

Devon Air Ambulance Trust

THE CHARITY THAT FUNDS AND OPERATES
DEVON'S AIR AMBULANCE SERVICE

2021

ANNUAL REPORT & ACCOUNTS

YEAR ENDED 31 DECEMBER

Devon Air Ambulance Trust

Registered Charity No: 1077998



Operational
Statistics



Financial
Performance



Public
Benefit

Devon Air Ambulance Trust

A COMPANY LIMITED BY GUARANTEE NO. 03855746
A REGISTERED CHARITY NO. 1077998



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In brief

Devon Air Ambulance Trust is the charity that raises the funds to operate Devon's Air Ambulance service.

The service is provided free at the point of need, to anyone and everyone in Devon and neighbouring counties, resident or visitor. To ensure its effectiveness, and to ensure we respond to the most poorly patients, each individual deployment is carefully assessed against specific criteria in terms of clinical need, urgency, accessibility and distance to the hospital that is most appropriate to treat the illness or injury of the patient.

Devon Air Ambulance operates two helicopters (one EC135 and one larger H145) all year round from its airbases in Exeter and Eaglescott, near Umberleigh, in the north of the county. Both aircraft are night capable and the aircraft operating out of Exeter Airbase flies daily up to 2am each morning.

We continue to be proud of our independence. This is only possible thanks to the loyal support we receive from our local communities, who fund our service through their public fundraising, donations, legacies, gifts and from our business supporters. The benefit of being financially independent means we can make long-term plans for our service based solely on local needs and priorities.



Public benefit

The benefits that Devon Air Ambulance provides are:

- >> The relief of sickness and injury primarily in the County of Devon through provision of emergency medical services and equipment by helicopter or other emergency vehicles;
- >> The advancement of health through provision of training, research and education in the field of pre-hospital emergency medicine and treatment or prevention of sickness and injury;
- >> The provisions of other health related services including aftercare of patients.

Devon Air Ambulance is required to demonstrate how its operations provide a benefit to the public. These benefits are clearly laid out in the Introduction above.

The Trustees have complied with their duty in accordance with the Charities Act and the Charity Commission's guidance on public benefit in exercising their powers and duties to consider it in all aspects of the company's activities.

Overview Of 2021

Like the rest of the country and indeed the world, Devon Air Ambulance has continued to be significantly impacted by the ongoing COVID-19 pandemic in 2021. This has been felt both directly and indirectly during the year as different stages of recovery, partial recovery and setback have been encountered, while the accelerated change it has bought in the wider environment has created new challenges seen in the wider economy by shortages of some goods and increasing prices of many others. These broader changes have impacted both the Charity sector and Devon Air Ambulance specifically. We've been proud to provide our life saving service to more people than ever before despite the challenges which we have been presented with.

One of the unique challenges faced is the lack of comparable historical information meaning that it is difficult to appreciate how permanent some of the impacts are or will be. There was clearly a short-term increase in the number of missions and patients conveyed by Devon Air Ambulance and as the year progressed the increase proved to be sustained. This has been driven by various reasons discussed in detail within the Operational Statistics section but it is not expected to fall quickly or significantly in 2022 and will continue to put more strain on the service.

The increase in missions flown and patients assisted has undoubtedly bought great challenges yet demonstrates the importance of the service and the ever greater number of lives it has impacted in 2021, which is the key purpose of the Charity. While uncertainty has increased as well as the operational and financial challenges faced, Devon Air Ambulance has never made more of a difference.

Though much of the year has seen a general recovery from the pandemic, the progress hasn't been smooth and there have been setbacks on the way. Working practices are one area which has seen widespread change: clinical staff have continued to attend patients with significantly more Personal Protective Equipment and worked under new processes to ensure the safety of their patients, colleagues and themselves; fundraisers have had to change how and when they communicate with supporters under continually changing legislation with limited direct in person contact; staff in the shops have had to constantly review how to accept and then sell donated stock and for a period at the start of the year were unable to even open their doors; while office staff largely worked away from the office before a gradual return to recover some of the lost personal interaction caused by remote working, which was partly reversed at the end of the year as the omicron variant established itself.

This constant change internally is a reflection of what has happened in the wider environment. Pressure has been put on the country's ability to provide goods and services resulting in global and national shortages and price rises that are likely to continue into 2022, for example in fuel costs. The demand for our service has increased as the working environment has become more challenging due to the additional precautions which need to be taken and both these challenges look likely to remain for the short to medium term at least. While the use of vaccinations has provided some scope, be it limited, to manage the challenges in a more measured way the prevalence of the Omicron variant has

held back and reversed some progress at the year-end.

The operational challenges have increased costs through not only the greater number of missions but also other factors such as the shortage of clinically vital products such as the global lack of Lyoplas, a freeze-dried derivative of blood plasma. This pressure on costs hasn't been unique to the operational side, with the restructure of the fundraising and finance teams being completed in the year. While this created short term costs and increased the annual recurring costs going forwards it has put the Charity in the best position to generate efficiencies and additional income at a time when both are greatly needed to ensure we can continue to provide our service to those when they are in greatest need of it.

Although the financial results show a gain was made in the year, this was driven by legacy income which exceeded any prior year by £2.1 million and is not expected to remain at that level. Significant expenditure will also be required for the proposed new combined airbase and head office facility which is planned for 2024. This will be vital in future proofing the service and putting it in the best position to serve our patients. While the level of cash, investments and reserves at the end of 2021 are high, it's important to recognise that losses are expected to be made in 2022 and beyond while income takes time to grow.

The increase in missions flown and patients assisted has undoubtedly bought great challenges yet demonstrates the importance of the service and the ever greater number of lives it has impacted in 2021

Retail and fundraising revenues were most significantly impacted in 2021 and remain sensitive to the uncertain environment. Shops were closed due to the lockdown at the start of the year and while they have been open for the rest of the year they have operated under the constraints of the pandemic. When open and trading they have been strongly supported by customers but have had other obstacles to contend with. Retaining and recruiting staff has proved particularly challenging as it has for many other retailers – this has led to some temporary closures despite the substantial hard work put in by the retail team. While this challenge has eased slightly towards the end of the year we have then witnessed an increasing number of people needing to isolate, again putting pressure on being able to keep the shops open. These short-term issues remain as risks going into 2022, although when the shops are fully staffed and open they have performed extremely well.

The challenges of recruitment were not confined to our shops. Due to the restructure there was a high level of recruitment during the year, the majority of which was impacted to some degree by a challenging jobs market, particularly while the government furlough scheme remained in place. This did slow down the restructure although the finance team was fully in place by the end

of November and the final new members of the fundraising team are due to start in early 2022.

For a second year Devon Air Ambulance did not arrange any events due to the pandemic, although there is optimism that these will return for 2022. While more shows were attended in the year this remained below the levels of previous years and the return of more local community events was also clearly impacted by the pandemic. Wider fundraising initiatives were also constrained by the recruitment issues, the majority of which are expected to be resolved in early 2022. With the team in place a major focus from the Board and across the organisation will be in refining the income generation strategy at the start of 2022 to ensure growth is generated over the coming years.

The pandemic has helped to accelerate the pace of change in many areas and this has bought benefits amongst the challenge. The transition to remote working has certainly happened faster than had been expected and its increased flexibility brings more efficient ways of working in a way that suits individual working habits. It will be vital that these efficiencies are fully utilised as increased activity will most likely create increased costs to ensure Devon Air Ambulance can continue to operate safely and to the greatest benefit of its patients. The combination of increased revenues despite the external challenges and improved internal efficiencies will be needed to ensure that income can cover expenditure, which is not expected to be the case for the short term.

One area that was developing rapidly before the pandemic but has accelerated since is digital. This provides opportunities for

new ways of raising money, as well as quicker and more efficient systems. Not every new idea tried will be a success and not everything will move quickly – the delayed review of the Customer Relationship Management ('CRM') system in the year due to the challenges of the restructure is an illustration of this. However, learning from the disappointments is as important as making the most of the successes to continue the development of the service for the benefit of our patients.

The restructure has retained the focus on making the most of the talents and skills of those who work for Devon Air Ambulance but this dependence also extends outside of the Charity. In difficult times tremendous support has been provided by the people of Devon shown by strong sales in the shops when they have been open and continued fundraising right across the communities of Devon. It's also been a difficult time for volunteers who have not always been able to help how they have wanted to due to the constraints of the pandemic but the contribution made by them continues to be substantial and vital to the continuing work of Devon Air Ambulance.

While these factors are vital to ensure the short and long term effectiveness for patients, this can't happen in isolation. It's important that the infrastructure to support the service is not only maintained but grows to keep pace with changes both internal and external, which is why the new combined airbase and head office facility will be key. More widely environmental and sustainability considerations are becoming increasingly fundamental to people in their day-to-day life and this has been responded to by signing up to the Devon Climate Emergency pledge.




Our Purpose & Guiding Principles



Our Overarching Purpose

To end preventable death, disability or suffering from critical illness or injury through the delivery of exemplary time-critical care.





Our Guiding Principles

Our guiding principles incorporate our core values. These are important to us because they inform our actions and our behavior.

Exemplary Patient Care

- Caring
- Patient led
- Evidence led and
- Developed through experience

Community

- Owned by and for the people of Devon
- Locally engaged and
- Committed to regional and national collaboration



A Safe and Just Culture

- Transparent
- Fair and inclusive and
- Ethically aware

Excellence

- Professional
- Innovative
- Effective and
- Committed to robust governance

Our Patients

“I had a fight with a chainsaw – and the chainsaw nearly won!”

This was how Margaret Paramore from Woodgate near Culmstock described her accident in March 2021.



Last March, 82-year-old Margaret and her 87-year-old husband John were in their garden cutting trees for firewood when, in Margaret’s words, “the chainsaw went into a massive wobble and flew up, catching my face in its path.” The incident caused such severe facial injuries that it was clear Margaret needed emergency help. With Margaret bleeding profusely, John had to leave her at the scene to seek help before getting as many clean towels as possible to stem the flow of blood. The couple’s relief at the arrival of the first responder and land ambulance crew was swiftly followed by further relief at the sound of the Air Ambulance landing in a neighbouring field. “I was conscious throughout,” explained Margaret. “I even remember saying to the paramedics that I needed to spend a penny before I could go anywhere!” All the medics on scene worked together to assist Margaret and, aware of how much

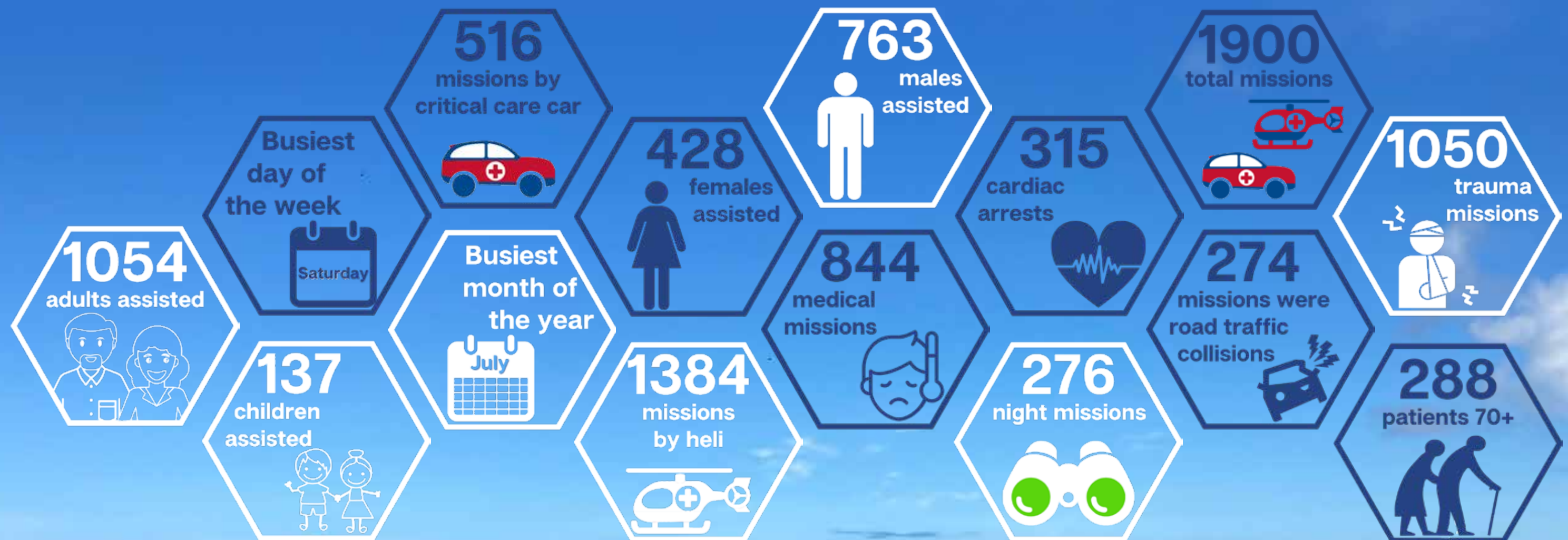
blood she was losing, the Air Ambulance team decided it would be safer to transfer her to hospital by land ambulance so she could remain seated, instead of her laying on a stretcher in the helicopter. Along with aircrew paramedic, Chris Saunders, Margaret left by road to head for the Royal Devon & Exeter Hospital. John followed by car and, on arrival, he waited anxiously for three hours in A&E before being advised that Margaret would be in surgery most of the night and that he would be better off coming back the next day. “It was absolutely horrible,” John said. “It had been such a terrible shock. I could see that the chainsaw had gone right down to the bone of Margaret’s nose, and it was only her glasses that had saved the blades from taking out her eyes. I still get flashbacks now.” During a six-hour operation, surgeons rebuilt Margaret’s nose. Her first memory after the journey to hospital was waking up in Intensive Care the following day, and her first thought was for her husband of 63 years. “I really felt sorry for poor John – who saw the whole thing happen. It was ‘just one of those things’ but because I’m on blood thinners, the blood loss was terrible.” Since the accident, Margaret’s injuries have largely healed, with just a slight hare lip to contend with. “It makes eating awkward,” explained Margaret, “but I’ve been advised that I will be able to have it repaired when the COVID-19 virus is behind us. Without the expert help I had at the scene and in hospital, things could have been a whole lot worse.” Since coming out of hospital nine days later, just ahead of lockdown, Margaret and John have spent the last few months at their home, with food and supplies being delivered by family members. They are now chomping at the bit, however, to get back out on their bicycles. Both are former top-amateur road racing champions and have missed the freedom of the open road since Margaret’s accident and the pandemic began. Despite both being octogenarians, they still have plenty more miles to do before they hang up their bikes and, from everyone at Devon Air Ambulance, we wish them both well.



Margaret and husband John getting back to one of their favourite pastimes



Operational Statistics 2021



Services to Patients

Our Overarching Purpose

To end preventable death, disability or suffering from critical illness or injury through the delivery of exemplary time-critical care.

Patient Services

The experience we gained during 2020 placed us in good stead to meet the continuing challenges that the COVID-19 pandemic brought us. Early in the New Year the analysis we undertook regarding the changing environment during the pandemic led us to predict that 2021 could be one of our busiest years ever.

Uncertainty regarding overseas travel arrangements, the early booking surge being reported for some Devon based holiday accommodation and the establishment of additional caravan/camping sites within the county, suggested that not only was there likely to be a significant influx of people into Devon, but also the potential that many Devon residents would choose to stay local rather than travel for their holiday.

Although not as significant as the initial stages of the pandemic, pressures on the supply chain for some items of PPE remained and ensuring we always had sufficient to keep our patients and staff safe was a constant focus throughout the year.

Worryingly, we also started to see early signs of pressure on the wider supply chain, some of which wasn't related specifically to the shortage of products, but rather the inability to move goods

into and around the country. The combination of an anticipated increase in population within Devon and the wider Southwest, alongside the potential that essential items of equipment may become difficult to source, led us to expand further our procurement arrangements to responsibly source a higher level of medical consumables and equipment in readiness for the busy year we were predicting.

It soon became apparent that our analysis and predictions were correct. During January and February we responded to as many incidents as we would expect to do during a busy spring/Easter period, and when spring arrived, we deployed to more patients than we traditionally have done during our busiest summer holiday periods. Indeed, April 2021 saw us deploy to 193 incidents, over 70% higher than what we would normally expect to do.

We continued to respond to record levels of incidents into and throughout the summer months with our paramedics and doctors continuing to work in challenging circumstances, exacerbated due to the ongoing need to wear the PPE necessary to safeguard our patients and team. Working tirelessly behind the scenes our support team strived to ensure all our equipment remained operational and the consumables and medical supplies we needed were always available to our clinical team. No small task with such a significant increase in activity and our suppliers and maintenance providers also facing their own pressures in securing stock or the components needed to keep our medical devices operational.

As summer drew to a close, it became apparent that things were not going to ease as would be the case in a 'normal' year. Pressures on the NHS, a continued increased population within Devon and the legacy of some people avoiding contacting healthcare during



the pandemic until a point when their symptoms became severe, were all contributory factors.

The work we had undertaken to secure sufficient medical consumables and equipment to cover us through a sustained period of high activity and to treat more patients although resulting in additional financial costs, was essential to keep our service operational. None more so than when entering autumn, when the pressures on the supply chain became worse as the shortage of HGV drivers began to impact.

Despite all our advanced planning and procurement, we were not completely immune to the challenges on the national supply chain. As the high levels of demand for our service continued and the miles our Critical Care Cars were covering to reach patients increased, our requirement for diesel to fuel our cars also increased, right at the time when the availability of fuel around the county became stretched. Although we never ran out of fuel and had fallback arrangements to secure fuel in our main towns, we had to be mindful of the situation when responding to several incidents in succession within the more rural parts of Devon.

As our busy year entered its final couple of months, the Omicron variant took hold and our activity remained at levels normally expected to be seen over the summer. It wasn't just Devon Air Ambulance experiencing these pressures, our NHS colleagues within the South Western Ambulance Service and Devon's hospitals were also under great strain, both with the number of patients requiring help but also due to the impact of staff having to self-isolate as the wave of Omicron infections reached its peak. The essential service that Devon Air Ambulance undertakes works closely with our partners in the NHS and pressures they are under have a direct impact on our service and these additional aspects of pressure all had to be accommodated and managed to enable us to continue to respond to patients.

All the factors above resulted in 2021 ending up being our busiest year ever. We responded to 1,900 incidents and treated almost 1,200 patients. It is testament to the commitment of everyone at Devon Air Ambulance that, despite the unprecedented demand for our service and the significant challenges we faced throughout the whole of the year, our team were able to ensure that our service continued to be there for patients and provide life-saving time-critical care in their time of need.

