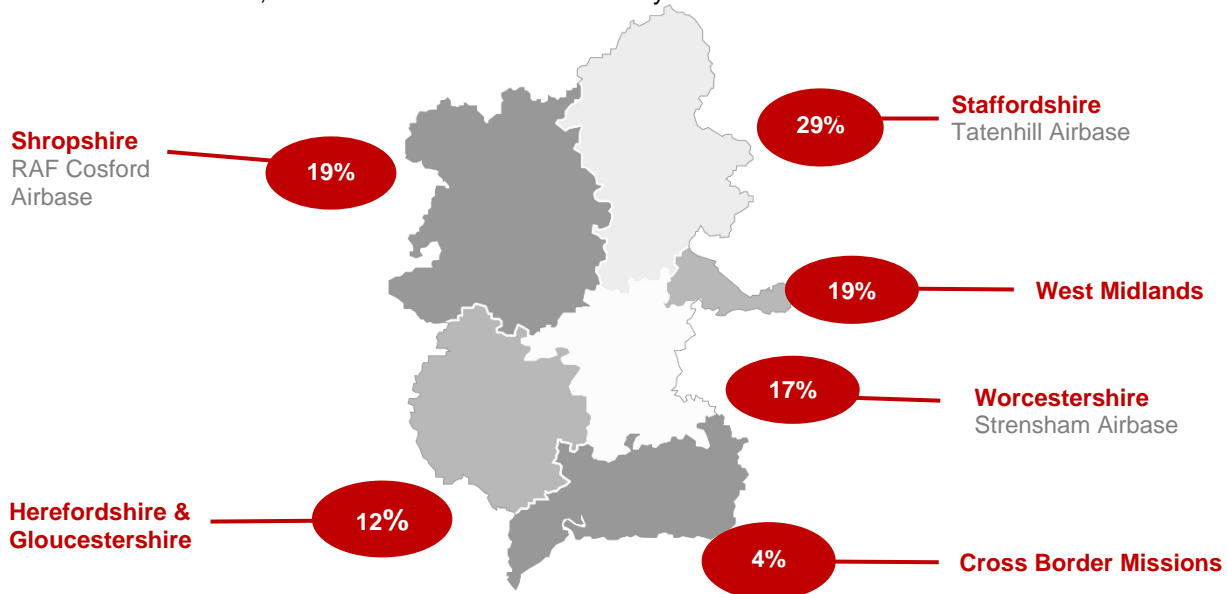


GROUP TRUSTEE REPORT For the year ended 31 March 2021

Air operations missions

Each of our three aircraft carries a crew of three: a pilot and two specialist paramedics or a single critical care paramedic and flight doctor. The helicopters are fitted with full life-support medical equipment and medicines.

Operating from strategically located regional air bases, the maximum flying time to the most appropriate hospital for a patient's needs is less than 15 minutes. Across our three air bases, advanced critical care clinicians attended 1,859 missions cross the six-county area:



Critical care cars operations

We operate two critical care cars, based in Birmingham and the Black Country and Worcestershire, (a full year costs within the heading 'charitable activity costs' when comparing year on year) with a new car shortly being launched in Staffordshire. The specialist paramedics on-board have the same lifesaving skillset and equipment as those on the helicopters. The vehicles were dispatched to 2,531 medical emergencies such as cardiac arrests, heart attacks, strokes and respiratory issues.





GROUP TRUSTEE REPORT For the year ended 31 March 2021

Raising lifesaving funds

Our Fundraising Standards and Promise

Every year we work hard to raise vital funds for our £10 million lifesaving operations. Our staff, suppliers and volunteers tirelessly work within the six-regions we serve to raise income. Below is a summary of how we work towards achieving this with industry partners:

- We are an active member of *The Chartered Institute of Fundraising*
- We are registered with the *Fundraising Regulator*, which is the independent regulator of charitable fundraising in England, Wales and Northern Ireland who advocate best practice for the sector.
- We strive to ensure that our fundraising adheres to Data Protection legislation as set out by the *Information Commissioners Office*, key Charity Commission guidance and the Code of Fundraising Practice.
- As stated in *Our Donor Promise*, our approach to fundraising is based on the principles of responsibility, transparency and honesty. Please refer to our website for more details - www.midlandsairambulance.com/legal/donor-promise

The following page provide a summary overview of how we raise funds and control costs. In depth details regarding our main income streams are included within note 2 on page 43.

Where appropriate, we work in partnership with reputable professional fundraisers and commercial participators to raise funds - with robust written agreements and monitoring programmes in place, and in line with our Ethical Fundraising Policy.

Important sources of sustainable income, in particular the lottery and committed giving, are delivered in partnership. Arrangements for these are outlined below:

- *Our Lifesaving Lottery* - we are a Gambling Commission licenced operator and a member of the Lotteries Council, adhering to a strict set of codes and conditions of practice, including social responsibility and the protection of vulnerable people. Our Charity's lottery is managed under contract with an external lottery company, Tower Lotteries, who is licensed by the Gambling Commission as an External Lottery Manager.
- *Sustainable regular giving income* - our Charity outsources some telephone fundraising to an external telephone agency, Unity4, which works to The Chartered Institute of Fundraising's Public Fundraising Certification Programme. This activity enables committed giving, such as donations provided via direct debits, which helps the Charity with achieving much needed longer-term financial support.

All canvassers working on our behalf are committed to abiding by the guidelines laid out within Our Canvassing Code of Practice (published on our website).

We work in partnership with a range of commercial participators who generously donate to our Charity while selling their goods or services. For example, donating a percentage of every product sold – all of whom are detailed on our website: www.midlandsairambulance.com/supporterbenefts



GROUP TRUSTEE REPORT For the year ended 31 March 2021

FINANCIAL YEAR 2020/21 – FUNSRAISING PERFORMANCE

Throughout the pandemic the Charity proactively pursued every opportunity to raise funds, during an ever-changing environment where, for long periods, key income sources significantly reduced, and in some cases, temporarily ceased.

Charity shops; person-to-person fundraising activity; and community and corporate events were all adversely affected by the necessary restrictions introduced by the government to contain the virus. Instead, the team executed alternative fundraising methods, focusing largely on online activity.

The impact of COVID-19 was largely felt in the reduction of one-off donations from individuals, community groups and corporate entities, where funding was down by approximately 36%.

Despite these challenges the organisation still achieved over 95% of its income via fundraising tactics, which resulted in an unrestricted surplus before unrealised gains on investments of £3,247,000 - a prospect which seemed remote during many points of the year.

The surplus will help futureproof the Charity. It will support its governance principle of retaining 12-18 months of operating costs, ensuring business continuity of our lifesaving service. Refer to page 23 to find out more regarding our reserves policy.

The favourable end of year position was delivered by proactively focusing on:

- maintaining and growing income from sustainable sources, such as the lottery and direct debits. The Charity is incredibly grateful for committed giving, as it provides certainty, facilitating medium- and long-term planning.
- funding from grant giving bodies and trusts sources. Successes include Local Restriction Support Grants, Air Ambulances UK and other bodies. Grants linked to the pandemic provided approximately £590,000 of additional income.
- effective and efficient legacy administration. This resulted in a large proportion of income being realised in the final quarter, as the external probate process was impacted by the pandemic.

Our results illustrate the value of the Charity within the region and the strength of our lifesaving brand. Coupled with this, it is testament to the resilience of our dedicated workforce, fundraisers and loyal supporters, who have collectively worked hard to raise vital funds for missions. Despite this positive position, we are pragmatic and understand that communities and businesses across the Midlands will feel the economic impact of the pandemic for some time to come, therefore we remain cautiously optimistic about the future and the forthcoming financial year.



GROUP TRUSTEE REPORT For the year ended 31 March 2021

Future plans - 2021 and beyond

As the Charity's strategic plan (2017 to 2022) is in the final year of completion, over the forthcoming financial year the organisation will work collectively to establish a new high level road map to drive forward both clinical and non-clinical operations for the next three to five years.

The key themes within the FY 2021/22 business plan, set out below, have been established to deliver upon the final year of the current strategic plan.