Seeing and treating more patients has provided the opportunity for us to receive even more feedback from patients on their experience of the care, compassion and treatment our doctors and paramedics deliver each and every day. Commencing in 2019 when we registered with the Care Quality Commission as an independent provider of healthcare services, the Patient and Family Support aspect of our service has quickly embedded itself as an essential aspect of how we care for and support not just our patients, but also their families.

Over the year our patients have kindly shared with us some truly humbling accounts of their experience of the care they received from Devon Air Ambulance, including how we reassured them they were in safe hands, eased their pain and suffering, involved them in decisions about their care and the option to take them direct to a hospital that offered the specialist care likely to provide them with the best chance of a successful outcome, or indeed how we saved their life.

Some of our patients even took the time to write to the Care Quality Commission to share their experience of being treated by Devon Air Ambulance. One such patient was kind enough to share the following with them:

The Devon Air Ambulance provided exceptional care when they attended to me... They were so efficient, professional, friendly and caring during the entire process. I was completely reassured as soon as they arrived. I knew once they had appeared that I was in very good hands and would be well looked after. They were excellent in talking to me and keeping me informed of what they were going to do at all times. They also kept my husband in the picture... They worked so well as a team. I am so grateful for the care I received.



Helicopter Services

The major changes for the helicopter services team in the year have related to personnel with Flight Operations Director Ian Payne taking a well-deserved retirement after over a decade with the Charity. The Charity as a whole and the Helicopter Services team in particular have progressed massively during Ian's time at the helm, most recently with bringing the H 145 online from the end of 2020 and overseeing Devon Air Ambulance taking on its own Air Operators Certificate which has been vital to the development of the service. Ian can be proud of what he has helped to achieve during his busy time with the Charity.

Ian's retirement created an opportunity for Steve Rush to step up from his role as Senior Pilot, a gap which Richard Tate was able to fill with another internal promotion. The ability to fill these key roles from within the current staff demonstrates the high capabilities within the group and retains the strong management skillset in the team.

Another significant retirement was Rob Mackie, the Safety Manager and previously long serving pilot. Rob has been involved in the Charity for well over 25 years and made a phenomenal contribution to the Air Ambulance sector as well as the Charity during his distinguished career. It's fantastic to see Rob remain involved as a volunteer and continuing to represent and support the Charity. The Safety Manager role was advertised externally and Rob Johnstone was successfully appointed in the second half of the year, still finding time to settle in nicely before year-end.

Change has also come around through regulations, with



Steve Rush
Helicopter Services Director



We're recruiting
PILOTS
in anticipation of a busy
2022

the requirement to change of the airworthiness processes and assigned role applications, all of which was achieved successfully.

We have faced challenges with accessing the required flight simulators, particularly during times of lockdown, to ensure that all pilots meet the required high levels of training for both aircraft which are currently in use. This has been made more difficult as workloads have met record highs combined with periods of extreme weather while new processes have been required by the pandemic. Despite this the normal high performance has been maintained through the year, although the internal promotions and three other departures have contributed to significant challenges keeping the team fully staffed, particularly near the end of the year. These departures have also had a significant impact on the training plan for the pilots. Planned use of the H145 simulator in Germany was cancelled due to COVID, as it had been in 2020. The additional burden of initial training for four new pilots (three permanent and one annualised hours contract pilot) will also see continuing pressure on the pilots' roster throughout the first half of 2022.

Recruitment took place at the end of the year to resolve these challenges and a further recruitment process carried out after the year-end in January and February 2022, so new appointments are expected in the New Year to ensure the team is in place by June 2022 for what is expected to be another busy year.



Ian Payne
Flight Operations Director



Rob Mackie
Safety Manager

35 YEARS of valued service

Strategic Overview – Our Four Key Focus Areas

In 2020 we identified that in the rapidly changing environment of today it was crucial that we moved from the confines of a traditional linear-style strategic model to a more agile and responsive model more closely aligned to the overarching purpose of the Charity, to ensure we can provide the service which the people of Devon need not just for now but in the future.

This included identifying four key focus areas, the importance of all of which have been impacted by the pandemic as well as other factors in the year:

Financial Growth & Sustainability: which has seen increased costs while various income streams have been significantly impacted. [See page 16](#)

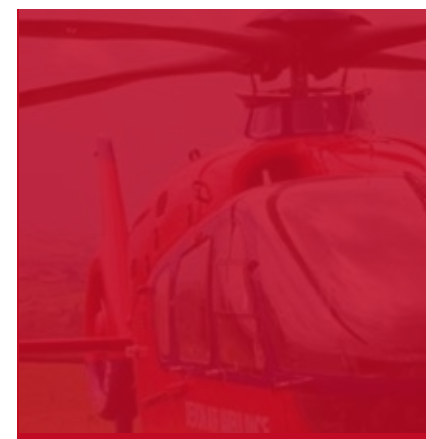
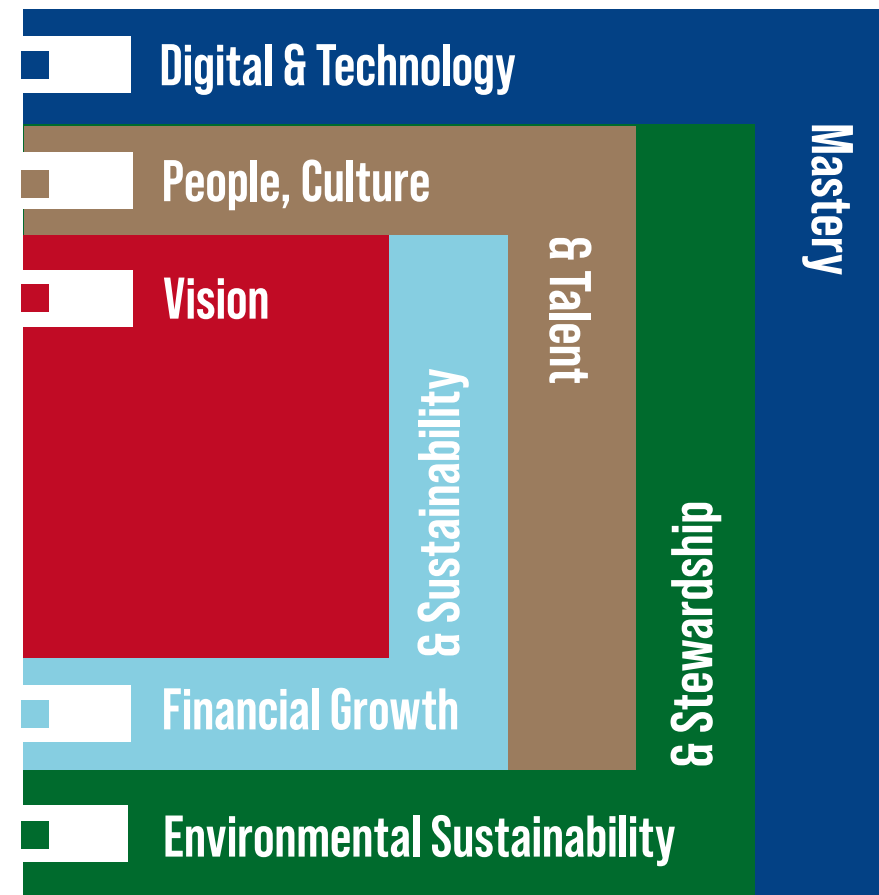
People, Talent & Culture: the recruitment market has been severely influenced by the pandemic which has also had a less direct impact on culture. [See page 22](#)

Environmental Sustainability & Stewardship: greater public awareness and concern for environmental factors and sustainability has increased, particularly as more examples of extreme weather have been observed around the globe. [See page 26](#)

Digital & Technology Mastery: the pandemic has accelerated change and provided opportunities for efficiencies and income. [See page 28](#)

Each focus area and the support activities which underpin it have been ranked into tactical (1-2 years), strategic (2-5 years), visionary (5-10 years) and the 'over the horizon' (10+ years).

This Strategic Review which commenced in 2020 remains in progress with work throughout 2021 focusing on not only getting feedback and input from staff but taking time to listen to these thoughts and to test the understanding of these messages. Moving into 2022 this dialogue is due to continue with departmental meetings booked in for the opening months so input can feed back into the Strategy with the aim of anticipated completion and publication. This had been envisaged for Spring 2021 but in the current environment taking more time to ensure that opinions and thoughts from all are captured has justified the delay and it is important that the strategy is naturally developed rather than rushed.



Vision

- To end preventable death, disability or suffering from critical illness or injury
- To provide exemplary time-critical care to patients
- To support patients during their rehabilitation and recovery
- To ensure operational capability through effective management of infrastructure, equipment and vehicles
- To use our expertise to support education and prevention initiatives in collaboration with other agencies
- To regularly review the risk register for delivery of service patients

Continued Strengthening of the Organisational Structure for Growth

The strengthening of the organisational structure continued in 2021 and is crucial to underpin the strategic direction under increasing financial constraints. This included the appointment of Pete Vallance as Head of Business Development to complete the new department heads management tier. This second tier of management has expanded the technical and professional skills available across the charity and started to provide more specialist

support to the Senior Leadership Team. The settling in of this additional layer of management remains in progress and further positives are expected to be drawn out as the structure roots itself in.

Following the root and branch review of the existing roles within the finance and fundraising team in 2020 a restructure was implemented in the year to ensure that the correct qualifications, skills, expertise,

knowledge and experience are in place to support our strategic direction following years of significant growth.

This led to redundancies which had not only a direct financial cost but also an emotional impact with staff who had contributed significantly to the Charity over a number of years leaving. However, we believe that the structure now in place is better placed to support the existing and future provision to patients, building proudly on past achievements and growth.

While further investment in staff resourcing was not foreseen ahead

of the restructure, the increased workloads being seen by the Charity has meant that this is under constant review. While ideally this would be done once the benefits of the current restructure have begun to be felt more sufficiently and the expected gap between income and expenditure is closed, the importance of retaining the quality of the service to patients is an equally weighty consideration.

We continue to monitor the volume of work and the pressures this exerts across all elements of the Charity with the aim of ensuring sufficient resources are in place to support staff and the service they are providing, ultimately to the benefit of our patients.

Financial Growth & Sustainability

- Develop and implement a coherent income generation strategy to deliver our vision
- Achieve best value for money through efficiency
- Ensure our investments remain consistent with our objectives and our values
- Horizon scanning to ensure we pre-empt societal shifts in attitudes
- Provide robust oversight of all financial performance and matters
- Provide guidance and support to the Leadership Team in delivering financial objectives
- Regularly review the risk register for Financial Growth & Sustainability

Following the move to clinical independence in 2019 and the larger new Airframe being put into service in 2020, the main aim for 2021 was to close the gap between income and the increased costs. To achieve this in the medium to long-term the restructure and investment in an additional management team was seen as necessary but was also another short-term addition to costs, increasing the challenge. On first look it is therefore surprising to see that a surplus has been made in 2021 rather than the budgeted loss, and despite the continuing challenge of COVID which has directly impacted revenue and less directly impacted the timing of the restructure. However, this result has largely been driven by legacy income of £6.3m which exceeded budget by £2.8m and comfortably surpassed the previously highest year for legacy income of £4.2m in 2017 by 50%.

To put this figure in context the five prior years of legacy income were five of the six highest years received and averaged £3.1m, so to almost double this exceeded all expectations. If the budgeted £3.5m had been received (which would have still been above this five year average figure) then a loss before investment gains and losses of £2m would have been incurred.



Due to the continuing financial pressures of COVID and the increase in service provision it is seen as likely that the current cost base will be added to in 2022 and when combined with expected recurring helicopter maintenance due near the end of the year, a significant loss is expected. Losses are expected to remain beyond 2022 but at a reduced level, reinforcing the importance of continuing to grow income to support the expected operating expenditure.

In short, below the surface of the surplus made in 2021 costs have increased and are expected to continue to do so in 2022 while income growth has been constrained.

The merging of the Finance and Fundraising Committees into a single Financial Growth and Sustainability Committee has helped integrate our approach to this challenge. However, this has been hindered by the pandemic impacting recruitment and delaying the restructure of both the Finance and Fundraising teams. Therefore progress has been limited in implementing a new Customer Relationship Management system as the focus has switched to getting the basics right rather than accessing new income streams or growing current ones.

It will be vital for the Charity that this solid basis is built from in 2022 and for the investment in fundraising to feed through to a diversification and increase in revenue, decreasing the dependence on legacy income which is a significant risk. A fall in legacy income from the levels seen in the last two years would not be out of line with the amount of legacy income received by comparable Air Ambulance charities but would most likely increase the expected losses above the £2m to £3m level creating short term challenges, particularly during the funding of the new combined airbase and head office.

It is likely to be a key couple of years in assessing the Charity's ability to not just retain the current service levels in an environment of potentially sustained higher patient needs, but ideally to continue developing and enhancing the service as has consistently happened throughout the life of the Charity.

Fundraising/Business Development

As the restructure has stretched through the year and the pandemic has continued to impact fundraising it is easy to overlook the significant developments and achievements of the Fundraising and Retail teams in the year which has been a testament to the hard work put in by the teams combined with their skills and knowledge. They have combined well with other teams and formed a relationship with the newly independent Communications team, testing new methods of fundraising and communication while funding more missions than ever before.

Innovating new methods of fundraising and communication



Survey



Due to the importance of diversifying our income streams it was important for us to get the views of the people of Devon when considering which new methods of fundraising and communications would be embraced.

The Supporters Promise has been declared and closely followed in previous years so it is important to understand what value supporters give to it and what potential changes they may support. It's also important to understand who supports the Charity and why; to understand how people contribute and support and in what different ways they want to support the Charity in the future. In short we need to understand if the Supporters Promise remains fit for purpose in the current environment.

A number of surveys were therefore carried out in the year, directed at current supporters as well as members of the public who don't actively support the Charity. These opinions and thoughts will be important in assessing the opportunities to raise more funds in a way that is consistent with the thoughts and beliefs of the people of Devon and will be an important factor in completing the income generation strategy review.

Income Generation Strategy

The results of the surveys, the initial testing of potential revenue streams and other data such as analysis of the breakdown of income for other Air Ambulances will be combined with the technical knowledge, expertise and experience of the Fundraising team to finalise the income generation strategy at the start of 2022. This will be the key focus of the first Financial Growth and Sustainability Committee meeting in March, with the intention being for it to be rolled out as quickly as practical in 2022.

Implementing a new strategy will take time but with the additional resources invested into the department increases in income generation are expected in 2022 and more significantly from 2023 onwards.

Implementing a new strategy will take time but with the additional resources invested into the department increases in income generation are expected in 2022 and more significantly from 2023 onwards.

Christmas 2021 Campaign

The approach to the Christmas campaign was consciously more coordinated with the wider Charity messaging than prior years and what we would have previously seen as an ambitious target of £25,000 was comfortably reached before Christmas. The final total comfortably over £27,000 was a testament to the work of both the fundraising and communications team

and has helped develop an approach that can be refined and implemented again in the future.



Lottery

As there will always be a natural level of members leaving the lottery the income it generates tends to be driven by the number of new sign-ups made in the preceding weeks and months. Following the lock downs of 2020 and early 2021 and the dependence on new sign-ups typically being made around supermarkets and retail outlets, lottery growth had slowed in 2020 and by the end of the year was in decline. Membership numbers had fallen from a peak of 40,727 in March 2020 to under 39,000 at the end of the year and a low of 38,324 at the start of June 2021.

From this base the growth to over 42,000 members near the end of year has been impressive and possible due to the success of the canvassers as well as a telephone campaign with our current members. We believe that this income stream still has potential



Our canvassers are essential to lottery membership growth

for significant growth in 2022 and the focus will be in achieving this with an approach our present and future supporters are comfortable with.

Due to the recurring nature of lottery income each sign-up provides regular income to the Charity over the long-term and offers stability which offsets the variability of some other income streams, so increasing lottery income will be a key factor in increasing financial security.

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Week of Thanks

During October we celebrated a week of thanks with staff from right across the organisation writing and phoning our supporters to thank them for their essential contribution to the Charity, particularly during such difficult times.

Retaining contact and communications with our supporters remains crucial whether in challenging times or not, and showing our gratitude was much appreciated by those receiving it as well as benefiting our staff making the contact, as some of their roles give limited opportunity to talk to our supporters.

Retail

Retail has been significantly hit by the pandemic which has been a major factor in the performance of the shops in 2021. This year has seen strong sales when the shops have been open and operating with limited constraints but this scenario has been disrupted throughout the period. The pandemic driven lockdown required closures in January and closures also occurred later in the year due to staffing issues often caused indirectly by the pandemic such as illness, isolation or recruitment issues; when the shops were open the need to protect staff and customers from COVID resulted in various measures across the year such as limiting customers and donation times.

This has all put huge demands on staff stretching from the shop floors through the supporting logistics function and into the management team. Processes have constantly been changed in the light of government guidance which has been refined as the evidence base around COVID has grown, although new strains such as the Omicron variant at the end of the year have meant that the progress hasn't always been forward.

The impact of the pandemic has been frustrating after an investment in the management structure and supporting infrastructure had created some short-term cost pressure but which was fully justified by the 2019 results where a profit of £123,000 was made as well as a contribution to support costs of £181,000. The wide ranging lockdown closures of 2020 generated a loss of over £1 million, from which a partial recovery has been made in 2021 to a loss of £494,000.

More focus has been invested into diversifying the retail revenue, including building on shopdaat.org which opened at the end of 2020 and increasing the number of items sold through eBay. This makes the Charity more resilient against future unknowns and helps understand where opportunities lie.

online sales
BOOST
retail resilience



While uncertainty remains in the wider environment there is no guarantee that a return to profitability will come immediately, but the performance of the shops when open suggests that previous levels of profitability can be not only reached but surpassed, with breakeven being tentatively expected for 2022.

One element which will help growth is the addition of new shops. There has been a long-held ambition to open two shops a year and extend the reach of the Charity's shops further across Devon. Finding suitable shop space for the unique requirements of a Charity shop which can generate sufficient income has not been easy in recent years. While it's too early to fully understand the long-term impact of COVID on high streets, there are some tentative signs that some suitable buildings may be coming available and one new shop was opened in July in St Marychurch.

Opening new shops is not just important to generate funds for Devon Air Ambulance but also to build and broaden the Charity's

contact and involvement with the people throughout Devon who the Charity is here to serve. The shops are a fantastic way for supporters to support, through providing donations, making purchases and volunteering – and often all three. The face-to-face contact and conversations can be priceless and key in establishing Devon Air Ambulance place in the local communities of Devon.

As well as the financial impact of the pandemic, it has also led to delays in putting into place the 32 Public Access Defibrillators ('PAD') funded by a successful application to the Government. However, these have started to be installed on the retail sites across Devon at the end of the year, helping the shops support the objectives of the Charity even more directly.

Following the structural changes in 2021 the Head of Business Development oversees the Retail Team and reports into the Income Generation Director, helping integrate the different elements of retail and fundraising.

The March March Virtual Event

Trialing new methods of fundraising was important in the year, particularly in regard to making the most of digital technology to assess how best to utilise opportunities in the future.

The 'March March' was therefore a key event held to test the possibilities of future hybrid events encouraging wide involvement and interaction without the need for people to physically meet at a specific time and place.

The challenge set was to 'march' a sponsored 300,000 steps in the month of March, which was the second virtual event following a similar one to walk 40 miles in the prior year. Over 100 participants took place from as far afield as Canada to raise over £20,000.



Community Fundraising

Community Fundraising was another area significantly influenced by the pandemic as government guidance and at times law has limited social gatherings. This has made physically meeting impossible at times and even when permitted people have understandably and correctly applied caution based on their personal circumstances.

However, community fundraising remains fundamental to the Charity's presence and local events have continued whenever possible due to the dedication and hard work of volunteers and supporters over every part of the County.

The lockdown has also allowed different methods of communication, with local talks often needing to transfer from in person to remotely. Although there can be limitations to this approach it also offers substantial opportunity to increase attendees and spread the message to greater numbers. It has provided a great learning opportunity to look at different approaches and incorporate elements of what works best into our approach going forwards.

Business Supporters

Businesses have clearly been significantly impacted by events over the last two years, so it has been fantastic to continue to retain the support of so many throughout 2021. Businesses right across Devon have worked hard and contributed much to support us over what has been a challenging year for all, with the scope and range of the support continuing to offer fresh perspectives and bringing connections, links and opportunities which the Charity wouldn't have been in a position to identify.

The Charity sector often looks to utilise the opportunities granted by collaboration which can be more restricted in some private industries, and being able to access diverse thoughts, opinions and ideas continues to provide invaluable support as well as direct financial support from fundraising initiatives.



Chris Wakeling ran 70 MILES in 18 hours

Events

For the second successive year all the Devon Air Ambulance co-ordinated events were cancelled. This included the Dragon Boat event at Exeter Quay which can be a very enjoyable way for our local businesses to have some fun while raising money for the Charity. It is hoped that this event will return for 2022.

The Motorcycle Rideout will not return in 2022 so we are looking at alternative ways to work with the motorcycle community so they can show their support and appreciation for our service while continuing to spread the message around safe driving awareness.

We continue to work hard with the Royal Marines Charity to arrange the next Commando Challenge event which looks most likely to be in the first half of 2023. This event always proves popular and provides a unique opportunity to venture over the Royal Marines training course with friends and colleagues.

While we look forward to being able to host events again in the future this will obviously depend on being able to do so in a safe and responsible way.

Legacies

Legacy income will always fluctuate but during the year the pandemic exaggerated issues with backlogs at the HM Courts & Tribunals Service caused by the implementation of a new case management system in 2020. While progress was made to clear this backlog in 2021 it is unclear how significantly that impacted the high levels of income for the Charity in the year, and if any further backlogs will generate further high returns in 2022.

What was clear was the exceptionally high level of income received in the year. A very strong final quarter in 2020 where over £1m was received in a single month began a trend which carried on for the first three quarters of the year. February and March saw income of £1.5m and £1.7m respectively, surpassing what would have been seen as a strong year not that long ago in a single month. High levels of income continued throughout the year so that the expectation entering the final quarter was for an annual income of around £6.4m, although a quieter last quarter reduced this to a final £6.3m.

Recent years have seen a continuing growth in legacy income but this level of income is perceived to be an unusually high year with revenue predicted to fall in 2022 and beyond. This is supported by comparisons to other Air Ambulances which don't tend to receive such significant income.

A new Legacies system will be implemented early in 2022 to not only increase the automation of this essential income stream but also improve the quality of the data we hold and analysis we can apply. Although legacy income will always fluctuate a clearer idea of the short-term picture will only assist in managing

cash flows and mitigating the significant risk that a fall in legacy income would create.

The levels of income are a tribute to Devon Air Ambulance's approach to fundraising over a number of years and the Charity is incredibly proud of the esteem which its supporters hold it in and the importance they place on the service provided. Not a single legacy, or a donation of any kind, is taken for granted.

Communications

The Communications Team has bedded itself into the organisation having formerly been a part of the fundraising department. Much of its work is incorporated into the broader projects talked about elsewhere in this report as its work is integrated through fundraising, retail and the operational messages, and it has been a big positive in the year to have such a professional and knowledgeable resource to call upon.

Having a separate team has allowed a focus in some key areas for the Charity, particularly around messaging and educating to support prevention and awareness. The fourth quarter saw a campaign focus around road traffic incidents in Devon, working with other emergency services such as Vision Zero and Project EDWARD, tackling an awareness campaign with a media and focused digital reach of over 425,000 people across the South West region. The campaign linked to the 2021 Christmas fundraising appeal 'In Good Hands' with a focus on engaging a younger demographic about road traffic awareness and the impact on our patients.



LOOKING FORWARDS

The learnings from the surveys and the amalgamation of this with the learnings developed in the year will be key in generating our new income generation strategy in the first part of 2022 for the new Fundraising Team to implement. The consistent reporting lines of the Retail Team and the expertise of the Communication Team are in place to deliver this together. It is not expected to be a smooth process in the current uncertain environment, with calculated and balanced decisions taken that will often result in failure as well as success. However, learning from these setbacks is crucial in a modern and dynamic environment where constant growth is needed to succeed.

The progress with the creation and implementation of the income generation strategy will be key to ensuring income can match expenditure without a high reliance on legacy income, the timing of which remains unpredictable. In the short term the financial results are likely to be largely determined by the levels of legacy income in each year which has been identified as a key risk.

Could we be your business' CHARITY of the year



People, Talent & Culture

- Develop and implement a coherent talent management strategy
- Support the Leadership Team in developing a high-performing and supportive organisational culture
- Promote policy and practices to encourage and support a diverse workforce
- Oversight of HR-related policies and procedures and associated risk including health, safety and welfare
- Creating and reviewing the Pay Policy including Senior Leadership Team remuneration
- Regularly review the risk register for People, Talent & Culture

In such a dynamic and unusual external environment, the importance of supporting and developing the people of Devon Air Ambulance has never been greater. While recruitment has been key during the year in a pandemic influenced market, providing staff with the support, skills and opportunities they need has been just as essential.

Health & Wellbeing

There was an increased focus on health and well-being in 2020 as the environment both inside and outside of work became more challenging to at least some degree for every single member of staff, and this trend continued into 2021.

Every individual will encounter different health and well-being issues and respond to them differently; the timing of how someone responds to an issue and how this develops over time will also be different. While the pandemic has been a big factor for people this will often merge in with other factors while health and wellbeing challenges outside of the pandemic will unfortunately always be present.

Due to this the approach has continued to be to offer a range of alternative measures of support so people can access what is best suited to their needs. The changes made in 2020 such as the enhanced Pastoral Care Policy and wellbeing channel in Teams continued, as well as access to support and external resources such as Red Poppy who are a nationwide network of qualified psychological, trauma and stress therapists. Upon these additional resources have been added such as SurfWell who work with Emergency Service providers to improve staff mental wellbeing, resilience and workplace performance through proven scientific benefits of surf therapy. There has also been the creation of a Wellbeing working group to put a specific focus on this element beyond what was already considered within the health and safety and people settings.

This is all underpinned by the emphasis on wellbeing within the regular one to one discussions and the facilitation of communication across remote methods such as Teams which has become fully integrated into daily work processes.

While the risks which the pandemic presents have been recognised and caution applied when limiting physical contact and encouragement of remote working, this has been balanced with individual needs for human contact and the value which face to face contact provides. For example while numbers working in the office have been capped throughout the year there have been times where attendance was encouraged to facilitate inter-team and informal contact, with office staff being encouraged to attend for at least one day a week. Unfortunately this hasn't been possible throughout the entire year and attendance has reverted to predominately working from home where possible following the spread of the Omicron variant. Throughout the year and regardless of location stringent policies and procedures have been applied and regularly reviewed with updated risk assessments to protect our staff from the threats presented by the pandemic.

Communication remains an important element to offer support, guidance and clarity where required, creating conversations and listening to what is needed and wanted. Despite this focus and the creation of the Communications Team outside of fundraising, it's important to note that the impact of the pandemic and the dynamic environment has made this difficult. Messages have not always been heard consistently by all showing that work remains to be done, as it always will be in modern fast-paced times. The continuing work on the taking stock survey and steering group is an important part of this.

SurfWell work with Emergency Service providers to improve staff mental wellbeing, resilience and workplace performance through proven scientific benefits of surf therapy



Taking Stock

A key piece of work has been to explore Devon Air Ambulance's culture, in recognition that the organisation has evolved quite significantly over the years. The project was branded as the 'Taking Stock' project, with the first step being a survey which was circulated to all staff aimed at getting a better understanding of how they as individuals and as a wider department view Devon Air Ambulance and how this differs to what they would like to see. Any organisation will have different cultures and sub-cultures and it's important to understand these and the impact they have on organisational dynamics, particularly during a period of sustained change.

The survey was supplemented by team meetings and verbal discussions with Heléna Holt, the Chief Executive Officer, visiting individuals and teams across the organisation to gather their thoughts in person.

This work helped build up an initial idea of how the culture can be refined to move towards peoples' wants and needs in what will always be a shifting and developing conversation. The initial results of this survey were discussed in detail at the annual Trustee and management away day where next steps were considered. Further work has continued on this at the end of the year with the results shared more widely ahead of the next step which will be the identification of key changes and shifts that are needed within the organisation to help move towards the culture that staff envisage.

The initial findings have identified some areas for development, with a desire for a slight shift towards more collaboration and creativity across the organisation offset by less competition and control. Interestingly the desired shifts are small as there was a remarkable congruence between where staff perceive our culture to sit now as opposed to where they think it should be in three year's time, therefore the main focus was 'evolution not revolution'.

Learning and Development

Induction has been an area of focus, as many inductions are now predominately completed virtually due to new joiners often working from home. This will continue to be under review into 2022 where the aim is to have a comprehensive three months induction programme to welcome new joiners and get them up to speed.

The creation of the additional tier of management with the introduction of department Heads has been of significant benefit and allowed the Charity to manage the pandemic and its surrounding issues with much greater clarity and focus. However, the addition of any new tier of staffing will always require time to settle in as clarity is developed between how this integrates with the roles which are already in place, and to make the best opportunities of cross-team working. While the Heads were recruited for their strong management as well as technical attributes the majority were also external appointments, so getting to know and understand the organisation and it's environment was a key part of their induction. Additionally, there has been a drive to ensure that Devon Air Ambulance has staff with the right skills in place to ensure the organisation's future success so there has been a number of new staff onboarded throughout the year.

To support our new staff members and existing staff members a key rollout in the year was part one of a management development program. This aimed to set the tone for Devon Air Ambulance people managers in terms of expectations of how we interact with our colleagues and how to ensure good quality conversations are happening between staff and managers. This should prevent issues from arising and to ensure that we support our staff at all opportunities. This course has been attended by all people managers at all levels (including the Chief Executive Officer) and will continue to be offered to new managers and staff that are on a development pathway for their first management role.

Tying into this we have reviewed our one-to-one meetings process as part of staff development, ensuring that the guidance and the documentation prompts conversations focused on wellbeing, learning and reflection. It also identifies those that wish to progress within Devon Air Ambulance to help future proof the Charity as well as supporting staff to fulfill their development needs, even if it means moving on to new opportunities externally.

A focus was also put onto expanding the health and safety training in the year to keep up to date with the growth of the Charity in recent years. The Director of Finance & Infrastructure completed an Institute of Occupational Safety and Health course on 'Safety for Executives and Directors' while the facilities team progressed through more detailed courses on 'IOSH Managing Safely' and 'Fire Risk Assessments'. Training was also carried out on Manual Handling for training and assessing both inside and outside of the facilities team, allowing a broader depth of knowledge to be incorporated across the Charity.



Recruitment

2021 was expected to be a busy year for new appointments due to the restructure but the impact of the pandemic on the jobs market has made recruitment significantly challenging. This was partly due to the influence of the furlough scheme but also a wider change in attitudes and thoughts around work and life balance as well as various other factors.

The result of this has been felt in the availability of different skillsets for different roles, where the volume and ability of skilled people has varied more than previously. Wage rates have also fluctuated under the influence of the furlough scheme and at year-end it remains too early to conclude how permanent these movements will be in different sectors.

This has resulted in recruitment levels being higher than expected before the restructure resulting in the process taking longer than foreseen.

The finance team was fully in place at year-end and the fundraising team nearing this stage. There have been a number of senior roles recruited including the Helicopter Services Director, Line Pilots and a Safety Manager, and recruitment campaigns have mostly been very successful. Retail has been the exception due to the impact of the pandemic on this sector. However, the difficulties in Retail recruitment are predominately focused on length of time taken to source the right candidate for the post, with the posts being recruited to eventually. Due to the size of the Charity there is still recruitment in process at the end of the year (partly to recruit roles vacated by internal moves and promotion), but the volume and challenges of 2021 are not expected to be repeated in 2022.



Volunteers

Volunteers remain a crucial part to the operations of the Charity and Devon Air Ambulance are proud of the 738 active volunteers in place at the end of 2022, an impressive number for a Charity of this size.

Throughout the pandemic it's been difficult for our volunteers to support us how they have wanted to, particularly during periods of lockdown and when the shops have been closed or government guidance has limited close contact. At times we have had to make the difficult decision of standing down volunteers who are prepared to carry on and keen to support the Charity through their normal methods.

We appreciate that as well as the benefit which the volunteers bring to the charity there is a significant societal and personal benefit to the volunteers of actively making a difference for us and we remain keen to encourage and support volunteers assisting us when we are comfortable it is safe to do so.

We're also aware of other volunteers who are keen to support us but have taken the perfectly reasonable decision to limit their input during these difficult times. The Charity is incredibly thankful for all its volunteers and not only the significant contribution they have made in this tough period but also the contributions they hope to give when the opportunity allows – it is this support which has allowed the Charity to grow so exceptionally over what is now almost thirty years.

Our dedicated Volunteer Managers who have worked during the year have maintained regular communications with our volunteers throughout the period and continue to produce a fortnightly e-publication called V-news.



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Following the initial volunteer stand-down in March 2020 as the country went into lockdown it has been fantastic to see so many of the volunteers back in the shops, assisting in the office and providing help and assistance right across Devon. Volunteers have been a key part of Devon Air Ambulance's success over the years and it's clear that they will continue to be into 2022 and beyond.



The Charity is incredibly thankful for all its volunteers and not only the significant contribution they have made in this tough period but also the contributions they hope to give when the opportunity allows

Staff Survey

Devon Air Ambulance has worked with an independent company called 'Best Companies' to carry out its annual staff survey since 2018. The survey is anonymous and covers areas such as management engagement, team relationships, communications, well-being and development opportunities.

The 2019 results were shared in 2020 but due to the disruption of the pandemic the 2020 survey was delayed until January 2021. The Charity was ranked 24th in the Charity's Best Companies to Work For and 39th in the South West's Best Companies with exceptional results for being run on strong values and principles, staff feeling proud to work for us and staff being able to develop and gain valuable experience for the future. This achieved a two star 'outstanding' grading despite the challenges provided by the external environment, while the detailed reporting provided helpful guidance around key areas to focus on for improvement. These areas have then been focused on with a staff working party feeding back and interacting with all. The next survey is due to take place in the latter part of 2022.

Pay Policy

Our Policy continues to be to set salaries using an accountable and transparent process for all staff which includes an internal job evaluation process and benchmarking salaries in line with average market rates for similar roles requiring similar levels of knowledge, skill, experience and responsibility.

There is due regard given to balance and fairness, and the need to ensure value for money. This approach has enabled the Charity to recruit and retain high quality staff in the context of national, regional and local labor markets. This has been important in 2021 when there has been a higher level of recruitment activity than in previous years, partly linked to the restructure.

Given the serious financial impact of the pandemic the Senior Leadership Team and Board took the difficult decision to not award an across-the-board annual inflationary pay uplift in 2021. While some staff were disappointed, there was universal support for this decision given the financial difficulties and uncertainties that were faced at the end of 2020. Any prior commitments in terms of pay uplifts for gaining relevant qualifications were honoured while we remain committed to ensuring those on the lowest salaries match or exceed the minimum living wage as set by the Living Wage Foundation.



Following the high levels of legacy income in 2021 the Charity is in the position of being able to approve an inflationary pay uplift in 2022 of 4%. This factored in no uplift being granted in 2021 as well as current and expected levels of price and pay inflation in the context of the pay policy as stated above.



Some of the key areas of focus for 2022 include the rollout of a new HR and payroll system, review of HR policies and procedures, review of induction and onboarding processes, recognising staff through staff awards, revamping our careers section of the website and investigating technology for an online recruitment system.

Future Plans

The People Team is now fully resourced and well into the process of bedding itself in following the restructure and appointment of a Head of People at the end of 2020, as well as taking on the transfer of payroll services from the Finance Team.



Environmental Sustainability & Stewardship

- Develop and implement a climate change emergency commitment
- Sustainable management of resource including fuel, buildings and transport
- Scrutiny of investments policy and impact on the environment
- Support an organisational 'green' ethos and philosophy
- Promote greater environmental awareness
- Regularly review the risk register for Environmental Sustainability

The addition of environmental sustainability and stewardship as one of the key strands of our strategy in 2020 was an important element in putting a more structured and accountable framework in place in an area which has long been recognised as important.

The dedicated Board Committee and the internal Green Team have built on this foundation, further defining their roles in 2021 and achieving the below. The emphasis on this strand has ensured that a focus has been maintained despite the challenges encountered during the year, resulting in a long-term benefit to the Charity as well as the wider society it is part of.

The Green Team

The Green Team was formed in 2020 to share and discuss a wide range of environmental issues such as climate change and sustainability cross departmentally, and seek ways in which Devon Air Ambulance's policies, procedures and operations could be brought into line with these.

During the year the Team have commenced publication of a

periodic internal Green Horizons newsletter updating on their discussions and projects such as signing Devon's Climate Emergency declaration and obtaining an Emissions Report.

An Environmental Sustainability and Stewardship Survey was also carried out in the autumn to ensure that views from right across Devon Air Ambulance were heard, with the results being fed back through the Green Horizon newsletter and factored into future actions.

The Team also coordinated a remote presentation from one of our Trustees, Vicky Smiley, to all staff where she passed on the benefit of her expertise as a meteorologist with the Met Office to discuss climate change.

In 2022 the Green Team have been allocated a £5,000 discretionary fund within the budget to undertake relevant projects which they identify in the year.