Business plan FY 2021/22

Future proofing

The first theme focuses on two key projects which will build long term organisational resilience and sustainability:

- (i) The Group MAAC/MAATL Strategic Plan - incremental 5-year rolling organisational strategy.
- (ii) Airbase Headquarters (ABHQ) - construction and implementation.

Continuous Improvement

This theme supports with medium and nearer term developments of the organisation. Ensures continuous development across the organisation's clinical and non-clinical service areas to evolve and optimise delivery.

70% of objectives focus on the Charity's clinical provision, with items ranging from strategic development exercises to the implementation of tactical assets. These developments will enhance service provision immediately, improving patient outcomes and mission capabilities.

The remaining 30% are linked to wider business improvement plans and developing processes which will optimise performance and ensure compliance.

Optimising income generation

The third theme centres on income generation of circa. £10 million p.a, across the Group, in order to raise vital funds for core service delivery.

This activity is aligned to the organisation's Fundraising and Marketing Strategy. It focuses on maximising all income generation opportunities, ranging from responding to current turbulent external environmental factors brought about by the ongoing pandemic, alongside developing strategic projects that look beyond the current position into the medium and long-term future.

One-team

The final theme is based on the Group ethos of 'one team' – it centres on 'our people power' – by placing our people at the heart of our organisational development. Focusing on our collective of clinical and non-clinical staff, volunteers and trustees. Activity aims to support people, develop skills and capabilities, whilst recognising the hard work of the team.

GROUP TRUSTEE REPORT For the year ended 31 March 2021

Looking to the future – our new Airbase and Headquarters

As a pre-hospital emergency service, the provision of advanced patient care is at the heart of everything we do, and every strategic decision we make. To help future-proof the service for decades to come, the organisation is developing a purpose-built airbase and charity headquarters on the Shropshire / Staffordshire boarder, which will benefit patients across the whole of the Midlands.

Featured within the Charity's strategic plan, the project started in 2017. Early work involved a site selection process, which reviewed over 500 potential locations, and concluded that Neachley Lane in Cosford, Shropshire, was the preferred site. A full planning application was submitted in late October 2020, following an extensive public consultation programme with local residents and businesses.

Shropshire Council approved the Charity's planning application in late January 2021 via delegated decision. The lead planning officer, Richard Fortune, said: *"There is substantial public benefit from the provision of this service and the case presented amounts to very special circumstances sufficient to justify this proposal."*

As part of the organisation's commitment to continuous improvement, the new facility will feature a state-of-the-art clinical training facilities, complete with simulation suite. This will be fundamental to delivering the advanced training programmes required for our clinicians. This will ensure the critical care team are equipped to treat the increasingly complex patient cases and will enhance our daily lifesaving service.

Construction started on site in spring 2021, the final project is expected to be completed in late 2022. The new facility will complement the Charity's existing air ambulance-led service across the six Midlands counties.





GROUP TRUSTEE REPORT
For the year ended 31 March 2021

Principal risks and uncertainties

The organisation operates a comprehensive risk management process, in order to manage and mitigate risk including:

- MAAC's Risk Register
- Risk Management Policy
- Statement of Internal Control
- Quality Management System
- Risk assessments.

The Charity's Audit and Risk Committee has responsibility for ensuring an effective risk management process is in place, annually reviewing and approving the Risk Management Strategy. Risks are regularly reviewed and managed by the appropriate Committee and / or Trading subsidiary Board, and all significant risks are reported and reviewed at each Board of Trustee meeting where management and mitigation measures are discussed and agreed. During the year MAAC appointed a Head of Governance, Compliance and Risk to further strengthen these processes.

As for many organisations, the principal risks and uncertainties faced by MAAC across the year were due to the impact of the Covid-19 pandemic – which has created significant additional risks and exacerbated the likelihood and impact of existing risks (as described below).

Principle risks across the year

Risk	Action taken
Cancellation of fundraising initiatives (e.g., events, training, canvassing and collections) because of the Covid-19 pandemic, resulting in loss of income, engagement and profile.	<ul style="list-style-type: none"> – Increased emphasis on virtual/ online delivery. – Agile forward event plan that can be adapted between virtual and face-to-face. – Future event delivery plans adapted to ensure social distancing measures are incorporated (based on government advice at the time). – "Futureproofing" within Fundraising and Marketing Strategy.
Significant decline or loss in major revenue streams.	<ul style="list-style-type: none"> – Key income streams (e.g., legacy and regular giving) are monitored regularly and proactively managed. – Diversification of income streams. – Expenditure reduction efforts. – Accessing COVID-19 related funding from Government and other sources.



GROUP TRUSTEE REPORT
For the year ended 31 March 2021

<p>Trading subsidiary unable to cover costs due to insufficient profit, resulting in financial support from the parent charity.</p>	<ul style="list-style-type: none"> – Ongoing work to minimise charity shop costs through negotiating lower rent with landlords; negotiating payment holidays with suppliers; and applying for business-rate relief. – Alternative income sought via grant applications. Wages claimed via the Coronavirus Job Retention Scheme for staff placed on furlough. – Proactive management and review of the trading subsidiary's budget and cash-flow. – Full due diligence with regards to the inter-company loan from the parent charity to trading subsidiary (in line with Charity Commission Coronavirus guidance for the charity sector and support to trading subsidiaries).
<p>Failure to attract, recruit and retain the required number of volunteers, impairing MAAC's ability to provide desired levels of service (e.g., reduced charity shop operations).</p>	<ul style="list-style-type: none"> – Volunteer 'Keeping-in-touch' programme across lockdown to ensure volunteers felt supported, in addition to business-as-usual communications, meetings and recognition events. – Volunteer recruitment plan (including targeting new volunteer segments). – Annual Volunteer Survey and continuous improvement based on feedback. – Investors in Volunteers accreditation. – Alternative volunteer methods being explored e.g., implementing "Virtual Volunteer". – Developing the Volunteer Strategy in line with strategy planning process. – MAAC values embedded across all areas of the organisation.

Due to the mitigating actions taken by the Board of Trustees, Senior Leadership Team, and wider team (staff and volunteers), MAAC has demonstrated great resilience across the year - ensuring service continuity and financial sustainability, including achieving a surplus position, rather than the deficit that many other charities face.

However, with the continued impact of Covid-19 and Brexit, we are very mindful of the ongoing economic uncertainty and income-generation challenges. We continue to work to implement new approaches and strategies to mitigate against these risks and ensure ongoing resilience and sustainability.



GROUP TRUSTEE REPORT For the year ended 31 March 2021

Our people

Staff

We are proud to report that the organisation not only retained its Investors in People accreditation but moved from Bronze to Silver - which only 15 per cent of organisations achieve. The process highlighted that employees of the Charity were overwhelmingly positive, with the assessor's report noting a clear passion, enthusiasm and pride for working for the lifesaving service. The accrediting body also commended the various community outreach programmes that the Charity has undertaken to support with health and disease education.

For 2021/22, our HR function will focus on developing a reward and recognition framework, as well as further enhancing our staff welfare initiative. Several additional staff posts have been identified as required to better enable MAAC to facilitate its core objective, all of which are included within the new financial year's budget. The professional development of staff will continue to be embedded into MAAC's values.

Volunteers

Our family of volunteers are just that, a family, and without them we simply could not operate as they play a pivotal role in helping to raise awareness, and subsequently funding our lifesaving service.

As part of our commitment to community engagement, we hold quarterly meetings, where volunteers have an opportunity to meet other supporters, staff and trustees. Usually this would be in person, however during the pandemic we held virtual meetings, and for those unable to join us online, we had a programme of phone calls and newsletter updates. Vulnerable volunteers were given extra support via a programme of welfare calls and checks, where we triaged issues working with other community partners, providing those that need help with food or medical supplies.

Our annual survey for volunteers, enables feedback from this important group. When asked '*do you feel MAAC cares about and appreciates its volunteers?*' Positive feedback was received - 82% said they '*feel completely, 100% cared about*', with an additional 12% selecting the second highest option, expressing that they '*feel very cared about*'.

Looking to the new financial year, during 2021/22 we will be dedicated to retaining our Investors in Volunteers quality standard. Alongside this, we are hoping that government guidelines will allow us to offer the full range of volunteer opportunities, outside the virtual volunteering which has taken precedent for the last 12 months, these include:

- working in our charity shops
- speaking at events promoting the Charity's work
- the deployment of our community enabled lit landing sites
- supporting the Charity office staff with expertise and support
- helping to deliver our Charity managed and community events



GROUP TRUSTEE REPORT
For the year ended 31 March 2021

Financial performance review

Our aim each year is to raise sufficient income to cover all expenditure, as well as generate additional monies in order to be able to invest in larger projects for the future, as well as to purchase new medical equipment to support our daily missions.

None of our income streams are guaranteed; we rely on donations from the public, corporate partners and grants from awarding bodies. This position could not be achieved without the fantastic contributions of both funds and time made by our supporters, volunteers and corporate partners. A summary of our income by core stream for the FY 2020-21 is as follows:

Income stream	Description	%
Lottery	Weekly lottery draw, £1 per play	36.2
In memoriam and legacies	Gifts in wills and donations in memory of a loved one	34.8
Donations and fundraising events	Cash donations from public, fundraising events held, including monthly amounts received via direct debit or standing order	12.0
Grants	Restricted and unrestricted funds received from grant making trusts and other bodies	7.4
Other	Other income, including investment income	7.0
Corporate partners	Donations and sponsorship from regional companies	2.2
Charity shops	Income from sale of donated goods through our regional charity shops	0.4
Total		100

The Impact of COVID-19

The pandemic (COVID-19) presented unprecedented challenges across every business sector and it impacted MAAC during the entire financial year. During this period, our key areas of focus included (i) continuity of our clinical service; (ii) maintaining sustainable income sources and (iii) online activity and engagement.

Despite the intense pressure of the situation, and throughout three national lockdowns, our clinical and non-clinical staff continued to work incredibly hard, showing loyalty and commitment. The fundraising teams aimed to extend support with key stakeholder and supporter groups, including our corporate partners and volunteers.

Whilst our strategic work has continued, the major implications for the financial year was two-fold (i) the temporary closure of Midlands Air Ambulance Trading Ltd.'s retail function and (ii) the suspension of all person-to-person community engagement activity. During this time, we accessed both the Job Retention Scheme and Local Restriction Support Grants for the Group.

During 2020/2021 several additional Extraordinary Board and Committee Meetings were held, which



GROUP TRUSTEE REPORT For the year ended 31 March 2021

enabled the Senior Leadership Team (SLT) and Trustees to consider the longer-term impact of COVID-19. Actions to mitigate risk focused on iterative planning processes included monthly evaluation of the risk register, alongside financial reviews, which resulted in agile management and re-forecasting of budgets.

Our investment valuation at the end of the financial year has returned to above pre COVID-19 levels. Due to our strong brand our income throughout the year for both lottery and regular giving continued to hold strong. The work that has been started this year will continue into the financial year 2021/22 and both the Charity and the trading company will emerge as a stronger, more resilient entity to achieve our mission.

Investment powers and policy

The Articles of Association of the Charity provide the Trustees with the power to: 'deposit or invest the Charity's funds in any manner as may be thought fit, but only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the sustainability of investments and the need for diversification.' In addition, the Articles support the delegation of the management of investments to a financial expert.

Trustees recognise that they have a duty to protect the Charity's funds and to ensure that investments are balanced and protected. They have put in place an investment policy, which sets the framework in which investments are made and managed within the Charity. In setting the policy, Trustees consider ethical matters and risk.

When investment decisions are made the timing of the planned use for the reserves is considered, and investments are made to ensure that funds are available when required.

Pay policy

The pay of all charity staff, including the Senior Leadership Team, is reviewed annually by the Human Resources and Remuneration Committee, who make recommendations to the Board of Trustees for approval. Due to the pandemic, the Charity did not undertake its Annual Employee Pay Review process which usually considers inflation, salary benchmarking and the organisation's financial performance. For the next financial year, a salary benchmarking project is being activated, which will also consider remuneration alongside the wider employee benefits package.

Taxation

As a registered charity, we have charitable status with HMRC. The trading subsidiary does not have charitable status for corporation tax purposes and is registered for VAT. From 1 April 2015 air ambulance charities have been eligible for partial recovery of the VAT incurred on expenditure under Section 33 of VAT Notice 1001.



GROUP TRUSTEE REPORT For the year ended 31 March 2021

Reserves Policy

The Trustees have established a reserves policy which is reviewed annually by the Audit and Risk Committee and approved by the Board. The Policy is intended to ensure the Charity can continue to accomplish its aims and to make certain that sufficient funds are held to fund capital projects, such as building enhancements, acquisition of a new helicopter or the purchase of rapid response vehicles.

At the year-end, total Group reserves stood at £43,399,000 (2020: £37,677,000). Of this amount, £25,059,000 (2020: £21,516,000) can only be realised by disposing of tangible fixed assets and the investment portfolio, which leaves the free reserves of the Group at £18,340,000 (2020: £16,161,000).

Reserves are categorised into three main headings:

Restricted reserves - are held where funds have been received by the Charity for a specific purpose. These funds are ring-fenced and held in restricted reserves until the intended expenditure has been incurred. Restricted reserves at the end of the reporting period were £170,000 (2020: £51,000).

Designated reserves - are allocated to fund projects and initiatives agreed by the Trustees. Total designated reserves at the end of the financial year were £25,968,000 (2020: £15,952,000). In prudently planning the Trustees will endeavour to set aside designated funds to acquire assets and equipment to ensure that the Charity continues to provide the most efficient and effective service possible.

Unrestricted reserves - are those reserves which are neither restricted nor designated. This type of reserve is held in part to provide a cash safety buffer. Should the Charity's income fall, the reserve will enable us to maintain the core service we provide to our communities, whilst allowing sufficient time for us to develop alternative sources of funding or to revise planned expenditure. The level of unrestricted reserves held is calculated using a risk-based approach, which broadly equates to between twelve- and eighteen-months operating costs. In addition, as we are also committed to ensuring our services are available for future generations, unrestricted reserves are used for the accumulation of funds towards the costs of significant future developments and capital purchases. Total unrestricted reserves at the end of the reporting period were £17,261,000 (2020: £21,674,000), of which £10,300,000 (2020: £10,135,000) is set aside to cover future expenditure in the event that there is a fall in income, which equates to approximately twelve months total expenditure.



GROUP TRUSTEE REPORT For the year ended 31 March 2021

Structure and governance

Quality Assurance and Standards

As part of our commitment to quality management and continuous improvement, the organisation has been awarded the following accreditations.

- Investors in People (Silver Level)
- The Governance Forum's Governance Framework quality mark.
- Investors in Volunteers
- NCVO's Trusted Charity quality standard (Level 2)

Alongside this, the organisation has been recognised in the following industry awards – The Asian Chamber of Commerce; The Black Country Chamber of Commerce; Pride of Birmingham; and Birmingham Post Business Awards.

Key management personnel

The senior leadership team comprises the key management personnel of the Charity in charge of directing, controlling, running, and operating the Charity on a day-to-day basis. The senior leadership team comprises:

Senior Leadership Team	
Hanna Sebright	Chief Executive Officer
Emma Gray	Chief Operating Officer
Karen Kingham	Finance Director
Ian Roberts (<i>WMAS secondee</i>)	Air Operations Manager Resigned 08/01/21
Ian Jones (<i>WMAS secondee</i>)	Air Operations Manager Appointed 08/01/21

Information on Senior Leadership Team staff costs are included within note 10 to the Financial Statements on page 48.

Administration and finance

The charitable purpose, and fundraising to support that activity, is always at the forefront of our minds, but we also strive to ensure that we keep our administrative and financial systems and processes fit for purpose and cost effective.

The Charity has invested in a new customer relationship management (CRM) system to improve quality of information that the organisation retains, alongside enhancing our contact capabilities and stewardship with donors and supporters.