Sustainable Facilities

The Head of Facilities plays a key role within the Green Team and uses his previous experience with sustainability to factor it into

decisions around premises, airbases, service contracts, waste and vehicle usage as well as planning for new combined airbase and head office facility in which he is also involved.

This expertise was also factored into the Procurement Policy which was expanded during the year to incorporate additional guidance around considering ethical and social responsibilities when selecting and using suppliers. As with much in this area knowledge and quality of information is improving at a gathering rate and so providing additional guidance to balance the best available evidence and knowledge with the core objectives of the Charity was perceived as crucial in what can be a subtle area.

Investments

As discussed more fully in the investments section, the Investments Policy has also been updated in the year and a greater emphasis has been placed on Environmental, Social and Governance ('ESG'). The carbon footprint of direct holdings is now measured and monitored in the portfolio as a best indicator of the environmental impact of the portfolio and the ability to expand this analysis into indirect holdings is expected in 2022.

Emissions Report

An emissions report was commissioned and completed by Eunomia with the results circulated internally by year end. This is very much seen as a first step which should give a greater understanding of what information will need to be recorded and retained in future years to complete more accurate analysis. The accuracy and value of this information obtained is expected to grow as each future report is obtained. The current report was based on the 2019 calendar year which was the most recent year with representative data available, so the pandemic is expected to impact comparatives over the next couple of years at least. It's always important to appreciate


the limitations of the analysis carried out and to note that it excluded emissions for our events and only included those from some procured goods. It also didn't factor in avoided emissions or those created by working from home, which are often termed scope 4 emissions.

While the current report was helpful in identifying some potential useful interventions to reduce emissions which are expected to be of some benefit, unsurprisingly the largest emissions were from the aircraft and so with the increase in missions seen in 2021 these emissions may well increase (although a proportionally large number of these additional missions being attended by the clinical cars may influence this). However, being able to measure and monitor this is an important step in being able to drive positive changes for all parts of Devon Air Ambulance.

It was also encouraging to see the high level of avoided emissions due to our Charity shops sales. It is important to note that in line with CHG accounting standards avoided emissions are not included as part of the Charity's carbon footprint but none the less it is positive to see that they make such a significant impact. Measuring avoided emissions is also heavily dependent on assumptions and hence the quality of the data is low, yet it was positive to note that they were estimated to exceed the level of emissions produced by the Charity as measured within the scope of the report.

Events

The Emissions Report did not cover Charity organised events and a working group made up of staff and Trustees has been set-up to consider the impact of these events and how best to manage and mitigate any negative impact going forward. The multiple factors and considerations of each can create subtle considerations and multiple perspectives so we are keen to involve those who take part or are otherwise impacted and gather their views.



Trustee, Vicky Smiley, passed on the benefit of her expertise as a meteorologist with the Met Office to discuss climate change via an online presentation to all staff.

Staff members and their families undertook a beach clean at Exmouth in October 2021



Declaration on Climate Change Emergency

In April the Charity endorsed the Devon Climate Declaration which has been prepared by a consortium of public, private and voluntary organisations collaborating through a Devon Climate Emergency Response Group. It sets out ambitions to tackle climate change that covers all of Devon, including those who live, work in and visit our county, and those businesses which are based or operate here. By scrutinising all aspects of the Charity reviewing how to influence our impact, the aim is to inspire a dynamic and cultural philosophical ethos which will impact health and wellbeing of current and future generations.

Looking Forward

The Devon Climate Declaration gives a clear commitment to continuing the focus on environmental considerations including the development and publication of a Climate Change Action Plan for achieving Net Zero with a target date. Work will also continue in the work the Declaration has triggered – while an initial quantification of our carbon footprint has been made the benefit will come in the monitoring and review of this footprint and the steps taken to mitigate it. We are similarly at the start of our commitment to understand the climate impact of our investment policy and as the quality of information improves in this area our ability to monitor and influence this will progress further. Work with Emergency Service providers to improve staff mental wellbeing, resilience and workplace performance through proven scientific benefits of surf therapy. There has also been the creation of a Wellbeing working group to put a specific focus on this element beyond what was already considered within the health and safety and people settings.

Digital & Technology Mastery

- Develop and implement a digital culture to fit the way we work
- Expand income opportunities through digital
- Promote innovation in digital and technology
- Create efficiency gains through digital technologies
- Ensure DAA has robust Cyber-Security and data systems and processes
- Develop a data-driven strategy dashboard to support Board & Leadership Team
- Monitor emerging technologies that hold potential to transform our operations
- Regularly review the risk register for Digital and Technology

One of the impacts of the pandemic over the last two years has been to accelerate change – both the adoption of new technology and creation of it have been sped up as methods of working have changed and mentalities progressed. This increases the risk of organisations falling behind the technology curve and becoming less relevant or effective, while providing opportunities to those which are able to make the most of the new openings created by digital and technological developments.

This all strengthens the importance of digital and technology either from the perspective of limiting risk or taking opportunities – as with any strategic pillar these two considerations will always be entwined and crucial. Recognising it as a key focus area has helped us respond to the challenges of the last two years.

By incorporating Digital and Technology Mastery as a key strategic strand it has a dedicated Board committee as well as a Digital Leaders executive team from across Devon Air Ambulance which feeds into the Board committee and looks to place it at the forefront of our thinking and decision making.

Integrating this into our culture is seen as crucial in identifying and incorporating emerging technologies to potentially transform the delivery of our operational service but also ensure our processes become increasingly efficient and opportunities for generating additional income are embraced.

The annual Exeter Round Table Charity Fireworks display is a great example where new technology was used to great effect. Devon Air Ambulance has traditionally assisted in selling these tickets in what has been a very manual process – by transferring the ticketing to electronic in the year saved countless hours in administration and helped support one of the most popular displays in recent memory.

As well as generating efficiencies there has also been progress in testing new opportunities for generating additional funds ahead of the development of the income generation strategy in early 2022. QR codes to allow and encourage donations have been generated and put in place prior to the year-end in places such as the shops. Hybrid events such as the March March discussed in more detail earlier in this report have gone ahead.

Starlink, a new satellite based internet service, has been introduced to the Eaglescott airbase to significantly improve connection speeds. This has been successful and will also be

rolled out in the warehouse. Both destinations rely on reliable and good quality connections in remote areas, which this new product has been able to provide.

Information Technology and Data Protection
Our IT team has continued to develop in the year, partly in response to the changed working environment and significant increase in homeworking. An apprentice has been added to the team as one of the two new IT support technician roles and a new external IT support company has been appointed with a focus on supporting our service out of hours and for ad-hoc work rather than the wider support provided by the previous supplier. This has allowed the internal team to build up their own skill sets and provide a more focused and knowledgeable service while having the ability to outsource specific tasks to maximise efficiencies and minimise costs.

In 2022 the aim is to get all the team up to COMPTIA certification to meet the industry standard.

Significant work was carried out in 2020 ahead of replacing our current Customer Relationship Management (CRM) system. We use a number of different databases for fundraising, our lottery and gift aid and it is clear that these had not kept pace with our growth, creating an administrative burden. Discovery days were carried out with an external company to establish the requirements of a new CRM system, so it has been disappointing that this project has not progressed significantly in 2021. This was a conscious decision following the amount of change created by the restructure in the year, and the awareness that the implementation of a new CRM system was a significant development which needed sufficient time and knowledge to make it a successful transition. A new CRM system remains a focus in the longer term, but within 2021 attention has been focused on reviewing the data currently held and how the present system is used to maximise the efficiencies and opportunities.

The protection of the data within the CRM system and more widely across Devon Air Ambulance, remains of paramount importance to the Charity, to respect not just the letter of GDPR but the underlying spirit. Protecture are an external party who we use to provide specialist advice and guidance around GDPR and information governance.

Protecting ourselves against the continuing threat of cyber fraud is a part of this as fraudsters have looked to exploit the

pandemic and continue to target charities. All staff receive regular online training and updates to keep their knowledge current around the latest risks and frauds being practiced. One

of the new IT support technicians has a background in IT security and has taken a lead role in this area.



Looking Ahead

an interactive and informative dashboard capturing the key measures of quality and performance in meeting the Charity's objectives as well as the more specific aims of the individual strategic strands. This will provide greater transparency and accountability externally and assist in measuring impact to underpin a more developed and

Work has commenced but has been slower than hoped on creating a Digital Dashboard which will be a major focus in 2022. The intention is to build

integrated internal system of performance measures.

The development of the income generation strategy will also need to consider digital and technological opportunities to best grow income streams – due to the speed of change in this area the best opportunities may be the ones which are barely visible at present which is where the importance of horizon scanning will be most crucial.

All these elements will be key in keeping digital and technological advancements fundamental to Devon Air Ambulance's strategic approach and ability to develop and grow, making the most of opportunities identified and managing the risks presented.

Communications & Marketing

The appointment of a Head of Communications in March 2021 has allowed the Communications and Marketing Team to develop as an independent identity outside of the Fundraising team, promoting more integrated and collaborative relationships across Devon Air Ambulance, while maintaining a close connection with the Fundraising team. It has introduced a more professional and focused level of expertise to enhance communication both internally and externally.

External Communications and Marketing

Communicating with the people of Devon remains essential to the community focus of the Charity and has been a major focus in the year whether when talking to the community, our supporters across the County and beyond, our volunteers who form such a vital part of the Charity and for more focused audiences who would like to hear how they can support the Charity in specific ways, such as participating in events or donating and buying from our shops.

Talking to the wider Devon Community is crucial for us to reflect the fundamental relationship formed through our charitable objectives. During the year this has included wider communications around how the pandemic has impacted it and the approach has taken a stance towards a smarter digital focus, in turn reaching a wider demographic in addition to the current supporter group, as well as explanations and promotions of some of the specific campaigns which have been worked on and will often build directly into the charitable objectives.

Communicating to our supporters is also important to ensure we are transparent in what we are doing and why, as well as listening to their views. Surveys were an important part of gathering evidence for updating the income generation strategy in 2022 and listening to current and potentially future supporters is key to understanding the value or otherwise of the Supporters Pledge and how changes to this would be perceived.

Volunteers have been a key part of the Charity's significant growth over the years and continue to play a crucial part in the day-to-day operations across Devon. However, the pandemic has limited and impacted the ability of many to support Devon Air Ambulance how they would best like to. Communication such as Helipad as well as the regular V-news email sent to volunteers has therefore been important to keep many involved and up-to-date, while at times explaining the rationale behind decisions which will influence how volunteers can provide their crucial assistance.

One of the ways in which volunteers and supporters, both old and new, have been able to support the Charity in the year has been by participating in the second hybrid virtual event, the March March. Making people aware of this event and how to be part of it helped its success. It has also been important to keep people informed around the Charity's own events which were postponed in the year but will hopefully return in 2022.



A Christmas appeal was also made at the end of the year which was extremely successful in reaching not only its target of

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£25,000 to fund a new ventilator but also further funds which will be put towards an additional machine. This has demonstrated the benefits of a focused approach to assist the fundraising team in generating significant funds for the Charity and its patients.

Internal Communications

Devon Air Ambulance employs a diverse workforce from a number of different sectors working with different workflows and timings from different locations, which has always meant internal communications are crucial.

The distribution of people has spread more widely as office-based staff have largely worked from home, while retail staff have remained spread over the County in their shops and operational staff have been based at the two airbases. Homeworking has also allowed greater flexibility with working patterns and timings to go with the shift work of the operational crew, meaning that internal communications have become increasingly important at a time when there has been a greater desire for dialogue in such an uncertain environment externally.

In this context it has been disappointing but necessary to lose the rare opportunities to meet in person, such as the annual away day and the Christmas party, both of which were not held

due to the pandemic. Teams has continued to be widely used and is now an integral part of working with even the Christmas party being transformed to a virtual format.

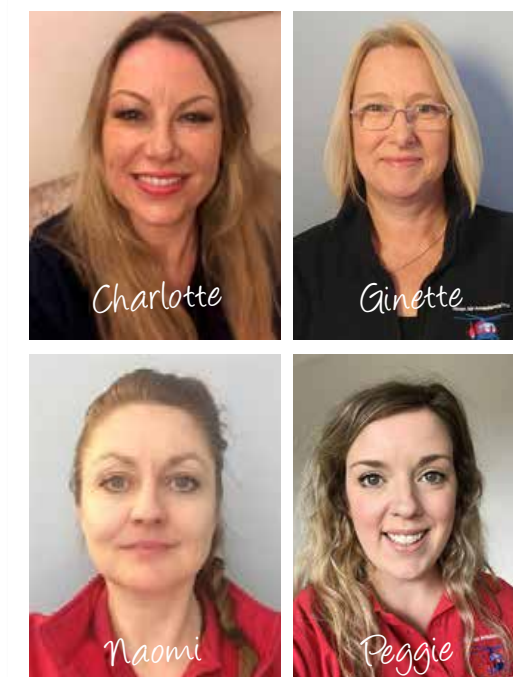
Staff surveys have been used more widely than ever before, following on from their use during the earlier stages of the pandemic in 2020. As well as an update of these surveys used to understand the types of anxieties and concern being felt, surveys were used internally by the Green Team and as part of the information gathering for the work on evaluating the carbon footprint, as well as part of the Taking Stock evaluation and the annual staff survey. Significant time has been invested in evaluating these results and relaying the interpretation of them back to staff to test the understanding of the replies.

The environment which Devon Air Ambulance is in remains dynamic in relation to changing clinical requirements and potential considerations for public facing events and retail. Views, opinions and input will continue to be required from the whole of Devon Air Ambulance and not just the management function to ensure correct and balanced decisions are taken. While it will not always be possible to take decisions which match the views of every individual, feeding back the rationale will assist in transparency and clarity.

Individually an emphasis remains on the importance of one to ones with line managers while direct contact is made weekly with direct reports to check on welfare and any questions that the employee may wish to raise outside of an open forum.

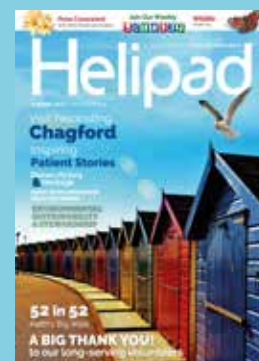
It has been a promising first year for the newly independent Communications Team and the benefits of this set-up are expected to continue to grow as learnings are made, evidence gathered and approaches developed.

The Comms Team



Helipad

Our Helipad magazine has remained an integral part of our external communications with a further three issues circulated in Spring, Summer and Winter to approximately 35,000 supporters. As well as being the flagship printed marketing vehicle for the Charity it allows supporters to kept updated about our service and patient stories while offering engagement and thanks to our fundraisers and business supporters, encouraging others to get involved.



Future Plans – 2023 and Beyond

New Combined Airbase and Head Office

Although the pandemic and wider environment is expected to exert financial pressures into 2022 and beyond, an investment in a combined airbase and head office facility remains strategically fundamental to the future success of the Charity, reflected by an inclusion of a £5 million designation in the reserves at the year-end.

The need for a suitable operational airbase facility remains of significant importance as the number of clinical staff has increased since clinical independence took place in 2019 as well as the gradual increase in operational hours in recent years. The current facility at Exeter Airport is not fit for the current purpose and well short of fulfilling future requirements. There are inadequate training facilities, office space, briefing /flight planning space, insufficient locker room and shower facilities (particularly for female staff) as well as inadequate parking space. The current facility is also 'airside' at Exeter Airport meaning that it is subject to rigorous security measures for access so that most staff, visitors and contractors need to be escorted from the airbase. To make the Airbase an important and visible element of our marketing and fundraising greater public and staff access needs to significantly improve.

Some conditions in the current lease are due to expire in mid 2023 which will result in the application of take-off and landing fees as well as rent commencing, both of which will be at significant costs. Discussions are therefore ongoing as to what alternative land is available either in, around or near the Airport so a new facility can be built and ready for use as near to this timeframe as possible to limit the additional costs. An external company has been appointed to carry out the initial analysis of site requirements, building on work which has been completed in the year to get input from every part of Devon Air Ambulance around what the new facility should provide.

2022 will be a key time for progressing to a clearly costed plan with a specific timeframe. It is a project that will require high levels of resourcing, both financially and in time, but will be crucial to future proof the Charity and its future service provision.

Income Generation Strategy

Although funds have been designated to support the new combined airbase and head office, this will be a major project with the cost yet to be established. This will need to be funded at a time when costs have increased and are expected to increase further as the level of missions have increased, while income has been impacted by the pandemic. Although significant reserves, cash and investments are in place to manage the immediate risk exposure, costs are expected to exceed income in the short and medium term with the potential for these shortfalls to be significant if legacy income does not match the levels of the last two years.

For this reason the creation and success of the new income generation strategy in 2022 will be vital in ensuring income can cover costs going forwards, to put the Charity in a position where it can maintain the current service, ensure essential assets such as the aircraft can be replaced efficiently and ideally enhance its service further to benefit patients.

Additional resources have been committed to fundraising as part of the restructure and with the new strategy are expected to generate additional funds, but this will need to be combined with continued efforts to work more efficiently and make the most of new technological and digital opportunities.

Our Patients

In May 2002, on his way to work one morning, Darryl's car was involved in a head-on collision with a 40-ton lorry. Darryl suffered catastrophic injuries and needed specialist help fast.

The Devon Air Ambulance helicopter soon arrived on-scene and specialist paramedics immediately assessed Darryl's injuries. It was clear that he needed urgent help. His condition was stabilised by critical care paramedics at the scene and he was then swiftly airlifted to the RD&E hospital for further intensive care. Tests showed that, upon impact, Darryl had broken all of the bones in his skull and had suffered a severe brain injury with only 20% chance of survival. His anxious family were told that if he was lucky enough to pull through, he would likely suffer lifelong consequences.

But Darryl did survive. He endured several major operations and he and his family prepared themselves for the long, difficult journey back towards full health. He remained in the hospital for eight weeks where he had to learn to do simple everyday tasks again.

Darryl's proud partner Peta shared her experience of Darryl's recovery:

"I am a support worker for young adults with autism and learning disabilities. In November 2019 I started to work with young people because I wanted to make a difference to someone who has a

life to live and a possibility to improve their capabilities and learn new skills. It's hard work but it's so rewarding to see every little accomplishment, it makes me proud and happy to be part of it. Rehabilitation has been a major part of Darryl's life and I know just how much he has achieved and how every small step has made a huge difference to him.

I know that Darryl would've died that day, had it not been for the crew of the Devon Air Ambulance who helped him at the scene and then flew him so quickly to get the urgent intensive care he needed. We want to say thank you and, now that Darryl feels strong enough, our way to do that is by doing a fundraising walk from the RD&E Hospital to Dawlish to try to raise as much money as we can to help Devon Air Ambulance to save more lives like they saved Darryl".