GROUP TRUSTEE REPORT For the year ended 31 March 2021

The Group works hard to ensure that it remains compliant with the General Data Protection Regulation (GDPR). To achieve this, we continually train our staff in areas such as customer service and data protection, and we recognise their achievements and successes in staff awards for which nominations and voting is undertaken by fellow staff members.

Our aim is to keep our administration and finance costs at less than 12 per cent of the income received, and we are pleased to be able to record that for this financial year we spent only 9.18 per cent of our income on support and governance costs.

Complaints and Feedback

We take complaints very seriously and treat them as an opportunity to improve, as part of our continuous improvement ethos. Our Compliments and Complaints policy is published on our website, ensuring that there is a well-publicised and transparent process for making and handling a complaint.

Complaints received	April 1st, 2020 to March 31st, 2021
2019 - 2020	121
2020 - 2021	40 – a 67% decrease compared to the previous year.
Key areas of feedback and context e.g., number of complaints v's interactions: <ul style="list-style-type: none"> <i>Lottery</i> – 3 formal complaints following contact with 9,905 players, delivering a negative response rate of 0.03% from this activity. <i>Mailings</i> – 35 people provided negative feedback following a mailing which focused on supporting the Charity with gifts in wills. This resulted in an unfavourable response rate of 0.03%. It should be noted that this activity produced significant positive outcomes including increase in gift in wills and donations. 	

Our Group Structure

Midlands Air Ambulance Charity is a charitable company - registered in England and Wales as a charity with the Charity Commission and with Companies House as a private company limited by guarantee.

Midlands Air Ambulance Charity (MAAC) has one wholly owned trading subsidiary, Midlands Air Ambulance Trading Ltd (MAATL), which is registered with Companies House as a private limited company and whose portfolio includes MAAC's charity shops and other areas of income generation, such as merchandise. MAATL gift aids back its profits to the parent charity MAAC to help fund MAAC's helicopter-led emergency medical services.

MAAC operates from its headquarters, three helicopter bases and five High Street shops. The organisation's work with the following key delivery partners (more details can be found on page 11):



GROUP TRUSTEE REPORT For the year ended 31 March 2021

- West Midlands Ambulance Service University NHS Foundation Trust (WMAS), which currently provides the clinical governance and clinical workforce for the Charity's Helicopter Emergency Medical Services under the terms of a Partnership Agreement.
- MAAC outsources helicopter operations to Babcock Mission Critical Services (with MAAC owning two of its helicopters and leasing the third).

Our Governing Document and Charitable Objects

The organisation's Articles of Association clearly define the following charitable objects:

- To assist in relieving sickness by the operation of a helicopter led emergency medical service within the West Midlands, Shropshire, Staffordshire, Warwickshire, Hereford and Worcester, Gloucestershire and in such other areas as may be requested by appropriate authorities.
- and
- Such other charitable purposes for the relief of sickness, including clinical research and development, substitute clinical emergency services where the provision of Helicopter Emergency Medical Services (HEMS) is impracticable and such other activities consistent with the above object as the Trustees may in their absolute discretion determine.

The Articles provide for such matters as the:

- number of trustees/directors appointed.
- frequency in which trustee/director meetings are held, and how they are conducted.
- powers available to the trustees/directors in decision making.

In addition, the Trustees/Directors recognise that they have a duty and responsibility to comply with requirements and guidance issued by the Charity Commission. These include, but are not limited to:

- ensuring that the charitable Group complies with charity law, and prepares reports on what it has achieved, submission of annual returns and financial statements as required by law.
- ensuring that the charitable Group remains true to the charitable purpose and objectives set out in its governing document.
- complying with the requirements of other legislation, and any other regulators, which govern the activities of the charitable Group.
- acting with integrity and avoiding any personal conflicts of interest or misuse of charity funds or assets.
- ensuring that the Charity is, and will remain, solvent.
- using charitable funds and assets reasonably, and only in furtherance of the Charity's objects.
- avoiding undertaking activities that might place the Charity's funds, assets or reputation at undue risk.
- taking special care when investing the funds of the Charity or borrowing funds for the Charity to use.



GROUP TRUSTEE REPORT For the year ended 31 March 2021

Statement of trustee responsibilities

The Trustees are pleased to present their annual report together with the consolidated financial statements of the Charity and its subsidiary for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act 2006 purposes.

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

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

- select suitable accounting policies and apply them consistently.
- observe the methods and principles in the Charities SORP.
- 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.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board of Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit and it is satisfied that the Charity's activities do provide public benefit. MAAC's public benefit is demonstrated in page 7 and 12-13 of this report.



GROUP TRUSTEE REPORT For the year ended 31 March 2021

The Trustees and Directors

Our Board of Trustees are responsible for ensuring the organisation is effectively governed and run, and that it achieves its charitable purposes for the public benefit. The Trustee structure comprises of no less than seven trustees and no more than ten trustees.

The organisation has an annual governance programme which is based on guidance from the Charity Commission, the Fundraising Regulator and other key bodies, such as the UK Charity Governance Code. Each year a Board Effectiveness Review is undertaken.

As MAAC is both a registered charity and private company limited by guarantee (a charitable company), Trustees are also company Directors and therefore beholden to both charity and company law. MAAC's trading subsidiary, MAATL, has its own separate Board of Directors.

The two tables below list the Trustees / Directors, all of whom volunteer their time to bring valued experience to the Charity from a range of backgrounds and sectors:

Midlands Air Ambulance Charity - Board of Trustees / Directors	
R Pemberton	Chair of Board of Trustees
K Bailey	
G Dellenty	
R Douglas	
R Fulton	Resigned 18/03/2021
N Hooper	Appointed 18/01/2021
A Lennox	
E Marriott	
Dr V McVey	Appointed 03/12/2020
N Whale	Resigned 30/11/2020
W Saleem	

Midlands Air Ambulance Trading Ltd. - Board of Directors	
T Sehgal	Chair of Board of Directors
L Bagnall	
E Marriott	
H Sebright	

The Charity is committed to equality, diversity and inclusion, ensuring all components are reflected across all structures. The gender composition of the board is 7 male (78%), 2 female (22%). Our Annual Board of Trustee Skills Audit includes the diversity of trustees' backgrounds and perspectives to identify imbalances and gaps. Because of the complexity of our organisation, it is key that we achieve a balanced portfolio of skill sets in key areas, including but not limited to - medical/clinical; aviation; commercialisation; legal and HR. MAAC commits to annually reporting on the Board of Trustee composition and make-up, which is detailed below:



GROUP TRUSTEE REPORT For the year ended 31 March 2021

Appointment of Trustees

MAAC is committed to an open, transparent and fair appointment process for trustees. A Board Skills Audit is undertaken annually, and trustee vacancies are widely publicised to fulfil the specific skills needed. A Nominations Sub-Committee carries out the appointments process and makes recommendations to the Board, with candidates' appointments being based on the majority decision of the Trustees.

Appointments are made for a term of four years, and trustees may then be reappointed for a further term of four years. Once a trustee has served two terms consecutively, he/she may be reappointed for a further term of four years but only after he/she has ceased to act as a trustee for at least a year. The Board has discretion to appoint a trustee for a further consecutive term in appropriate circumstances. During the year, two new trustees were appointed to the Board – part of MAAC's Board Succession Planning, which aims to achieve the appropriate balance of skills, experience, backgrounds and knowledge needed for the Board to make informed decisions.

Trustee Induction and Development

A comprehensive induction programme is provided to all new trustees, which supports them in understanding their duties and responsibilities, gain an understanding of the factors affecting the Charity and its trading subsidiary, and to contribute fully to Board meetings. The induction programme includes a range of activities e.g., Trustee Welcome and Induction Pack (including key documents); meetings with the Senior Leadership Team and Operational Managers; site visits across all areas (charity, clinical and retail operations).

All trustees have an annual Individual Trustee Performance Review with the Board Chair, which includes discussion of any areas where a trustee needs further support, training or development. During the year, several MAAC trustees attended The Governance Forums' Effective Board Programme. The Board Chair also has an annual performance review (based on 360-degree feedback from the trustees).

Trustee indemnity insurance

The Charity holds Trustees and Director's indemnity insurance cover with a Limit of Liability of £1,000,000 (2020: £1,000,000), the cost is not separable from the total cost of insurance.

Related parties and related party transactions

Under charity accounting rules, charities are required to disclose transactions (for example, payments for services) with persons and entities closely connected to the Charity or its trustees. As part of monitoring such transactions, MAAC ensures a Register of Interests is maintained (as per MAAC's Conflicts of Interest Policy). MAAC Trustees are required to declare conflicts of interest, both at the beginning of each Board or Committee meeting and within their Declaration of Interest form (completed annually and when conflicts of interest change). At the close of each financial year, trustees are also required to complete a Related Party Transaction Form.

MAAC Trustees give their time freely as volunteers and receive no remuneration or other benefits from the Charity for their work. MAAC's related party transaction disclosure is as follows:



GROUP TRUSTEE REPORT
For the year ended 31 March 2021

- Details of Trustee expenses (£0) are disclosed in note 11 to the Financial Statements.
- MAAC Trustees reported no related party transactions for this reporting period.
- Details of other related party transactions are disclosed in note 22 to the Financial Statements.

Our Decision-Making Structure (including Committees)

As recommended by the Charity Governance Code, the Board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

MAAC's Scheme of Delegation clearly sets out matters specifically reserved for the Board, matters delegated to Board Committees and matters delegated to the Senior Leadership Team. MAAC's Scheme of Delegation makes clear that the Board's focus is on strategy, performance and assurance (not operational day-to-day matters), with the Board retaining legal responsibility and oversight where aspects are delegated to committees, advisors, staff, volunteers or contractors.

The Board of Trustees currently has three sub-committees and two working groups in place (with Terms of References adopted by each):

Committees	Working Groups
Audit and Risk	Airbase Headquarters Working Group - focused on the development of MAAC's new combined headquarters and airbase.
Human Resources and Remuneration	Clinical Provision Model Working Group - exploring future models of clinical provision.
Fundraising	

The Board delegate day-to-day management to the Chief Executive and the Senior Leadership Team. In all respects, this only relates to matters that are within the strategic plan, the business plan and budgets that have been approved by the Board.

Exemptions from disclosure

MAAC has taken no exemptions from disclosures.

Funds held as custodian trustee on behalf of others

There are no such funds held by the Charity or its subsidiary.



GROUP TRUSTEE REPORT
For the year ended 31 March 2021

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Group's auditor is unaware, and
- the Trustees, having made the enquiries of fellow directors and the Group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director to make themselves aware of any relevant audit information, and to establish that the auditor is aware of that information.

This report was approved by trustees on 29th July 2021 and is signed on their behalf by

Roger Pemberton
Chairman



INDEPENDENT AUDITOR'S REPORT

To the members and trustees of Midlands Air Ambulance Charity

Opinion

We have audited the financial statements of Midlands Air Ambulance Charity (the 'parent charity') and its subsidiary (the 'Group') for the year ended 31st March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31st March 2021 and of the Group's 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other



INDEPENDENT AUDITOR'S REPORT

To the members and trustees of Midlands Air Ambulance Charity

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Trustees.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity'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 27, 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 charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT

To the members and trustees of Midlands Air Ambulance Charity

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Group and the parent charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to employment regulation, fraud and non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, inappropriately shifting the timing and basis of revenue recognition, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the parent charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit report

This report is made solely to the Charity'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 Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest



INDEPENDENT AUDITOR'S REPORT

To the members and trustees of Midlands Air Ambulance Charity

extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Ian Holder

Ian Holder (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
First Floor
Two Chamberlain Square
Birmingham B3 3AX

Date: 2nd August 2021



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
including consolidated income and expenditure account
for the year ending 31 March 2021

	Note	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
Income:						
Donations and legacies	2	11,888	-	571	12,459	13,456
<i>Income from charitable activities:</i>						
Hospital transfers		4	-	-	4	5
<i>Income from other trading activities:</i>						
Trading activities	3	411	-	-	411	444
Fundraising events	4	51	-	-	51	187
Investment Income	5	508	-	-	508	494
Other Income		480	-	-	480	8
Total income		13,342	-	571	13,913	14,594
Expenditure						
<i>Costs of raising funds</i>						
Trading activities	3	404	-	-	404	438
Fundraising activities and events	4	2,363	-	7	2,370	2,974
Investment Management costs	5	39	-	-	39	25
<i>Expenditure on charitable activities</i>						
Aircraft and base costs	6	5,377	-	238	5,615	5,547
Patient care and support	6	2,106	-	132	2,238	1,895
Total expenditure		10,289	-	377	10,666	10,879
Net Gain/(Loss) on investments	15	2,475	-	-	2,475	(1,370)
Net income/(expenditure)		5,528	-	194	5,722	2,345
Transfers between funds		(9,941)	10,016	(75)	-	-
Net Movement in Funds		(4,413)	10,016	119	5,722	2,345
Reconciliation of funds						
Total funds brought forward		21,674	15,952	51	37,677	35,332
Total funds carried forward		17,261	25,968	170	43,399	37,677

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

Detailed comparative data for 2020 is included in Note 9.



CONSOLIDATED AND CHARITY BALANCE SHEETS as at 31 March 2021

	Note	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Fixed assets:					
Tangible assets	13	10,039	9,311	10,015	9,289
Intangible assets	14	1	6	1	6
Investments	15	15,019	12,199	15,019	12,199
Total Fixed Assets		25,059	21,516	25,035	21,494
Current assets:					
Stock		34	36	-	-
Debtors	16	1,542	2,277	1,738	2,404
Short term deposits		8,046	10,494	8,046	10,494
Cash at bank and in hand		10,029	4,589	9,871	4,503
Total Current Assets		19,651	17,396	19,655	17,401
Liabilities:					
Creditors falling due within one year	17	1,311	1,235	1,277	1,196
Net Current Assets		18,340	16,161	18,378	16,205
Total Assets less Current Liabilities		43,399	37,677	43,413	37,699
Creditors: amounts falling due after more than one year					
		-	-	-	-
Net Assets		43,399	37,677	43,413	37,699
The reserves of the Charity:					
Unrestricted reserves	19	17,261	21,674	17,275	21,696
Designated reserves	19	25,968	15,952	25,968	15,952
Restricted reserves	19	170	51	170	51
Total Charity Reserves		43,399	37,677	43,413	37,699

The Charity has prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The surplus generated by the Charity for the financial year was £5,715,000 (2020: £2,339,000).

The notes at pages 39 to 56 form part of these accounts.

The accounts were approved by Trustees on 29th July 2021 and are signed on their behalf by

Roger Pemberton, Chairman



CONSOLIDATED STATEMENT OF CASHFLOWS
for the year ending 31 March 2021

	Group 2021 £'000	Group 2020 £'000
Cash used in operating activities	4,372	4,161
Cash flows from investing activities		
Dividends and Interest from investments	123	95
Purchase of fixed assets	(1,503)	(51)
Decrease/(Increase) in short term deposits	2,448	(3,131)
Purchase of investments	-	(1,500)
Cash (used in) investing activities	1,068	(4,587)
Cash used in financing activities	-	-
Increase/(Decrease) in cash and cash equivalents in the year	5,440	(426)
Cash and cash equivalents at the beginning of the year	4,589	5,015
Total cash and cash equivalents at the end of the year	10,029	4,589

**RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM
OPERATING ACTIVITIES**

	Group 2021 £'000	Group 2020 £'000
Net income for the period	5,722	2,345
Depreciation and amortisation charges	780	815
Movement on investments	(2,475)	1,370
Dividends, and interest from investments	(468)	(469)
Decrease/(Increase) in stocks	2	(6)
Decrease/(Increase) in debtors	735	(542)
Increase in creditors	76	648
Net cash in from operating activities	4,372	4,161

ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2021 £'000	Group 2020 £'000
Cash in hand	10,029	4,589
Total cash and cash equivalents at the end of the year	10,029	4,589



NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. There were no material changes as a result of transition to the Charity SORP 2019 from 1 April 2019.