"We want to say thank you and, now that Darryl feels strong enough, our way to do that is by doing a fundraising walk from the RD&E Hospital to Dawlish to try to raise as much money as we can to help Devon Air Ambulance to save more lives like they saved Darryl"

Since the accident, Darryl has suffered with epilepsy and experienced PTSD, depression and anxiety and to this date he struggles with sudden changes, too much noise and he's prone to panic attacks. His neurologist told him that he would never be able to work again.

But Darryl is a determined, strong and very brave man who has become an inspiration to others, showing immense perseverance and determination. His recovery has been so fantastic and successful that 19 years later - and against the odds - Darryl started a full-time job with Exeter Council in September 2020! Everyone here at Devon Air Ambulance would like to send our very best wishes to Darryl and his family for a bright and fulfilling future.



Planning to Succeed

Improving efficiency

The restructure has been fundamental to improving working methods and accessing greater efficiencies but the impact will take time to feed through with benefits only starting to be felt in 2022 before they are built on in future years.

The delay to the CRM system discussed earlier in this report is a good example of the pause in progress during the restructure, but the time invested into reviewing the current set-up will pay dividends when more substantial changes are adopted in the future.

Similarly the Finance team has not expanded its reach during the year, but the team is now in place to facilitate more regular and detailed cross departmental discussions and reporting. This will result in greater transparency, wider and more in depth understanding and an ability to adjust behavior based on this understanding. Forecasting accuracy should also improve, aiding a better evidenced decision making process. Over 2022 this is expected to feed into greater efficiencies while creating the opportunity to fundamentally review and improve the processes currently in place.

For each £1 we spend on fundraising and income generation (including support costs) in 2021 we raised £3.42. This comfortably exceeds the prior year's figure of £2.53, but this is driven by the unusually high legacy income in the year and it should be noted that both years have been impacted by the pandemic in different ways. For the benefit of context the 2019 figure was £2.79. Without the exceptional legacy income this figure is expected to fall to the 2020 level or slightly below, as the impact of the investment in fundraising is not expected to be immediate – however a gradual improvement (once adjusting for variable legacy income) is forecast from this point to reflect the investments made.

Administration and Support Costs

Good administration is key to efficiency with a direct impact on the Charity's effectiveness and so remains a key area under constant review, particularly following the restructure. Efficient administration drives informed decision making and continual improvements while mitigating risks, potentially saving further costs by safeguarding the Charity's assets for the ultimate beneficiaries.

The legal requirements and responsibilities have never been higher for Devon Air Ambulance following its sustained growth and the wider regulatory responsibilities, for example through GDPR and health and safety. Both our accounting system and CRM system need to capture thousands of transaction while maintaining accuracy. The additional management tier introduced during 2020 has significantly improved the technical and professional knowledge throughout the Charity, ensuring that the responsibilities are met.

The balance between costs and benefit is kept under constant review by senior management not just immediately but in the context of how decisions are likely to impact financial and other performance over the medium and longer term. Increasing uncertainty in the wider world continues to make this challenging, but by using scenario analysis a wider context is provided to



Trustees and senior management to aid decision making. This does not guarantee 'correct' decisions – a significant fall or increase in legacy income could drastically alter both the short and longer term context very quickly. However, it does provide a broad but understandable range of possibilities based on the most up to date knowledge and evidence to allow sensible decisions to be made with consideration of the known risks.

Support costs as a percentage of income is a key performance indicator and fell from 8.6% to 8.0% in 2021. However, this was impacted by the high legacy income received in the year and the underlying support costs have increased during the period, so the figure is expected to increase significantly in 2022. The increased operational activity will also have an underlying impact on the functions which support it, so it is possible that these costs may increase at a greater speed than revenue initially, further increasing this percentage. This rate should then fall as a result of increasing income and improving efficiencies, partly due to the investment in the infrastructure made during 2021.

Review of Financial Performance

Financial Performance

Both the financial performance in the year and the financial position this has created at the year-end are comfortably ahead of expectations, but both these have been driven by exceptionally high legacy income which is incredibly unlikely to be repeated. Allowing for this the underlying position remains similar to 2020 with expenditure exceeding income, but a significant level of reserves, cash and investment to support this in the short to medium term.

The budget had forecast a loss of £2,400,000 with legacy income of £3,500,000 – if the latter estimate had been correct then the former would have been within £400,000 with a loss of approximately £2,000,000. However, COVID-19 did have some specific impacts within the figures as noted below.

Income

Income increased from £8,529,000 to £11,490,000, driven by legacy income which leapt up from an already unusually high £3,773,000 to £6,306,000.

This more than offset pandemic impacted income streams such as retail which had totaled £2,149,000 in 2019 but dropped to £825,000 in 2020 and partly recovered to £1,465,000 in 2021. When the shops have been open, free from restrictions and fully staffed sales have been strong and expectations are good for the future, but the pandemic will continue to impact in 2022 even if there are no further lockdowns due to variable footfall and the challenges of keeping all shops sufficiently staffed at a time of widespread illness.

Although lottery income only increased slightly from £2,066,000 to £2,094,000, this does not tell the full story. A fall in number of new members signing up in 2020 meant that figures at the start of the year were low but this slow start of the year was offset by much stronger sign-ups at the end of the year with membership figures hitting record highs. The year-end position was therefore strong and expected to grow further in 2022.

Expenditure

Expenditure has increased during the year, partly due to the restructure which incurred £47,000 of one-off redundancy costs as well as recurring costs for new roles, but also due to high aircraft maintenance costs at the start of the year. Overall costs have increased from £9,880,000 to £10,804,000.

Operating costs increased by £827,000 which was largely in line with budget aside from maintenance costs which were £193,000 higher than the prior year. Other costs which increased in line with expectations included depreciation, insurance and fuel.

Lottery costs have remained low and fell to £414,000 from £461,000. These costs are driven by the canvasser costs and although there were significant sign-ups in the second half of the year costs were significantly lower in the first half of the year due to low sign-ups at the end of 2020, so this is expected to increase significantly in 2022 as with the income.

Impact of COVID-19

Devon Air Ambulance have continued to take advantage of the COVID-19 grants when they have been available to ensure staff can

continue to be employed and paid and so that Charity is best placed to meet the needs of its patients in the future.

£85,314 was received between February and May under the furlough scheme following the third lockdown.

£232,306 was also received through the leisure, retail and hospitality grant due to the shop closures in the lockdown.

Other Movements

The investments portfolio moved over to the new manager, Investec Wealth and Investment Management, in the year and the investment policy including the risk appetite was revised but investment valuations remained relatively static in the year following the pandemic driven movements in 2020. A fall of approximately £200,000 in the first quarter has then been partly reversed in the second quarter and then offset in the fourth so that in the year overall a gain of £101,000 was made.

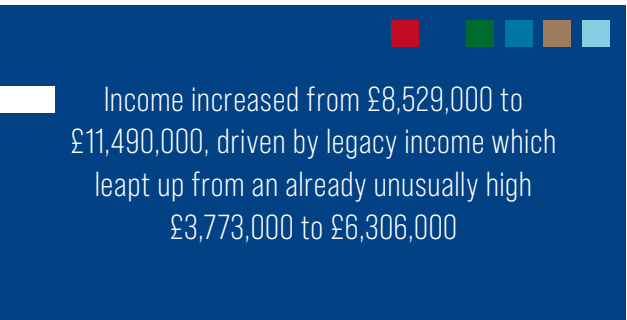
Relatively little is held in foreign currency following the purchase of G-DAAS in late 2019, although a small Euro balance is held as well as some trading within investments being done in US dollars – therefore a small loss of £1,000 was incurred in the year.

No gain or loss has been made on the disposal of fixed assets as negotiations for the sale of DVAA remained ongoing as at the year-end.

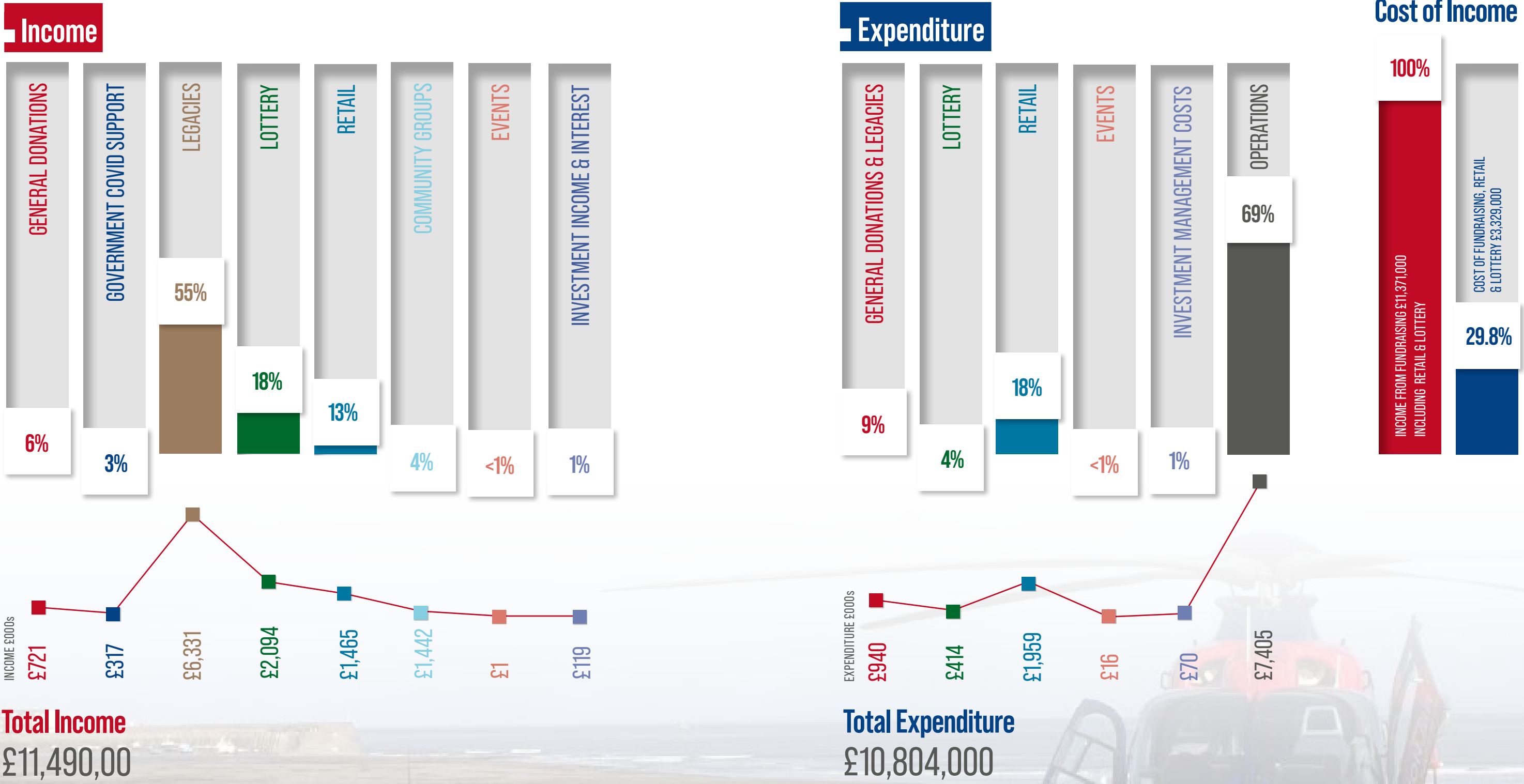
Net assets have therefore increased by the surplus of £787,000 to £22,218,000 with £9,775,000 tied up in fixed assets and £5,905,000 in long term investments. While long-term investments aren't intended to be drawn into for the short-term, it is acknowledged that these investments are largely liquid and when assessing availability of short-term funding these investments and their degree of liquidity are taken into account.

Excluding these investments there remains £6,537,000 of net assets to fund ongoing operations, short term maintenance and repair costs, maintaining and improving the infrastructure and the continuing enhancement of the service. The sizable legacy debtor of £3,807,000 is included within this balance.

The Trustees remain mindful of the importance of generating and monitoring sufficient financial resources to continue operations, particularly with the uncertainty of and fluctuations inherent within specific income streams such as legacy income and the wider economic and social uncertainty. With the increase in costs in recent years the exposure to a fall in legacy income in particular is identified as a key risk.



Financial Position at the Year End



Reserves

The Reserves policy and the designations made within the reserves are key tools in monitoring and maintaining cash flows. In line with Charity Commission guidelines, the Trustees monitor the level of reserves to ensure that they are sufficient for the Charity to achieve its objectives. The Trustees deem it necessary to have the security of reserves to enhance and develop the service with confidence, particularly where there may be a timing delay between implementing more costly operational activities and obtaining the necessary funding.

The Trustees review the allocation of the Charity's reserves and make specific designations where applicable. The Trustees aim for free reserves plus undesignated investments to cover 12 months of expenses following a 33% decrease in total income. This inclusion of undesignated investments reflects the liquidity of the non-current investments, which is regularly monitored. Due to the diverse income streams in the Charity it is deemed unlikely that income will drop beyond this level in the short term. When the Board are making decisions, reserves are considered not just in the present but also looking forward through forecasts to allow for short-term impacts such as the high level of legacy income in 2021. Free reserves are considered to equal the General Reserve (i.e. total reserves, less restricted and designated funds) less attributed tangible fixed assets.

The Trustees are not looking to set an upper limit on the level of reserves at this stage, as substantial resources may be required to ensure that the service can continue to evolve and develop in line with medical practice and technological developments in the modern fast changing environment. The designations which form part of the charity's total reserves will continue to be regularly reviewed by the Trustees. Forecasts are used to identify and monitor the risk of reserves exceeding the target level for a sustained period.

At the year-end total reserves were £22.2 million and free reserves plus undesignated investment of £6.71 million exceeded the target £3.14 million representing 12 months net costs following a 33% decrease in revenue. Free reserves excluding undesignated investments totaled £6.32 million. This level of reserves is considered reasonable by the Trustees with costs expected to exceed income for the short and medium term – Trustees are comfortable that this will lead the reserves towards the target level in the longer term with the aim of the income generation strategy then working to maintain reserves at the required level.

Designations & Restricted Income

The free reserves discussed above are calculated after deduction of restricted and designated funds, which are explained in detail in note 19 of the accounts.

The main restricted fund related to the £204,000 at the start of the year which remained from the £1,000,000 awarded from the LIBOR funds in 2016 towards community landing sites for night-flying. £174,000 was paid out in the year leaving a balance of £30,000 as the funding neared completion.

£226,000 was received from the Department of Health & Social

Care in 2019 towards the critical care cars and defibrillators and the restricted fund is being reduced as the assets are depreciated with £130,000 remaining at the year-end.

In 2019 Tesco donated £25,000 for the intelligent ventilation system of which £10,000 remains at the year.

£6,000 of the Health Education England grant provided to establish new processes and participate in simulation training with hospital staff also remains unspent at the year-end.

South West Water provided £7,000 in the year towards fogging machines and Eaton have provided a further grant of £11,000 to purchase equipment bags and other equipment for the Clinical Care cars. The Christmas campaign was very successful in raising £27,000 for new ventilators at the end of the year. None of these items had been purchased at year-end.