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

Use of estimates and judgements

When preparing the financial statements, the Trustees and management make a number of judgements, estimates and assumptions on the way in which assets, liabilities, income and expenditure is recognised and measured.

The loan to the trading company by the Charity has been recognised at the present value in recognition of the changes required by FRS 102. The loan has been issued on an interest free basis. The present value of this loan has been recognised based on an assumed interest rate of 0.1%, which represents the prevailing market rate of interest for similar loans.

Value Added Tax (VAT)

VAT receivable and recoverable by the Charity have now been separately identified within debtors and creditors, rather than being reported net. Group companies are not part of a VAT group.

Going concern

These accounts have been prepared on the basis that the Charity is a going concern. After considering the potential future impact of COVID-19, the Trustees consider that there are sufficient reserves to secure the future of the Charity for at least the next 12 to 18 months from the date of signing the accounts.

Basis of consolidation

These accounts consolidate those of the Charity and its wholly owned subsidiary Midlands Air Ambulance Trading Limited. These are adjusted, where necessary, to conform to group accounting policies. The individual results of the Trading Company are included in Note 3. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity have not been presented in accordance with the exemption afforded by section 408 of the Companies Act 2006. The Charity surplus before gains/losses on investments for 2021 was £3,240,000 (2020: £3,709,000). This is made up of Income £13,502,000 (2020: £14,150,000) and Expenditure £10,262,000 (2020: £10,441,000).

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity, which the Trustees have decided, at their discretion, to set aside to use for a specific purpose. Restricted funds are donations that the donor has specified are to be solely used for particular purposes or purchases.



NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies continued

Income

All income is reported gross when raised by the Charity or its agents. Any fee charged by a third party and deducted from the amount collected before it is remitted to the Charity is not offset against income but is reported as a fundraising expense.

Income is recognised in full within the Statement of Financial Activities as soon as the following three factors can be met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the Charity;
- Probability – it is more likely than not that the economic benefits associated with the transaction or gift will flow to the Charity;
- Measurement – the monetary value or amount of the income can be measured reliably, and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

a) Legacies

Legacies are included in the Statement of Financial Activities when all the criteria for income recognition have been met. In addition, where the entitlement and probability criteria have been met, but the monetary value is not completely certain, then if reliability can be placed on a partial receipt, that income also will be included in the Statement of Financial Activities.

b) Event income

Income received in advance of an event is deferred if the event takes place after the year-end, unless that income is non-refundable.

c) Gifts in kind

Assets donated to the Charity for its own use are included in the Statement of Financial Activities as incoming resources at the market value at the time of the gift.

Assets and gifts made for conversion into cash and subsequent application by the Charity are included in the accounting period in which the item/s are sold at the sale value.

d) Volunteers and supporters

The Charity benefits greatly from the involvement and enthusiastic support of its many volunteers and supporters, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

e) Grants

Due to the COVID-19 pandemic the Group claimed Coronavirus Job Retention Scheme and Local Restrictions Support Grants during the year. These grants, when receivable, are accounted for within other income. For the year to 31 March 2021 this was £338,437 (2020: nil).



NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies continued

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

a) Allocation of overhead and support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the Charity's air ambulance operations. These costs have been allocated between the cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

Costs of fundraising activities include the costs of supporting donors, volunteers, and all events, which bring in income to the Charity, as well as the costs of the Lottery, and events run by the Charity itself.

b) Operating leases

The Charity classifies the lease of premises and the helicopters as operating leases; as the title to the asset remains with the lessor. Rental charges are charged according to the terms of the agreement. Full details are provided in Note 18.

c) VAT recovery

Government changes in VAT legislation in April 2015, has enabled air ambulance charities to recover a proportion of the VAT suffered on costs, in accordance with Section 33 of VAT Notice 1001. Any irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Balance Sheet

The Balance Sheet reflects the resources available to the Charity, and identifies any restrictions placed on their use.

a) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and depreciated over their estimated useful economic lives on a straight-line basis.

Depreciation is charged in each main class of tangible asset as follows:

Leasehold property improvements	20% straight-line basis
Office equipment	20% straight line basis
Computers	20% straight-line basis
Motor vehicles	33% straight-line basis
Helicopters	5% straight-line basis
Assets in the course of Construction	Depreciation is only applied when assets are brought into use

b) Intangible assets

Intangible assets e.g. software is capitalised at cost and amortised as follows:

Software	20% straight-line basis
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NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies continued

c) Investments

Investment funds are stated at market value at the Balance Sheet date. The Statement of Financial Activities includes the net gain or loss during the financial year. Detailed analysis of the changes in investment value during the year is set out in Note 15. Investments in Group undertakings are stated at cost.

d) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

e) Stock

Stock is included at the lower of cost or net realisable value, on a first in, first out basis. Donated items of stock are recognised at fair value, which is the amount the Charity would have been willing to pay for the items on the open market.

f) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

g) Short term deposits

The Charity categorises short term deposits as those funds intended to be held in accounts for five years or less.

h) Creditors and provisions

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

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments, cash at bank and in hand, and short-term deposits which are held at fair value.

Financial assets held at amortised cost comprise trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital.

Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, accruals, and provisions.



NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by the Trustees in the application of these accounting policies may have significant effect on the financial statements and estimates with the potential for a significant risk of material adjustment in the next year.

The areas where these judgements and estimates have been made include the following for the Group:

a) Amortisation, depreciation and residual values

The Trustees have reviewed the asset lives and associated residual values of all tangible and intangible fixed asset classes and have concluded that the asset lives and residual values are appropriate.

b) Accrued income

Accrued income includes legacy income amounts. In recognising accrued legacy income, the Trustees have considered the probability of receiving each legacy. Each legacy is carefully assessed to determine an appropriate allowance which reflects the possibility of not subsequently receiving the full legacy income amounts that the Charity is aware of. The allowance is based on the circumstances behind each legacy and the probability of receiving the income.

2. Income from donations and legacies

	2021 £'000	2020 £'000
Donations	1,395	2,117
Lottery and regular giving	5,372	5,292
Legacies and in memorium	4,698	5,395
Grants	994	652
	12,459	13,456

Of the grant income received during the year £571,000 is restricted in its use (2020: £267,000). Further details of the grants received are set out in Note 19.



NOTES TO THE FINANCIAL STATEMENTS

3. Trading activities

The wholly owned trading subsidiary Midlands Air Ambulance Trading Company Limited is incorporated in the United Kingdom (company number 08256466) and pays profits, which are surplus to trading requirements, to the Charity under the gift aid scheme.

The trading company operates charity shops selling clothing, furniture etc., sells merchandise and generates recycling income. The summary financial performance of the subsidiary is:

	2021 £'000	2020 £'000
Statement of Comprehensive Income		
Turnover	411	444
Cost of sales	(18)	(26)
Gross profit	393	418
Administrative expenses	(386)	(412)
Operating profit/(loss)	7	6
Donation to Midlands Air Ambulance	-	-
Taxation	-	-
Retained profit/(loss)	7	6
	2021 £'000	2020 £'000
Balance Sheet		
Fixed assets	24	22
Current assets	213	161
Current liabilities	(138)	(157)
Liabilities > 1 year	(114)	(48)
Total net liabilities	(15)	(22)
Share capital and reserves	(15)	(22)



NOTES TO THE FINANCIAL STATEMENTS

4. Fundraising events and activities

The Charity raises its income through a range of activities and initiatives, which includes but is not limited to running its own events as identified below:

	2021 £'000	2020 £'000
Income from events		
Charity managed events	51	187
	51	187

The costs of generating all the funds, including those included in Note 2 to the accounts, for the year were:

	2021 £'000	2020 £'000
Costs of charity fundraising		
Fundraising events	12	207
Marketing	1,050	1,347
Fundraising services	362	284
General fundraising	946	1,136
	2,370	2,974

5. Investment income and fees

	2021 £'000	2020 £'000
Income		
Fixed asset investments	385	399
Interest on deposit accounts	123	95
	508	494
Costs		
Investment management costs	39	25
	39	25

The income and costs outlined above have been recognised in the Statement of Financial Activity in year. The fixed asset investment is held as a long-term investment. Its market value at the end of the accounting period is shown in the Balance Sheet, and the unrealised loss for the financial year has also been included on the Statement of Financial Activity. All of the Group's investment income is held in the UK.