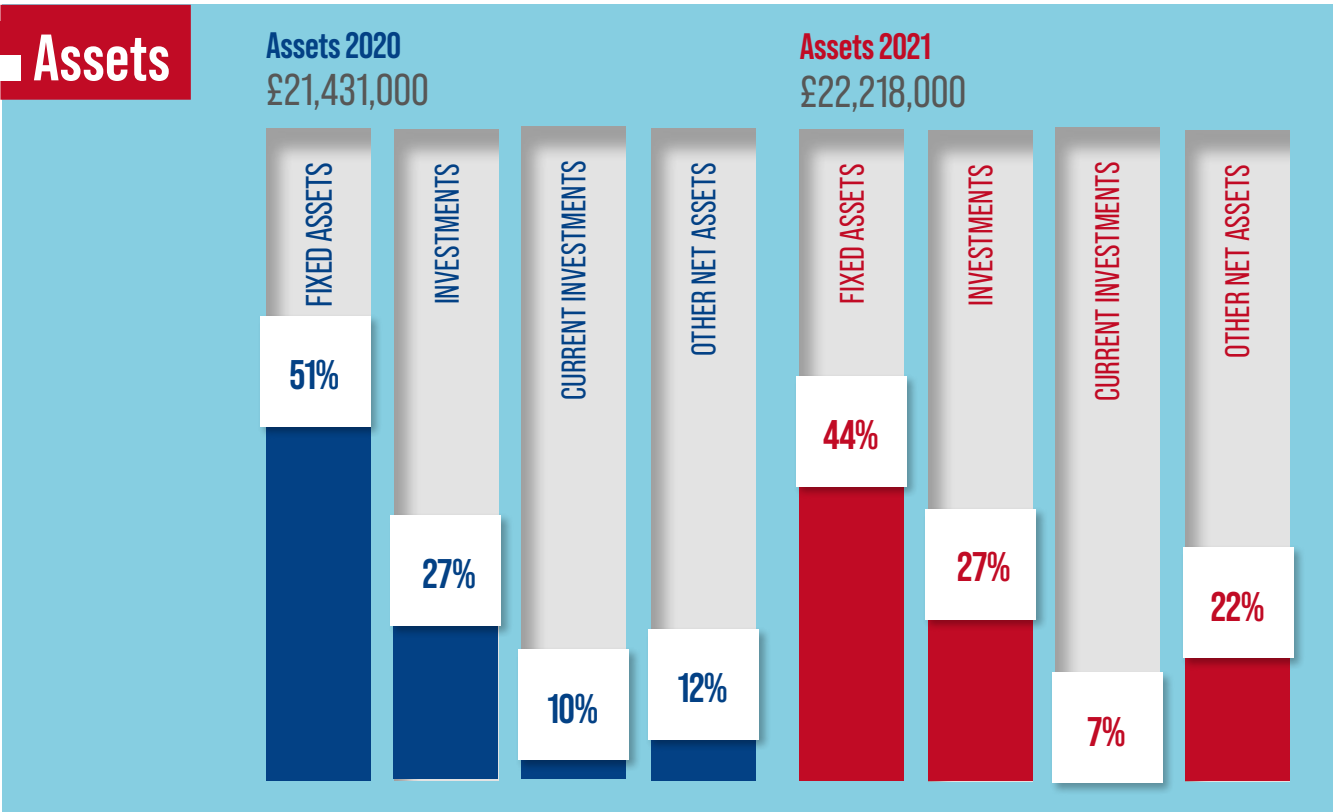
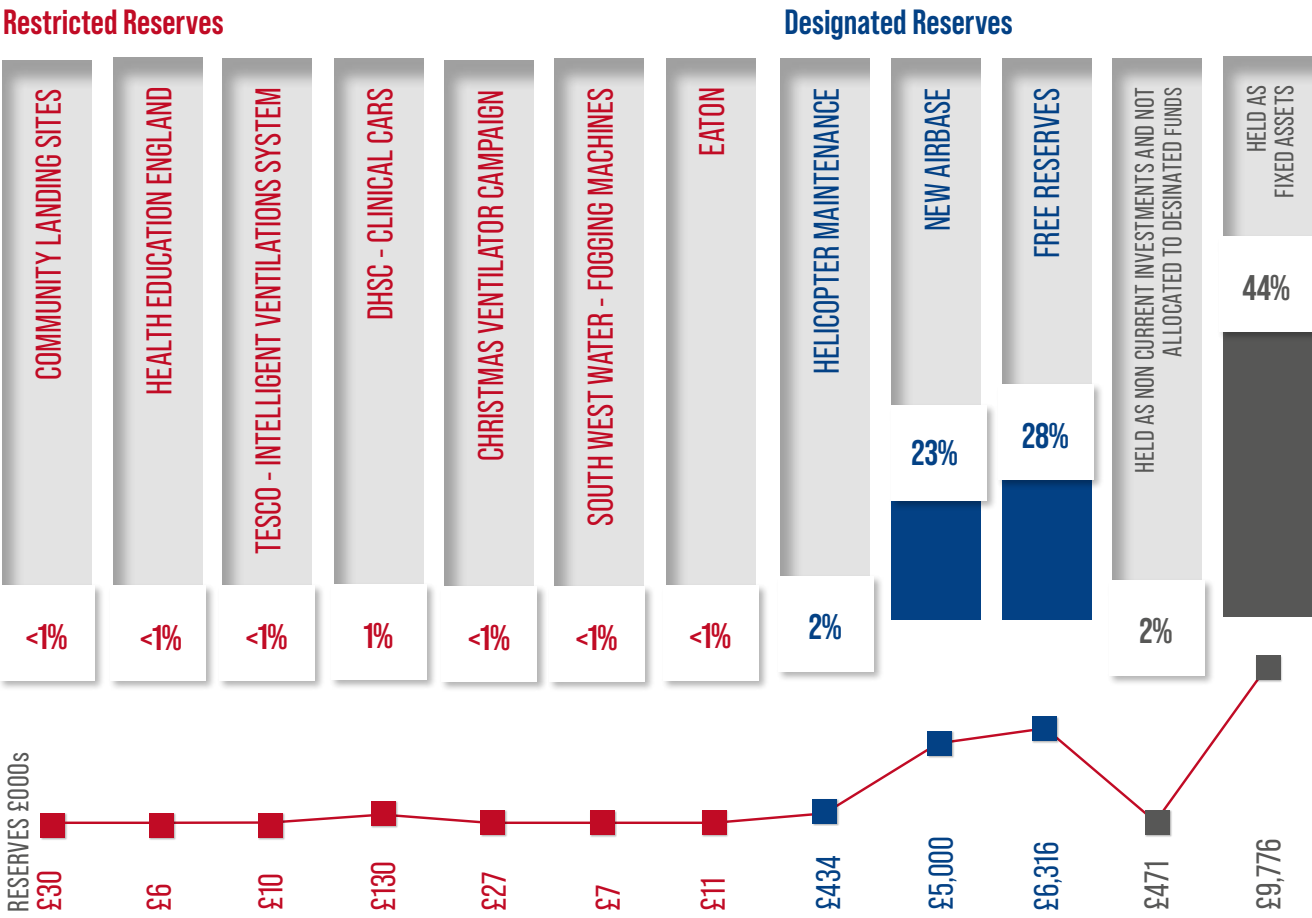
The most significant designation in 2020 related to the proposed new combined airbase and head office facility. This was gradually being built up monthly up to the hoped-for date of operation at the end of 2023, but due to its strategic importance a best estimate of its cost has been bought in immediately. This project remains at its early planning stage so the estimated cost is expected to fluctuate as the project specification is built up which the designation will be aligned to. A total of £434,000 is designated to helicopter maintenance based on the expected cost of an expensive item needing repairing to ensure immediate repair and limited downtime. The exposure to this is also limited for the newest aircraft as it entered a Serviced-By-the-Hour ("SBH") agreement which effectively smooths significant maintenance costs over the life of the aircraft. The £291,000 key manager cover designated in the prior year has been reversed due to the addition of the Heads as an additional management tier improving the Charity's resilience and ability to cope with absence of key management.

There is currently no designation in place for a replacement aircraft which was in place in previous years and no clear timing has currently been committed to for replacing the current aircraft. This is due to the age of the current aircraft and availability of other options for future aircraft replacement. The clinical cars have become an essential part of the service but no designation has been made for replacing these due to their low relative cost in comparison to the aircraft.



Reserves

Total Reserves £22,218,000



Financial Risk Management

Aligning the cash resources held to the requirements of the reserves policy and future designations and investments is the key objective of managing the financial risk. Cash flow forecasts and their relationship with restricted, designated and free reserves are monitored regularly and reviewed quarterly by the Financial Sustainability and Growth Committee. Additional scenario analysis is also incorporated into this to provide wider context and understanding. There remains a significant exposure to price risk relating to non-current investments and the Trustees have set an investment policy which does not embrace any more risk than a medium risk investor and utilises Francis Clark Financial Planning (‘FCFP’) to report on the investment portfolio’s adherence to mandate. The risk appetite was adjusted and increased from ‘lowest medium’ in the year by the Trustees after careful consideration. FCFP and the investment manager, Investec Wealth and Investment Limited (‘Investec’) were consulted during this process to ensure that the Trustees held sufficient information to come to their decision. This was concluded to be more in line with the expected time horizon of the investments for the Charity and in the wider context of the current and expected returns as well as wider external environmental factors such as interest and inflation rates.

Investment Powers

Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees wish.

Investment Policy

A strict investment mandate is in place with Investec and aligned to a detailed Investment Policy. FCFP review and report back to the Board regarding Investec’s adherence to the mandate. This policy is under constant review and was updated in the year predominantly to reflect the increased risk approach but also to update for other factors including the extension of the social investment approach. The objective was updated as part of this review and is currently stated as achieving a total return of 3% above inflation (as measured by CPI) on an annualised basis over a rolling 5 year period, to retain the real value of the capital’s purchasing power. The Trustees are averse to capital volatility and aim not to embrace any more risk than a medium risk investor. A diversified geographical and asset class mix of assets is permitted, although high risk assets such as derivatives must only make up a small portion of the portfolio and be used for portfolio management rather than speculation.

These arrangements are reviewed periodically to ensure that they remain the best options for Devon Air Ambulance’s current needs.

Investec were appointed in the year following their success in a highly competitive tender process and held at the end of the prior year. This process was held as the previous manager had been in place for over five years. The transition went smoothly with the investments transferring to Investec early in 2021 without significant issue or disruption.

Investments

Investment gains of £101,000 in the year contributed to the surplus and consisted of £459,000 realised gains being partly offset by £358,000 of unrealised losses. Investments are expected to fluctuate in the short term and the Trustees are comfortable with the performance of the investments both prior and since the transfer to Investec.

Movements in the year have been limited with a fall in the first quarter being offset and then reversed by gradual gains through the remainder of the year.

The Trustees are confident that this investment remains aligned to the Charity’s requirements and that the medium risk investment mandate is being implemented. The transfer to Investec is not expected to change this as these were major factors incorporated into the tender process.

FCFP have direct contact with Investec and provide independent feedback to the Board around Investec’s adherence to the investment mandate.

Investment income has fallen slightly in the year to £119,000 from £123,000 in the prior year and £165,000 received in 2019 reflecting the lower income distributions by investments since the pandemic.

Social Investment Policy

With environmental sustainability and stewardship being one of our four key strands underpinning the strategy, the social investment policy has continued to be a key consideration for Trustees. Environmental, Social and Governance (‘ESG’) factors were part of the criteria used when evaluating the tender and the appointment of a new manager has assisted in updating the policy.

The Trustees value the importance of environmental sustainability and stewardship highly and through their Climate Emergency Declaration have committed to ‘investigate and understand the climate impact of our investment policy.’

Carbon outputs are therefore monitored as a key measure and indicator of the portfolio’s climate impact and reported quarterly to the Financial Growth and Sustainability Committee. This is carried out for all direct holdings within the portfolio and the Trustees continue to work with the Investment Manager to expand this analysis.

The policy requires Investec to have sufficiently robust asset-selection governance in place (i.e. a minimum duty of care) to ensure that any companies/entities in which the trust invests employ reasonable ethical standards.

Several categories of investments are excluded from the portfolio including arms, tobacco, pornography, gambling and high-rate lending.

Other Factors in Achievement of Objectives

Devon Air Ambulance works closely with the South Western Ambulance Service NHS Foundation Trust (SWASFT) who up until 31st March 2019 employed the paramedics seconded to our service. In partnership with our neighboring air ambulance charities, Cornwall, Dorset & Somerset, Wiltshire and Great Western, we commission SWASFT to provide a specialist dispatch team who do a vital job ensuring our services are tasked to the patients who most need the enhanced and critical care we provided.

The LIBOR grant and also the support of councils and communities across Devon have been and continue to be significant factors in the achievement of our night operations objective.

Membership of the Peninsula Trauma Network provides great benefit through peer support, networking and communication across the region.

Through the Air Ambulances UK we connect with our fellow Air Ambulance Services around the country. This provides opportunities for learning and sharing of best practice across all our activities. In addition, members of the Senior Leadership Team subscribe to relevant professional bodies.

Related Parties

Both helicopters are owned and operated by the Charity’s wholly owned subsidiary, Devon Air Ambulance Trading Company Limited.



Structure, Governance and Management

Governance

Devon Air Ambulance Trust was formed in 1991 in order to raise and receive funds to provide an emergency response ambulance service primarily in the county of Devon. It became an incorporated company, limited by guarantee, on the 30th September 1999 and is governed by its Memorandum and Articles of Association dated 29th September 1999.

The Special Resolution passed on the 8th March 2017 resulted in the Trading Company adopting updated Articles of Association to ensure that they remained up-to-date, relevant and complete. In early 2021, the Articles of Association were redrafted to better reflect the need for remote Board meetings as well as the closed membership; the changes were approved and adopted by the Board on 13th April 2021.

Trustee Recruitment and Appointment

The Board of Trustee is made up of independent members who undertake the role on a voluntary basis and who bring a broad range of professional skills, experience and expertise to the Charity.

A comprehensive Trustee Recruitment Brochure was created in early 2020 and remained ‘live’ on the ‘Vacancies’ page of Devon Air Ambulance’s website through the year. This brochure, which contains detailed information about the role of a trustee, organisational information, recruitment process details and trustee testimonials, can be shared through contacts, social media and via trustee recruitment platforms and portals.

This approach has been adopted to encourage more applications from a wider range of diverse candidates and, as a rolling, process, any expression of interest by an individual who would like to join the Devon Air Ambulance board as a new trustee will be considered on merit, on a case-by-case basis, as and when it is received.

The Charity was fortunate that, in 2021, the trustee board remained stable with only one trustee leaving during the year. One new trustee was appointed in the year, giving an overall board of nine trustees at the year end. While being quite a new trustee team, the individuals on the board bring with them an impressive array of experience and expertise across a broad range of fields pertaining to the delivery of DAATs service, and this stability has also created a longer term feeling of certainty and resilience.

During 2021 and as in 2020, prospective new trustees were interviewed and appointed remotely via Teams or Zoom. Once an expression of interest was received and reviewed, the applicant was invited to attend two separate virtual ‘Teams’ meeting with one panel consisting of the Chair and Trustee representatives, and the other panel made up of the CEO and Senior Leadership

Team. A debrief follows between both interviewing panels and, if it was agreed that an applicant was suitable to be appointed to the Board, they are invited to attend the next quarterly board meeting, at which time they would be formally confirmed in post.

Trustee Training and Induction

After being formally appointed, all new trustees are given access to Centrik, the document management system used by Devon Air Ambulance and access to the Microsoft Teams. Trustees and Trading Company Directors also join a Governance ‘team’ which is used for internal messaging, collaboration sharing information relating to all aspects of governance. They are provided with a copy of the Trustees’ Handbook which includes a briefing of their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, and the committee and decision-making processes of the Charity, as well as access to all committee and board meeting minutes, agendas and supporting papers. New trustees are also sign-posted to the Strategic Plan and the most current financial information contained within the Annual Report and Accounts which can be found on the Charity’s website.

In 2021, as in previous years, new trustees were also invited to individual ‘virtual’ briefing meetings with each member of the Senior Leadership Team and other key employees within the Charity to learn more about their roles and responsibilities and individual business areas. Pre-pandemic, new Trustees were also invited to visit the airbases to meet with aircrew and paramedics to see the operational delivery of the service at first hand; while these visits were not possible once again in 2021, it is hoped they will resume as soon as it is possible to do so and as restrictions relax further.

In 2021, the annual governance training day for trustees was delivered virtually, with the topic being ‘Finance for Non-Financial Trustees’. It is hoped that it will be possible to deliver ‘Understanding Governance’ in person in 2022, with both courses then being delivered on alternate years after that, as per the process pre-pandemic. This training is open to all new trustees and as a refresher for any existing trustee or member of the senior leadership team who wish to participate.

In 2021, and as part of the Charity’s commitment to encourage greater co-operation, synergy and transparency between the trustees and trading company directors, the annual Joint Board Away Day was held in person at a local venue (while maintaining COVID safety protocols). The event this year focused on DAA Culture and participation was widened to include all the Heads of Departments (Charity and Clinical team), with the event being facilitated by the Learning & Development manager.

Trustees who served during 2021



**Margaret
Davies**



**Julie
Hawker**



**Dominic
Hazell**



**Dr Ross
Hemingway**



**Ann
Holman**
Appointed
25th March 2021



**Nicholas
Johnson**
Left
6th October 2021



**William
Matthewman**



**Dick
Richardson**
Appointed
16th December 2021



**Vicky
Smiley**



**Mark
Williams**



**Justin
Wylie**

Trading Company Directors who served during 2021



Paddy Dixon



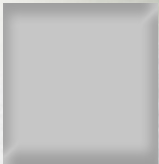
Ed Probert
Left
11th March 2021



**Nic
Steevenson**



**Dick
Richardson**



David Prowse
Appointed
11th March 2021



Structure of the Organisation

The Board of Trustees administers the Charity and in November 2020 they updated the Board committee structure to mirror the framework for the new strategic plan. As well as being more appropriate to increase engagement and collaboration between the board and the senior leadership team, it is designed to enable them to jointly drive forward and deliver on the strategic priorities of the Charity.

- **Financial Growth & Sustainability**
> Income generation (fundraising/commercial), efficiency and risk, finance including reserves, budgets, investments and internal audit and control.
- **People, Talent & Culture**
> Talent management, promotion of high-performing culture, encouraging diversity.
- **Environment, Sustainability & Stewardship**
> Commitment to the climate change emergency, sustainable management of resources, scrutiny of investment policy, environmental impact, supporting ‘green’ ethos and philosophy.
- **Digital & Technological**
> Creating a digital culture, promoting innovation in technology, creating efficiency gains, monitoring emerging technologies, ensuring robust cyber-security.

The committees and both boards meet four times a year. Additional meetings can be held as and when required and ad hoc working parties can also be formed to address specific and/or time-critical strategic issues.

Trustees are appointed for an initial term of three years with the option for this to be extended by a further term of three years. The maximum consecutive term a trustee may serve, therefore, is six years. Trustees may then be reappointed for one further term of one year after a three-year break from holding office. Trustee roles and responsibilities and, in particular, the roles of the honorary officers, are clearly defined within the Scheme of Delegation.

The Chief Executive is appointed by the trustees to manage the day-to-day operations of the Charity. To facilitate efficient management of the organisation, the Chief Executive has delegated authority, with limits set by the trustees for matters including finance, fundraising, public relations, marketing and employment. The parameters of the Chief Executive’s authority are clearly defined within the Scheme of Delegation.

An Audit Committee has been formed in the year which is headed by an independent Chair, removing the risk of self-review and increasing independence.

Charity Governance Code

Good governance in any charity is fundamental to its effectiveness and success. Devon Air Ambulance promotes the principles of the Charity Governance Code which represents a standard of good governance practice that all charities should aspire to achieve. The Code is a practical tool which helps charities and their trustees develop high standards, develops an appropriate culture, encourages diversity and ensures trustees are compliant with relevant legislation and regulations.

Principal Risks and Uncertainties

The trustees have put in place a formal risk management process to assess any risks to the charity and implement risk management strategies. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating risk. This has supplemented by an evaluation of what internal reviews, external reviews and compliance are in place to mitigate these risks, and a gap analysis applied.

The trustees review the adequacy of the Charity's current financial controls on a regular basis and each of the identified risks through the committees in place. The Senior Leadership Team also review individual elements of the risk register as part of their internal weekly meetings. The trustees are able to report that, in their opinion, the Charity's internal financial controls conform to Charity Commission guidelines.

Currently, the most significant risks defined by the trustees are:

- a. Pandemic: the impact of a pandemic such as Covid-19 on DAA's ability to operate, raise funds and function;

b. Inadequate level of reserves: insufficient cash or reserves in place to support the long term objectives of DAA;

c. Revenue risk: collapse of a significant revenue stream or combination of revenue streams could impact the ability for DAA to operate.

d. Climate change: impact on reputation and support if perceived not to be acting in line with public concerns;

e. Key suppliers: the risk that key suppliers could collapse;

f. Insufficient insurance: insurance coverage not sufficient to meet significant insurance claim, particularly in relation to Covid-19 where the availability of insurance coverage limited and no case law is yet in place.

g. Health and Safety: failure to comply with health and safety regulations.

The pandemic is a significant factor in many of the risks identified and this continues to be managed closely on a daily basis to mitigate this general risk. SLT have increased frequency of their meetings from once a week pre-pandemic to twice a week while Board reporting has been expanded to include scenario planning which incorporates more variables and widens the context for taking decisions. This has helped mitigate the risk of inadequate levels of reserves, although the increase in costs seen in 2021 and expected in 2022 and beyond combined with the continuing impact of the pandemic have increased this risk during the year.

High levels of reserves, investment and cash help mitigate this

risk short-term but generating greater income, finding efficiencies or cost reductions will be required into the longer term.