NOTES TO THE FINANCIAL STATEMENTS

6. Charitable activities

	Aircraft & Airbase Costs £'000	Patient Welfare & Support £'000	2021 Total £'000	2020 Total £'000
Aircraft running costs	3,601		3,601	3,743
Aircraft and airbase equipment	270		270	80
Airbase running costs	95		95	184
Depreciation	736		736	761
Paramedic and clinical staff costs		1,783	1,783	1,323
Medical supplies and PPE		(17)	(17)	204
General Expenditure		20	20	24
Tasking costs		88	88	78
Support costs	860	343	1,203	980
Governance	53	21	74	65
Total	5,615	2,238	7,853	7,442

Expenditure on charitable activities was £7,853,000 (2020: £7,442,000) of which £7,476,000 was unrestricted (2020: £7,112,000) and £377,000 was restricted (2020: £354,000).

7. Analysis of governance and support costs

The Charity monitors expenditure on administration costs during the year against a KPI (Key Performance Indicator) set by the Board. At the year-end costs of the governance function are identified and are apportioned over the charitable activities. The basis of apportionment and the analysis of these costs are set out below.

	Aircraft & Airbase Costs £'000	Patient Welfare & Support £'000	2021 Total £'000	2020 Total £'000	Basis of Allocation
Governance	53	21	74	65	Time spent on Board matters
Business Support	860	343	1,203	980	Proportional to spend
Total	913	364	1,277	1,045	

8. Net income/(expenditure) for the year

This is stated after charging:	2021 £'000	2020 £'000
Operating leases	3,092	3,022
Depreciation of tangible fixed assets	775	815
Amortisation of intangible assets	5	5
Audit fees	13	13
Fees payable to the auditor for other services	1	1
Fees payable to the auditor for corporation tax compliance services	1	3



NOTES TO THE FINANCIAL STATEMENTS

9. Consolidated Statement of Financial Activities 2020

	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds 2020 £'000
Income:				
Donations and legacies	13,189	-	267	13,456
<i>Income from charitable activities:</i>				
Hospital transfers	5	-	-	5
<i>Income from other trading activities:</i>				
Trading activities	444	-	-	444
Fundraising events	187	-	-	187
Investment income	494	-	-	494
Other income	8	-	-	8
Total income	14,327	-	267	14,594
Expenditure				
<i>Costs of raising funds</i>				
Trading activities	438	-	-	438
Fundraising activities and events	2,950	-	24	2,974
Investment management costs	25	-	-	25
<i>Expenditure on charitable activities</i>				
Aircraft and base costs	5,350	-	197	5,547
Patient care and support	1,762	-	133	1,895
Total expenditure	10,525	-	354	10,879
Net gain/(loss) on investments	(1,370)	-	-	(1,370)
Net income/(expenditure) and net movement in funds for the year	2,432	-	(87)	2,345
Movement between funds	(4,296)	4,296	-	-
Net Movement in funds	(1,864)	4,296	(87)	2,345
Reconciliation of funds				
Total funds brought forward	23,538	11,656	138	35,332
Total funds carried forward	21,674	15,952	51	37,677



NOTES TO THE FINANCIAL STATEMENTS

10. Analysis of staff costs, and the cost of key management personnel

	2021	2020
	£'000	£'000
Salaries and wages	1,184	1,304
Social security costs	106	119
Employers costs of defined contribution pension scheme	38	41
Employers costs of defined benefit pension scheme	34	32
	1,362	1,496

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds. There are five members of staff who are members of the NHS Pension scheme, which is a defined benefit scheme. Contribution rates are set by the pension scheme. It is not possible to identify the Charity's share of the underlying assets or liabilities within the scheme.

The Charity offers all other employees the opportunity to join a defined contribution pension scheme. From March 2016 staff are auto enrolled, but each individual can subsequently choose to opt out, in accordance with the legislation. The Charity matches employee contributions to a maximum level which has been set and reviewed by the Trustees. In addition, the Charity maintains death in service insurance cover for staff.

The number of employees receiving benefits in excess of £60,000 for the period was as follows:

	2021	2020
	£'000	£'000
£60,000 to £70,000	-	1
£70,000 to £80,000	1	-
£110,000 to £120,000	1	1
	2	2

Contributions made in year to pension schemes for higher paid employees amounted to £19,809 (2020: £19,285).

The key management personnel comprise the Trustees, the Chief Executive Officer, Chief Operating Officer and Finance Director. The total employee benefits of the key management personnel for the year were £352,442 (2020: £358,300).

During the year there were six (2020: one) termination payments made which amounted to £20,977 (2020: £7,100).

The holiday year-end is coterminous with the financial year-end. Due to COVID-19 staff were able to carry forward any holiday that had not been taken at 31 March 2021 to the following year. Therefore, a provision of £23,139 (2020: £nil) has been made in the accounts.



NOTES TO THE FINANCIAL STATEMENTS

11. Trustee remuneration and expenses

The Charity Trustees were not paid or received any benefits from employment with the Charity or its subsidiary in the year (2020: £nil). Expenses amounting to £0 (2020: £1,008) were reimbursed to 0 (2020: 3) trustees during the year. No expenses were incurred due to COVID-19 where all meetings occurred online. No charity Trustees received payment for professional or other services supplied to the Charity (2020: £nil).

The Charity holds trustees and directors Indemnity insurance cover of £1,000,000 (2020: £1,000,000), but the cost is not separable from the total cost of insurance.

12. Staff numbers

The average monthly numbers of employees (including casual and part-time staff) during the year were as follows:

	2021 Number	2020 Number
Fundraising	24	23
Administration and HR	6	9
Finance	4	5
Trading	17	12
Average head count	51	49

13. Tangible fixed assets

Consolidated

	Aircraft	Land & Buildings	Equipment & Fittings	Computers	Vehicles	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost:							
As at 1 April 2020	10,938	793	805	77	375	-	12,988
Additions	-	-	2	24	76	1,401	1,503
As at 31 March 2021	10,938	793	807	101	451	1,401	14,491
Depreciation:							
As at 1 April 2020	2,087	735	518	43	294	-	3,677
Charge for the year	544	33	139	11	48	-	775
As at 31 March 2021	2,631	768	657	54	342	-	4,452
Net Book Value							
At 1 April 2020	8,851	58	287	34	81	-	9,311
At 31 March 2021	8,307	25	150	47	109	1,401	10,039

MIDLANDS AIR AMBULANCE CHARITY



REPORT OF THE TRUSTEES For the year ended 31 March 2021

13. Tangible fixed assets continued

Charity

	Aircraft	Land & Buildings	Equipment & Fittings	Computers	Vehicles	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost:							
As at 1 April 2020	10,938	793	744	65	375	-	12,915
Additions	-	-	-	13	76	1,401	1,490
As at 31 March 2021	10,938	793	744	78	451	1,401	14,405
Depreciation:							
As at 1 April 2020	2,086	735	473	39	293	-	3,626
Charge for the year	544	33	131	8	48	-	764
As at 31 March 2021	2,630	768	604	47	341	-	4,390
Net Book Value							
At 1 April 2020	8,852	58	271	26	82	-	9,289
At 31 March 2021	8,308	25	140	31	110	1,401	10,015

14. Intangible assets

Consolidated

	Software £'000	Total £'000
Cost:		
As at 1 April 2020 and 31 March 2021	31	31
Amortisation:		
As at 1 April 2020	25	25
Charge for the year	5	5
As at 31 March 2021	30	30
Net Book Value		
At 1 April 2020	6	6
At 31 March 2021	1	1



REPORT OF THE TRUSTEES
For the year ended 31 March 2021

14. Intangible assets continued

Charity	Software £'000	Total £'000
Cost:		
As at 1 April 2020 and 31 March 2021	26	26
Amortisation:		
As at 1 April 2020	20	20
Charge for the year	5	5
As at 31 March 2021	25	25
Net Book Value		
At 1 April 2020	6	6
At 31 March 2021	1	1

15. Investments (Group and Charity)

The Charity's investment policy is outlined within the Trustee's report and is reviewed annually. The investments held at year-end were:

	2021 £'000	2020 £'000
Market value at 1 April	12,199	11,692
Acquisitions at cost	-	1,500
Income on investments reinvested	385	402
Less investment management costs	(40)	(25)
Net (loss)/gain on revaluation	2,475	(1,370)
Market value at 31 March	15,019	12,199
Historical cost at period end	12,601	12,273
Increase in the value of investments	2,820	507



REPORT OF THE TRUSTEES
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15. Investments continued

In addition to the above managed investment the Charity holds the following investment in subsidiary undertakings.

	2021	2020
	£	£
Midlands Air Ambulance Trading Limited	1	1

The investment represents a 100% holding of the issued share capital of Midlands Air Ambulance Trading Limited, a subsidiary undertaking which was incorporated on 17 October 2012 and commenced to trade on 7 December 2012.

16. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	3	36	-	33
Prepayments	424	374	412	357
Accrued income	913	1,783	913	1,783
Amount due from subsidiary	-	-	227	165
VAT recoverable	191	73	184	64
Other debtors	11	11	2	2
	1,542	2,277	1,738	2,404

Amounts due to the Charity from the subsidiary include an agreed loan, which at 31st March 2021 showed amounts due within one year £38,000 (2020: £nil) and amounts due in more than one year of £114,000 (2020: £48,077).

17. Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	912	749	901	735
Accruals	352	415	338	400
Other creditors	26	41	26	31
Taxation and social security costs	21	30	12	30
	1,311	1,235	1,277	1,196

MIDLANDS AIR AMBULANCE CHARITY



REPORT OF THE TRUSTEES For the year ended 31 March 2021

18. Commitments under operating leases

At 31st March Group companies had commitments under operating leases set out below. In accordance with FRS 102 these are stated at the minimum lease payments.

	Land & Buildings £'000	Helicopters £'000	2021 £'000	2020 £'000
Within one year	80	2,902	2,982	2,975
Within two to five years	34	-	34	63
	114	2,902	3,016	3,038

19. Reserves

Consolidated

	Opening Balance £'000	Incoming Resources £'000	Outgoing Resources £'000	Gains & Losses £'000	Transfers £'000	Closing Balance £'000
Restricted reserves						
County Air Ambulance Trust	36	457	(256)	-	(75)	162
Home Office	5	-	-	-	-	5
Birmingham City Council	9	-	(7)	-	-	2
The Hospital Saturday Fund	1	-	-	-	-	1
Kildare Charitable Trust	-	100	(100)	-	-	-
Lions Club International	-	14	(14)	-	-	-
	51	571	(377)	-	(75)	170
Designated reserves						
Fixed asset fund	12,916	-	-	-	174	13,090
Aircraft development	1,500	-	-	-	-	1,500
Capital Project fund	1,536	-	-	-	9,342	10,878
Clinical Review fund	-	-	-	-	500	500
	15,952	-	-	-	10,016	25,968
Unrestricted reserves						
Expenditure fund	10,135	-	-	-	165	10,300
Development plan	1,500	-	-	-	-	1,500
General fund	10,039	15,817	(10,289)	-	(10,106)	5,461
	21,674	15,817	(10,289)	-	(9,941)	17,261
Total reserves	37,677	16,388	(10,666)	-	-	43,399

MIDLANDS AIR AMBULANCE CHARITY



REPORT OF THE TRUSTEES For the year ended 31 March 2021

19. Reserves continued

Charity

	Opening Balance £'000	Incoming Resources £'000	Outgoing Resources £'000	Gains & Losses £'000	Transfers £'000	Closing Balance £'000
Restricted reserves						
County Air Ambulance Trust	36	457	(256)	-	(75)	162
Home Office	5	-	-	-	-	5
Birmingham City Council	9	-	(7)	-	-	2
The Hospital Saturday Fund	1	-	-	-	-	1
Kildare Charitable Trust	-	100	(100)	-	-	-
Lions Club International	-	14	(14)	-	-	-
	51	571	(377)	-	(75)	170
Designated reserves						
Fixed asset fund	12,916	-	-	-	174	13,090
Aircraft development	1,500	-	-	-	-	1,500
Capital Project fund	1,536	-	-	-	9,342	10,878
Clinical Review fund	-	-	-	-	500	500
	15,952	-	-	-	10,016	25,968
Unrestricted reserves						
Expenditure fund	10,135	-	-	-	165	10,300
Development plan	1,500	-	-	-	-	1,500
General fund	10,061	15,407	(9,887)	-	(10,106)	5,475
	21,696	15,407	(9,887)	-	(9,941)	17,275
Total reserves	37,699	15,978	(10,264)	-	-	43,413

Restricted funds

The Charity is grateful for the support of the following organisations for their support for the purchase or development of important projects:

Grant Fund	Purpose
County Air Ambulance Trust	Purchase crew uniforms, clinical equipment, hangar adaptations and critical care car.
Home Office	Undertake external bleed control training
Birmingham City Council	Purchase bleed control kits
The Hospital Saturday Fund	Purchase of equipment to facilitate CPR training for the general public
Kildare Charitable Trust	Expenditure within Worcestershire
Lions Club International	Purchase of clinical equipment

All the funds are restricted to the purpose for which they were given. Where costs have been capitalised the balance is transferred to unrestricted reserves once the grant has been spent.



REPORT OF THE TRUSTEES
For the year ended 31 March 2021

19. Reserves continued

Designated funds

The fixed asset fund is set aside to cover the cost of fixed assets used by the Charity for charitable purposes.

Funds have been set aside for the development of our owned aircraft G-OMAA, and G-RMAA in order to ensure these aircraft remain fit for purpose throughout their useful lives. Expenditure in this regard is not time limited.

A building fund has been set aside for the capital build of a new Airbase and Headquarters building after securing planning permission during the year.

Trustees have set aside a fund for costs to undertake a strategic clinical operating review.

20. Analysis of net asset by fund

	Restricted Funds £'000	Designated Funds £'000	Unrestricted Funds £'000	2021 Total £'000	2020 Total £'000
Tangible and intangible fixed assets	75	9,965	-	10,040	9,317
Investments	-	-	15,019	15,019	12,199
Cash at bank and in hand	95	16,003	1,977	18,075	15,083
Other net current assets	-	-	265	265	1,078
Total	170	25,968	17,261	43,399	37,677

21. Financial instruments

	2021 £'000	2020 £'000
Financial assets		
Financial assets measured at fair value through profit or loss	33,093	27,282
Financial assets that are debt instruments measured at amortised cost	15	47
	33,108	27,329
Financial liabilities		
Financial liabilities measured at amortised cost	1,428	1,126
	1,428	1,126

Financial assets measured at fair value through profit or loss comprise of investments, cash at bank and in hand, and short-term deposits.

Financial assets measured at amortised cost comprise trade debtors, and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, and other creditors.



REPORT OF THE TRUSTEES
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22. Related party transactions

Transactions occurred during the year between the Charity and trading company. During the year for the Charity the income was £60,000 (2020: £160,000) and expenditure was £121,500 (2020: £181,191). Money owed to the Charity from the trading company was £75,321 (2020: £165,668).

No trustee or other person related to the Charity had any personal interest in any contract or transaction entered into by the Charity during the period.

During the period none of the Trustees, or members of the key management staff, or parties related to them, has undertaken any material transactions with any related parties.

Advantage has been taken of the FRS 102 exemption for disclosure of inter-group transactions with wholly owned subsidiaries.

23. Post balance sheet events

The global pandemic from the outbreak of COVID-19 continues to cause widespread disruption to normal patterns of business activity across the world, including the United Kingdom.

24. Capital Commitments

At 31 March 2021 there were capital commitments of £ nil (2020:£nil)