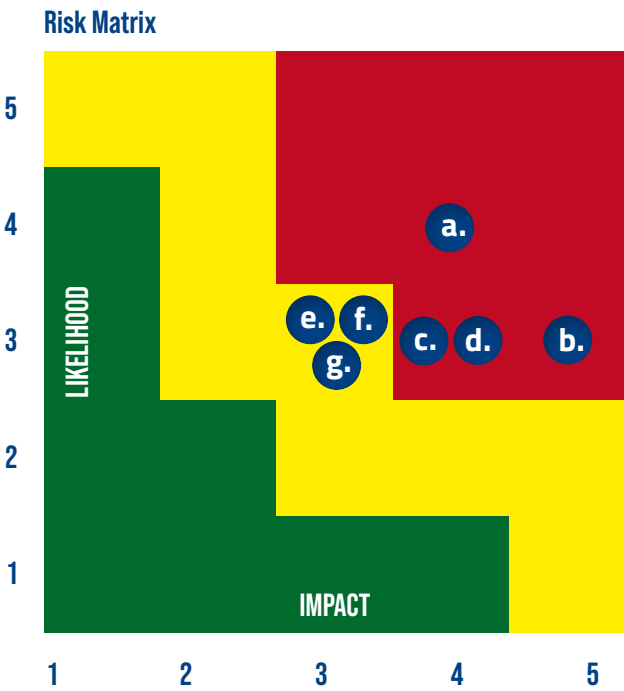
This puts additional emphasis on the exposure to a significant revenue stream or combination of revenue streams collapsing. This has led to the restructure of the fundraising team including the appointments of a Head of Fundraising as well as a Head of Income Generation, and the development of the income generation strategy.

Risks in relation to climate changes have been managed by introducing environmental sustainability and stewardship as one of the key strands within the strategy and the formation of the green team which gives people across Devon Air Ambulance a chance to feed into it. As discussed in more detail earlier in this report significant work has been carried out in the year including a Carbon footprint evaluation, updating of the investment policy and endorsing the Devon Climate Change Declaration.

Time has been invested with key suppliers and alternatives to limit the dependency on single suppliers or options, and where possible, relationships are maintained with alternative suppliers

One supplier relationships which has been maintained over a long period is with the Charity's insurance broker which has generated a long term, broad and detailed knowledge of Devon Air Ambulance to ensure that the insurance exposure is limited, managed and monitored. This is reviewed in detail each year with subject specialist experts from all over Devon Air Ambulance.

Health and safety exposure continues to increase naturally as the size and complexity of the Charity grows and its activities stretches over varied areas at different locations. A Health and Safety Committee is in place which reports directly into the People, Talent and Culture committee while the requirements of the Air Operators Certificate and Care Quality Commission in the trading company ensure that a high standard of corporate governance including around safety as well as risk is maintained.



Statement of Trustees Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting 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 statement, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies

Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware, and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

A resolution to appoint PKF Francis Clark as auditors for the ensuing year was proposed at the March 2021 Board Meeting in accordance with section 485 of the Companies Act 2006.

The Trustees' Report incorporating the Strategic Report was approved by the Board and signed on its behalf by:

Margaret Davies

Chair of Trustees

Date: 24th March 2022



Independent Auditor’s Report to Trustees

Opinion

We have audited the financial statements of Devon Air Ambulance Trust (the ‘Charity’) for the year ended 31 December 2021, which comprise the Group Statement of Financial Activities, Group and Parent Charity Balance Sheets, Statement of Consolidated Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- **give a true and fair view of the state of the Group’s and Charity’s affairs as at 31 December 2021 and of its income and expenditure for the year then ended;**
- **have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and**
- **have been prepared in accordance with the requirements of the Companies Act 2006.**

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Charity’s ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our

responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees’ Report (which includes the Strategic Report and 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 Directors’ Report included within the Trustees’ Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees’ Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees’ Responsibilities set out on page 45, the trustees (who are also the directors of the Charity 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 they 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 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 these financial statements.

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

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Charity. We gained an understanding of the Charity and the industry in which the Charity operates as part of this assessment to identify the key laws and regulations affecting the Charity. As part of this, we reviewed the Charity’s website for indication of any regulations and certification in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were Charity legislation, Civil Aviation law, compliance with the Care Quality Commission (“CQC”) and Gambling Commission, health and safety regulations and The General Data Protection Regulation (“GDPR”). 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 discussed with management and Trustees how the compliance with these laws and regulations in monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the Charity complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non compliance with laws and regulations on the Charity’s ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.
- Reviewed filings with the Charity Commission and whether there were any serious incident reports made during the year, of which there were none.
- Reviewed audit documentation from the CQC to confirm compliance with standards, and ensuring continued registration with the CQC through the CQC website.
- Reviewed audit documentation from the CAA to confirm continuing compliance with standards and regulations.
- Reviewed DAAT’s system for managing staff compliance with training requirements.
- Discussed with the health and safety officer if any incidents have been reported during the year under The Reporting of


Injuries, Diseases and Dangerous Occurrences Regulations 2013 (“RIDDOR”).

- Review of the group’s GDPR policy and enquiries to the Data Protection Officer as to the occurrence and outcome of any reportable breaches.
- Reviewed legal and professional costs to identify any possible non compliance or legal costs in respect of non compliance.
- Reviewed Board minutes.
- We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to cash income and expenditure. We considered the primary sources of cash income, being donations, shop sales and collections and obtained an understanding of the controls in place to mitigate the risk of cash fraud. We also discussed with management whether there had been any instances of known or alleged fraud, of which there were none. Based on our understanding we designed and conducted audit procedures including:
 - Assessing the design and implementation of controls over cash receipts and obtaining evidence as regards the completeness of cash income;
 - Using data analysis techniques to review bank expenditure payments for duplicate details which might indicate fraud;
 - Audited the risk of management override of controls, including through testing journal entries and other adjustments significant transactions outside the normal course of business of which there were none.
 - Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation. A further description of our responsibilities is available on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

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



Stephanie Henshaw FCA

(Senior Statutory Auditor)

PKF Francis Clark, Statutory Auditor

Centenary House, Rydon Lane, Exeter EX2 7XE

Date: 28th March 2022

Consolidated Statement of Financial Activities

(incorporating Income & Expenditure Account) for the year ended 31 December 2021

		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		2021	2021	2021	2020
		£'000	£'000	£'000	£'000
	Notes				
Income					
Donations and legacies	3	7,766	45	7,811	5,419
Trading activities:					
Retail operations	4	1,465	-	1,465	825
DAAT Lottery	4	2,094	-	2,094	2,066
DAAT Events	4	1	-	1	16
Investment income	5	119	-	119	123
Income from charitable activities	6	1	-	1	-
Other income	6	-	-	-	2
(Losses)/ gains on foreign exchange		(1)	-	(1)	80
Total income		11,445	45	11,490	8,531
Expenditure					
Donations and legacies		940	-	940	761
Trading activities:					
Retail operations	4	1,959	-	1,959	1,965
DAAT Lottery	4	414	-	414	461
DAAT Events	4	16	-	16	40
Investment management costs		70	-	70	74
Expenditure on charitable activities	7	7,139	266	7,405	6,579
Total expenditure		10,538	266	10,804	9,880
Net gain on investments		101	-	101	149
Net income/(deficit) for the year	8	1,008	(221)	787	(1,202)
Transfers between funds		-	-	-	-
Net movement in funds		1,008	(221)	787	(1,202)
Reconciliation of funds					
Total funds brought forward		20,989	442	21,431	22,633
Total funds carried forward		21,997	221	22,218	21,431

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

The notes on pages 51 to 66 form part of these accounts.

Consolidated Balance Sheet

31 December 2021

		Group	Group	Company	Company
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
	Notes				
Fixed Assets					
Tangible assets	13	9,776	10,831	773	831
Investments	14	5,905	5,878	5,905	5,878
Total Fixed Assets		15,681	16,709	6,678	6,709
Current Assets					
Stocks	15	33	44	27	38
Debtors	16	4,756	2,851	13,481	12,573
Investments	14	1,480	2,176	1,480	2,176
Cash at bank and in hand	17	1,364	478	1,248	419
Total Current Assets		7,633	5,549	16,236	15,206
Liabilities					
Creditors falling due within one year	18	(1,096)	(827)	(837)	(698)
Current assets less current liabilities		6,537	4,722	15,399	14,508
Net assets		22,218	21,431	22,077	21,217
The funds of the Charity					
Restricted income funds	19	221	442	221	442
Unrestricted income funds					
General	19	16,563	18,718	16,422	18,718
Designated	19	5,434	2,271	5,434	2,271
Total unrestricted income funds		21,997	20,989	21,856	20,775
Total Charity funds		22,218	21,431	22,077	21,217

Approved by the Trustees of Devon Air Ambulance Trust on the 24th March 2022 and signed on its behalf



Margaret Davies

Chair of Trustees

Date: 24th March 2022

Company registered number 3855746

The notes on pages 51 to 66 form part of these accounts.

Consolidated Statement of Cash Flows

31 December 2021

	2021		2020	
	£'000	£'000	£'000	£'000
Net cash inflow/(outflow) from operating activities (note below)		191		(1,136)
Cash flows from investing activities:				
Income from current investments	(1)		11	
Dividends & interest from non-current investments	120		112	
Transfers From non-current investments	-		600	
Proceeds from sales of investments	6,067		2,670	
Purchase of investments	(5,993)		(1,748)	
Purchase of property, plant & equipment	(194)		(4,165)	
Net cash used in investing activities		(1)		(2,520)
Increase/(Decrease) in cash and cash equivalents in the year		190		(3,656)
Cash and cash equivalents 1/1/21		2,654		6,310
Cash and cash equivalents 31/12/21		2,844		2,654
Note				
Reconcilliation of net cash inflows/(outflows) from operating activities				
Net (deficit)/income for the year	787		(1,202)	
Depreciation charges	1,249		1,051	
Gains on investments	(101)		(149)	
Income from investments	(119)		(123)	
Transfer from non-current investments	-		(600)	
(Increase)/decrease in stocks	11		5	
Increase/(decrease) in creditors	269		176	
Increase in debtors	(1,905)		(294)	
Net cash (outflow)/inflow from operating activities		191		(1,136)

	1 Jan 2021	Cash Flows	31 Dec 2021
	£'000	£'000	£'000
Analysis of cash and cash equivalents			
Cash in hand and at bank	478	886	1,364
Current investments	2,176	(696)	1,480
Total cash and cash equivalents	2,654	190	2,844

Notes to the Financial Statements

1. Accounting Policies

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared under the historic cost convention as modified by fair value where appropriate. The Trustees have considered and concluded that it is appropriate to complete the accounts on a going concern basis. The Charity is a public benefit entity and is registered in the United Kingdom. The registered address is included on page 67. The functional currency used in these accounts is Sterling, which is also the transactional currency.

The Group financial statements consolidate the results of the charity and its wholly owned trading subsidiary. A separate Statement of Financial Activities and income and expenditure accounts for the charity has not been presented as the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Significant judgements and estimates

The Trustees have concluded that the only significant management judgement and key areas of estimate or uncertainty is the recognition of legacy income as detailed below and the method of depreciation.

The depreciation method used for the aircraft was changed in 2020 following the purchase of a new aircraft when one of the older EC 135 aircraft was put up for sale. The comparison of its proposed sales value to its residual value demonstrated that the depreciable amount had been overestimated and a more gradual method of depreciation should be reflected on the remaining and new aircraft. Due to variability of the second hand aircraft market, the limited number of transactions and the timescales involved with potential sales, it is difficult to accurately estimate the depreciation rates and residual values. The rates applied in these accounts have been observed based on knowledge of the current market established while putting the EC 135 to market and the blue book industry values, allowing for current market uncertainty. The depreciation of the aircraft fitout was also adjusted in 2020 to reflect an estimated residual value – the value of this will be dependent on the potential buyers which will not be known with certainty until the time of sale. As at the end of 2021 the EC 135 has not yet been sold and remains on the market.

Income Recognition Policies

Voluntary income including donations, legacies, and lottery sales that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

For legacy income, entitlement is taken as the earlier of the date: when the charity becomes aware that probate has been granted; when the

estate has been finalised and notification made by the executors that a distribution will be made; or when the distribution is received. Income from commercial trading activities is recognised as earned as the related goods and services are provided.

Investment income interest is recognised on a receivable basis.

Volunteers and Donated Services

The value of services provided by volunteers is not incorporated into these financial statements. Further details can be found in the Trustees’ Annual Report on pages 3 to 45.

Donated services are recognised as income when control is obtained over the item, the receipt of economic benefit is probable and it can be measured reliably.

Expenditure

Expenditure is recognised when there is legal or constructive obligation to make a payment, settlement to a third party is probable and the amount can be measured reliably. Contractual arrangements are recognised as goods or services are supplied. Costs of raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds. Charitable activities include expenditure associated with the operation of the two helicopters, airbase facilities and medical equipment.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources e.g. staff costs by time spent and other costs by their usage.

The EC 145 purchased in 2020 has a Serviced By the Hour (‘SBH’) agreement in place for its engines where regular payments are made based on the level of activity of the engines. These payments cover some maintenance and repair costs which arise while also building up a ‘pot’ of funds allocated to the aircraft for future expenditure. A value for this pot has been provided by the supplier with the difference between the expenditure made in the year and the remaining pot being taken to expenditure in this year.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended on the basis of overall inputs applicable to that category.

Operating Leases

The Charity classifies the lease of vehicles and office equipment as operating leases; the title to these items remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

Tangible Fixed Assets

Individual fixed assets costing £1,000 or more are capitalised at cost.

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives as follows over:

The notes on pages 51 to 66 form part of these accounts.

Asset Category	Annual rate
EC135 Helicopters	7.00 -7.25% to residual of 30% cost
H145 Helicopters airframe	7.00-7.25% to residual of 30% cost
H145 Helicopter engine	10% to residual of 30% cost
Helicopter factory fitted role equipment	10%
H145 Helicopter factory fitted role equipment	10% to residual of 30% cost
Helicopter medical equipment	33%
Long leasehold buildings	2% - 6.67%
Short leasehold improvements	20%
Other medical equipment including defibrillators	33%
Clinical cars	20%
Office equipment & furniture	25%
IT equipment	33%
Assets in course of construction	0%

Following the purchase of the H145 Helicopter in 2020, one of the H135 aircraft has been put up for sale. As part of this process the sale value was compared to the residual book value and it was identified that depreciation should not continue once a residual value of 30% has been met. Depreciation has therefore stopped for this aircraft, and the airframe on the other aircraft will only be depreciated up to a residual book value of 30%. The aircraft remains available to sale at the end of 2021.

Key management judgements around the valuation of the aircraft is discussed further in note 23.

The expected lifetime of the engines has also been reviewed in the year in the context of the adoption of a Serviced By the Hour agreement entered into at the start of 2021. This has increased the annual rate which was between 7% and 7.25% to 10.5%.

Investments

Investments are carried at fair value. Where there is a quoted market value they are valued at the bid price ruling at the Balance Sheet date. Other investments are valued at their realisable market value.

Short Term Investments

Short term investments are included within Current Assets and relate to deposit and notice accounts which can mature or be called on within twelve months.

Stock

Stock of new merchandise is included at the lower of cost or net realisable value.

Stocks of second hand donated goods for resale are not valued in these financial statements as the Trustees believe that the cost of valuing second hand goods exceeds the benefits.

Funds Structure

The Trust has seven restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose.

All other funds are unrestricted income funds.

Pensions

The Charity makes a contribution of 6% of salary for each employee to a personal pension scheme which is compliant with the auto enrolment regulations which became applicable to the Charity from October 2015. Employees pay a minimum of 2% of salary into this scheme unless they have opted out of the scheme. Clinical staff employed by the Trading Company are part of the NHS pension scheme, into which employer and employee contributions are made as required by the scheme and in compliance with auto enrolment requirements.

Financial Instruments
Classification

The company holds the following financial instruments:

- Short term other debtors, legacies receivable and amounts due from subsidiary undertakings;
 - Cash and bank balances; and
 - Short term trade creditors and other creditors;
- All financial instruments are classified as basic.

Recognition and Measurement:

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the asset expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of the liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Going Concern

Going concern has been considered in detail by the Board, particularly in the current environment which remains uncertain as the pandemic continues. Additional scenario analysis was incorporated into the Board reporting process in 2020 which focuses on expected cash and reserve levels, comparing to target reserve levels. This is done for 'standard expectation' scenario plus an optimistic and a pessimistic one. Additional scenarios are then created if any threat to cash or reserves is identified to predict what options could be taken to manage the threat, the potential impact of taking this action and how quickly the impact would be expected to take effect. This analysis has identified no material uncertainty in relation to going concern.

The significant levels of cash, investments and free reserves at the year-end suggest that there are sufficient resources in place to cover a significant part of the expenditure for the next twelve months. While some of the income streams such as donations and retail revenue are susceptible to the uncertainties of the

pandemic, a number are not as significantly impacted. Lottery income is unlikely to drop significantly and quickly while legacy income has consistently exceeded £2 million for the last five years and is expected to comfortably exceed this in 2022 as any potential negative impact would likely take a number of years to feed through to legacy income. The significant cash and investments

combined with this recurring revenue means that going concern is a limited risk for the next twelve months, while the impact of the restructure which took place in the year is expected to generate greater efficiencies and opportunity for income generation into the medium and long term.

2. Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

3. Donations & Legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Donations including legacies				
Legacies	6,331	-	6,331	3,773
Donations incl. 'in memory' and anniversaries	472	45	517	507
Regular giving schemes	78	-	78	68
Charitable Trust donations	26	-	26	72
Government COVID support grants	317	-	317	527
Funds raised by community groups	442	-	442	387
Schools and youth organisations	3	-	3	4
Box and street collections	97	-	97	81
Total donations and legacies	7,766	45	7,811	5,419

In 2021 the funds received through the Government COVID support grants consisted of £232,000 (2020: £365,000) received under grants related to the retails premises, such as the Retail, Hospitality & Leisure Grant, and £85,000 (2020: £162,000) received from the Coronavirus Job Retention Scheme.

In 2020 £152,000 of Funds raised by Donations were restricted.



4. Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Shops & Merchandise Trading				
Sales	1,465	-	1,465	825
Cost of goods sold	12	-	12	10
Overheads and expenses	1,661	-	1,661	1,740
Support costs	286	-	286	215
	1,959	-	1,959	1,965
Contribution to the Charity's funds	(494)	-	(494)	(1,140)
Lottery				
Sales	2,094	-	2,094	2,066
Prizes	113	-	113	111
Overheads and expenses	211	-	211	242
Support costs	90	-	90	108
	414	-	414	461
Contribution to the Charity's funds	1,680	-	1,680	1,605
Total trading income	3,559	-	3,559	2,891
Total trading expenditure	2,373	-	2,373	2,426
Total trading contribution	1,186	-	1,186	465

In 2020 none of the income or expenditure related to restricted funds.

DAAT events are not included within trading activities as the primary purpose of some events is to promote the Charity and its activities rather than to generate income. DAAT events have cost £15,000 in the year (2020: £24,000 cost) as they were all cancelled in both 2020 and 2021 due to the pandemic.



5. Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Bank deposit accounts	(1)	-	(1)	11
Income from investments	120	-	120	112
	119	-	119	123

6. Income from Charitable Activities & Other Income

Income from charitable activities related to £1,000 received for carrying out Crew Resource Management training.

Our Patients

One morning in early February 2020, Eamonn had dropped his wife Tracey to work in Marks & Spencer in Barnstaple and was driving back to their home in Westward Ho! when he was hit head-on by a car whose driver had suffered a diabetic blackout. From dashcam footage, Eamonn knows that his car was hit with such force that it rolled over twice before landing.

Eamonn vividly remembers the extreme pain he was in. As witnesses rushed to help and pulled him out of the car, an Australian doctor, on holiday in Devon, insisted that Eamonn concentrate just on looking at him and keeping still. A local land ambulance crew were swiftly on-scene and Eamonn remembers hearing them request Air Ambulance assistance. “Hearing the blades of the helicopter getting closer was just incredible,” said Eamonn. “I just wanted the pain to go away. I remember the aircrew Doctor giving me instructions then administering a drug called Ketamine. I was then trussed up like I was going in the oven, but don’t remember anything after that until I woke up in Intensive Care three days later.”

Meanwhile, police officers dashed to Marks & Spencer in Barnstaple to rush Tracey away from work and take her straight to Derriford. At the time, they were unable to tell her anything other than her husband had been involved in an accident. On arrival at Derriford, Tracey learned the shocking enormity of her husband’s injuries: a split sternum, internal bleeding, a bleed on the brain, a broken femur and broken toes. Tracey was advised that Eamonn was likely to be in hospital for as much as four months. Later that day, having left work with nothing but her handbag, and after booking herself into relative’s accommodation in the hospital grounds, Tracey had to buy the basics for her stay. Following his surgery, Eamonn was placed in an induced coma for three days to allow the swelling in his brain to reduce. Coming round, he recalls trying to pull the clips from his chest,

unaware of all the major surgery he had been through. “I remember when the physio team first came in to see me,” he explained. “I’d lost so much muscle from being in bed; they showed me the wheelchair and calmly told me that, whilst I would hopefully be able to stand up at some point, it was unlikely I’d be able to walk. I told them to take the wheelchair away – I was determined that I wouldn’t need it!” Despite being warned that Eamonn would be in hospital for many months, the risk and growing awareness of coronavirus changed things and Eamonn was discharged just six weeks later, with a programme of physiotherapy to continue at home. He also accessed psychiatric help and counselling to help him understand the impact of PTSD. Tracey too, also suffered panic attacks as she came to terms with the impact of the accident. Six months on from the accident, Eamonn was walking with the aid of just one crutch and now, eight months on, Eamonn’s recovery is still ongoing. “I’ve had a couple of set-backs and I’ve still got a way to go. I might need further surgery as the bone isn’t healing as it should, but I’m still determined that I will walk unaided again one day. We are so grateful to everyone who has helped us; we’ve had nothing but kindness shown by so many people. From our two daughters and their families to local friends and Tracey’s employers, everyone has been really brilliant. And massive thanks, of course, to the aircrew from Devon Air Ambulance and all the staff at Derriford Hospital. At least I’m still here - we just can’t thank everyone enough”.



7. Total Resources Expended

	Donations	Community Fundraising	DAAT Events	Shops	Lottery	Heli Costs	Investm Costs	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Costs directly allocated to activities									
Charitable activities	-	-	-	-	-	7,133	-	7,133	6,402
Direct fundraising	12	8	-	-	-	-	-	20	5
Events	-	10	-	-	-	-	-	10	11
Retail dept selling & premises	-	-	-	718	-	-	-	718	765
Retail dept staff related	-	-	-	955	-	-	-	955	985
DAAT lottery prizes	-	-	-	-	113	-	-	113	111
DAAT lottery selling & admin	-	-	-	-	211	-	-	211	242
Volunteer support and expenses	3	27	-	17	-	-	-	47	44
Fundraising department	7	26	-	1	-	1	-	35	28
Fundraising dept staff related	87	163	5	2	15	59	-	331	298
Legacy costs	20	-	-	-	-	-	-	20	29
PR & marketing dept	41	31	-	13	11	8	-	104	95
PR & marketing dept staff related	54	25	6	13	2	39	-	139	77
Investment management costs	-	-	-	-	-	-	49	49	54
Support costs allocated to activities									
Staff related	185	127	4	189	18	133	19	675	456
HQ premises	11	7	-	10	1	21	1	51	54
Stationery & mailing	4	7	-	1	-	-	-	12	9
IT, communications & equipment	27	18	-	25	2	-	1	73	87
Insurances	4	3	-	-	6	-	-	13	10
Finance	2	14	-	10	-	-	-	26	16
Non-recoverable VAT	1	7	-	-	34	-	-	42	71
Legal & professional fees	6	4	-	5	1	11	-	27	31
Total expenditure	464	477	15	1,959	414	7,405	70	10,804	9,882

A fixed asset write-off took place in 2015 of the remaining £142,000 book value of expenditure relating to the Exeter Airport lease agreement. This initial expenditure was made in return for a rent free period up to June 2023 which remains in place. None (2020: £429,000) of the expenditure on charitable activities in 2021 related to restricted expenditure.

Staff related support costs include £47,000 relating to redundancy payments made as part of the restructure in 2021.

8. Net Income for the Year

	2021 £'000	2020 £'000
a) Net income for the year is stated after charging:		
Operating leases – vehicles	38	53
Operating Leases - property	368	360
Depreciation	1,249	1,051
Gains/(Losses) on foreign exchange	(1)	80
Auditor's remuneration – audit services	9	6
Auditor's remuneration – Non-audit services	6	6

9. Analysis of staff costs, trustee remuneration and expenses, and the Cost of Key Management Personnel

a) Staff Costs	2021 £'000	2020 £'000
Wages and salaries	4,711	4,275
Social security costs	472	427
Pension costs	373	368
Total staff costs	5,556	5,070

During the year 31 employees were paid £60,000 or more (2020: 15, 4 in the Trust and 11 in the Trading Company), 4 in the Trust and 27 in the Trading Company. The numbers of staff receiving emoluments, which include pension contributions, in the following bands are as follows:

	2021	2020
£60,001 - £70,000	20	5
£70,001 - £80,000	7	6
£80,001 - £90,000	2	5
£90,001 - £100,000	-	-
£100,000 - £110,000	2	1

A pension scheme compliant with the auto-enrolment legislation was set up when it became applicable to the Trust in October 2015. The Trust pays a 6% contribution and the employee a minimum 1% contribution which increased to 2% in October 2016, unless the individual has opted out of the scheme. The Group Personal Pension provider is Royal London, and during the year a total of £176,172 (2020 - £164,793) was paid into the Scheme by the Trust and £87,639 (2020 - £77,582) by the employees. A balance of £792 (2020 - £22,079) was due to the Scheme at the end of the year.

Clinical staff employed by the Trading Company are part of the NHS scheme, and a total of £196,738 (2020: £202,920) was paid into the Scheme by the Trust and £171,831 (2020: £145,680) by the employees during the year. The year-end balance payable to the NHS scheme was £32,254 (2020: £27,180).

b) Trustee Remuneration and Expenses

During the year the Charity Trustees received no (2020: none) remuneration or expenses from the Trust or its subsidiary. In 2020 travel costs for a Trustee to attend a conference were paid directly at a cost of £122 and a Director of the subsidiary received travel costs for attending meetings in the year which totalled £130.

During the year the charity paid indemnity insurance totalling £3,903 (2020 - £3,903).

c) Cost of Key Management Personnel

The key management personnel of the parent Trust comprise the trustees and the Senior Leadership Team. The total employee benefits of the key management personnel of the Trust were £543,589 (2020: £465,010).

The key management personnel of the Group comprise the key management personnel of the Trust, the Safety Manager, the Licensed Engineer, the Lead Consultant and Clinical Lead. The total employee benefits of the key management personnel of the Group were £772,489 (2020: £639,394).

10. Staff Numbers

The average monthly head count was 143 staff (2020: 140 staff) and the average monthly number of full-time equivalent employees during the year were as follows:

	2021 Number FTE	2020 Number FTE	2021 Number Head Count	2020 Number Head Count
Administration	24	21	26	23
Charity shops	37	37	44	45
Fundraising and other charitable work	14	13	16	15
Operational staff employed in Trading Company	44	42	57	57
	119	113	143	140

By the end of 2021 we had 738 (2020:620) registered volunteers.

11. Related Party Transactions

There were no related party transactions in the year. Transactions with the directors of Devon Air Ambulance Trading Company Limited are disclosed in the financial statements of that company.

12. Taxation

The company is a registered Charity and is not subject to corporation tax.



13. a) Tangible Fixed Assets - Group

	Helicopter £'000	Equipment £'000	Fixtures & Fittings £'000	Leasehold Property £'000	Total £'000
COST					
At 1 January 2021	16,290	390	235	1,076	17,991
Additions	83	3	-	108	194
Disposals	-	-	-	-	-
At 31 December 2021	16,373	393	235	1,184	18,185
DEPRECIATION					
At 1 January 2021	6,288	141	217	514	7,160
Charge for the year	1,080	95	12	62	1,249
On disposals	-	-	-	-	-
At 31 December 2021	7,368	236	229	576	8,409
NET BOOK VALUE					
At 31 December 2021	9,005	157	6	608	9,776
At 31 December 2020	10,002	249	18	562	10,831

Our Fantastic Fundraisers

DAA is proud to be independent of Government and National Lottery Funding and is incredibly thankful for the kind generosity of the people of Devon who raise the funds to keep us responding. Every penny raised ensures the continued service of DAA, enabling the critical care crew to deliver advanced lifesaving treatment and interventions on-scene, to the people of Devon at their time of need.

13. b) Tangible Fixed Assets - Company

	Equipment £'000	Fixtures & Fittings £'000	Leasehold Property £'000	Total £'000
COST				
At 1 January 2021	390	235	1,071	1,696
Additions	3	-	108	111
Disposals	-	-	-	-
At 31 December 2021	393	235	1,179	1,807
DEPRECIATION				
At 1 January 2021	141	215	509	865
Charge for the year	95	12	62	169
On disposals	-	-	-	-
At 31 December 2021	236	227	571	1,034
NET BOOK VALUE				
At 31 December 2021	157	8	608	773
At 31 December 2020	249	20	562	831

14. Investments - Group & Company

	2021 £'000	2020 £'000
Fixed asset investments		
Investments at market value		
At 1 January	5,878	6,652
Additions	5,993	1,748
Disposals	(6,067)	(2,670)
Unrealised (loss)/gain	(350)	260
Realised gain/(loss)	451	(112)
At 31 December	5,905	5,878
Current asset investments		
HSBC Deposit Account	977	1,662
Kleinwort Hambros 92 day notice account	-	263
Santander 95 day notice account	253	251
Barclays	250	
	1,480	2,176

The charity owns the entire issued share capital of 2 ordinary shares of £1 each of Devon Air Ambulance Trading Company Limited, incorporated in England & Wales (Company number 3876276). Devon Air Ambulance Trading Company Limited provides helicopter services to the charity. The assets and liabilities of the subsidiary were:

	2021 £'000	2020 £'000
Fixed assets	9,001	9,999
Current assets	925	693
Current liabilities	(2,290)	(1,974)
Long term loan	(7,496)	(8,504)
Aggregate share capital and reserves	140	214
A summary of its results is as follows:		
Turnover	7,682	6,902
Expenditure	(6,984)	(6,275)
Amount gift aided to the Charity	(772)	(420)
Loss for the year	(74)	207

15. Stock

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Stock	33	44	27	38

16. Debtors - Current

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Legacies receivable	3,806	1,908	3,807	1,908
Other debtors	275	86	97	26
Prepayments	645	613	279	215
LIBOR income	30	231	30	231
Grants	-	13	-	13
DAA Trading Co Ltd (due within one year)	-	-	2,272	1,677
DAA Trading Co Ltd (due after more than one year)	-	-	6,996	8,503
	4,756	2,851	13,481	12,573

17. Cash at Bank & In Hand

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
HSBC bank accounts	418	77	302	18
National Westminster	280	1	280	1
Santander	132	-	132	-
Investment Manager account	534	400	534	400
	1,364	478	1,248	419

18. Creditors: Amounts Falling Due Within 1 Year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Trade creditors	154	195	55	86
Lottery entry monies received in advance	187	213	187	213
Taxation and Social Security	51	44	51	44
Other creditors	202	146	202	146
Accruals	502	229	76	41
DAA Trading Company Ltd	-	-	266	168
	1,096	827	837	698



Our Critical Care Cars support our helicopters when and where they are unable to attend bringing advanced critical care throughout Devon and beyond

19. Analysis of Funds - Group

	Balance at 1 January 2021 £'000	Incoming Resources £'000	Resources Expended & Losses £'000	Transfers £'000	Balance at 31 December 2021 £'000
Unrestricted income funds					
Designated funds † :					
Helicopter Maintenance	430	-	-	4	434
New Airbase	1,500	-	-	3,500	5,000
Key Manager Cover	291	-	-	(291)	-
Restructure	50	-	-	(50)	-
	2,271	-	-	3,163	5,434
General funds	18,718	11,546	(10,538)	(3,163)	16,563
Total unrestricted funds	20,989	11,546	(10,538)	-	21,997
Restricted income funds ‡ :					
Community Landing Sites	204	-	(174)	-	30
Moretonhampstead	12	-	(12)	-	-
Health Education England	6	-	-	-	6
Tesco - Intelligent Ventilation System	25	-	(15)	-	10
DHSC – Clinical Cars	184	-	(54)	-	130
Essex Trust	11	-	(11)	-	-
Christmas Campaign for ventilators	-	27	-	-	27
South West Water -fogging machines	-	7	-	-	7
Eaton	-	11	-	-	11
	442	45	(266)	-	221
	21,431	11,591	(10,804)	-	22,218

†Description, nature and purpose of designated funds

Helicopter Maintenance

This balance is calculated as the estimated costs of a severe but realistic repair scenario.

New Airbase

The lease agreement for the Exeter Airbase expires in June 2023. The most likely replacement is a new custom-built facility to house both those currently based at the Exeter airbase and in the office based at Pinhoe. This designation was increasing so that it grows to the expected funding requirement by June 2023 but has been increased in 2021 to reflect what is the best current estimate of future costs.

Key Manager Cover

As no key person insurance is in place, this Fund provided for potential additional costs that could be incurred should a key manager be absent from work long term due to illness or accident. This has been removed in 2021 due to the department Heads now being in place, reducing the dependence on key managers and improving the ability to cover for unplanned absence.

Restructure

Funds designated for the fundraising, finance and communications teams restructure which took place in early 2021, hence the removal of this designation in 2021.

General

The available reserves after allowing for all designations.

‡Description, nature and purpose of restricted funds

Community Landing Sites

£1m in LIBOR funds was confirmed in 2016. Community organisations have applied for funds to assist them in setting up a community landing site for use at night, and as grants to these organisations are approved by the Charity these amounts are drawn from the £1m fund and paid on through DAA.

Moretonhampstead

The Moretonhampstead and District League of Friends donated £35,000 to enable the purchase of three ventilators. These have now been purchased and the reserve has been decreased as the assets are depreciated.

Health Education England

Health Education England have provided a grant to participate in simulation training with hospital staff.

Tesco – Intelligent Ventilation System

Tesco have committed £25,000 towards an Intelligent Ventilation System.

DHSC – Clinical Cars

The Department of Health and Social Care have provided a grant of £226,000 towards the purchase and fitout of two clinical cars. These have been purchased and the reserve is being reduced as the assets are depreciated.

The Essex Trust

The Essex Trust donated £36,000 in 2018 to purchase two stretchers

which have been purchased.

Christmas Campaign for Ventilators

A campaign was launched to raise £25,000 to fund a ventilator. This target was exceeded and the additional funds will go towards an additional ventilator.

South West Water – Fogging Machines

South West Water have funded £7,000 towards fogging machines to assist in the cleaning of the aircraft.

Eaton

Eaton Aerospace have funded \$15,000 towards PPE equipment in the helicopters and funding of paramedic costs.

Analysis of Funds - Group 2020

	Balance at 1 January 2020	Incoming Resources	Resources Expended & Losses	Transfers	Balance at 31 December 2020
	£'000	£'000	£'000	£'000	£'000
Unrestricted income funds					
Designated funds † :					
Helicopter Replacement	3,623	-	-	(3,623)	-
Helicopter Maintenance	836	-	-	(406)	430
New Airbase	750	-	-	750	1,500
Key Manager Cover	261	-	-	30	291
Restructure	-	-	-	50	50
	5,470	-	-	(3,199)	2,271
General funds	16,444	8,526	(9,451)	3,199	18,718
Total unrestricted funds	21,914	8,526	(9,451)	-	20,989
Restricted income funds ‡ :					
Community Landing Sites	398	-	(194)	-	204
Moretonhampstead	28	-	(16)	-	12
Health Education England	6	-	-	-	6
Tesco - Intelligent Ventilation System	25	-	-	-	25
DHSC – Clinical Cars	226	-	(42)	-	184
Essex Trust	36	-	(25)	-	11
Covid-19 Government Grant through Air Ambulance UK (‘AAUK’)	-	140	(140)	-	-
AAUK emergency Covid-19 grant	-	2	(2)	-	-
AAUK grant for aircraft separation curtain	-	10	(10)	-	-
	719	152	(429)	-	442
	22,633	8,678	(9,880)	-	21,431

20. Analysis of Net Assets Between Funds – Group

	General Reserves	Designated Funds	Restricted Funds	Total at 31 December 2021
	£'000	£'000	£'000	£'000
Fixed Assets	9,636	-	140	9,776
Investments	471	5,434	-	5,905
Bank Fixed Term Deposit Accounts	1,429	-	51	1,480
Current Assets	6,123	-	30	6,153
Current Liabilities	(1,096)	-	-	(1,096)
Liabilities due after more than 1 year	-	-	-	-
	16,563	5,434	221	22,218

Analysis of Net Assets Between Funds – Group

	General Reserves	Designated Funds	Restricted Funds	Total at 31 December 2020
	£'000	£'000	£'000	£'000
Fixed Assets	10,635	-	196	10,831
Investments	3,607	2,271	-	5,878
Bank Fixed Term Deposit Accounts	2,134	-	42	2,176
Current Assets	3,169	-	204	3,373
Current Liabilities	(827)	-	-	(827)
Liabilities due after more than 1 year	-	-	-	-
	18,718	2,271	442	21,431

21. Operating Lease Commitments

	Land & Buildings 2021	Other Items 2021	Land & Buildings 2020	Other Items 2020
	£'000	£'000	£'000	£'000
Operating leases which expire:				
within one year	353	22	333	34
within two to five years	668	19	693	8
after more than five years	31	-	32	-
	1,052	41	1,058	42

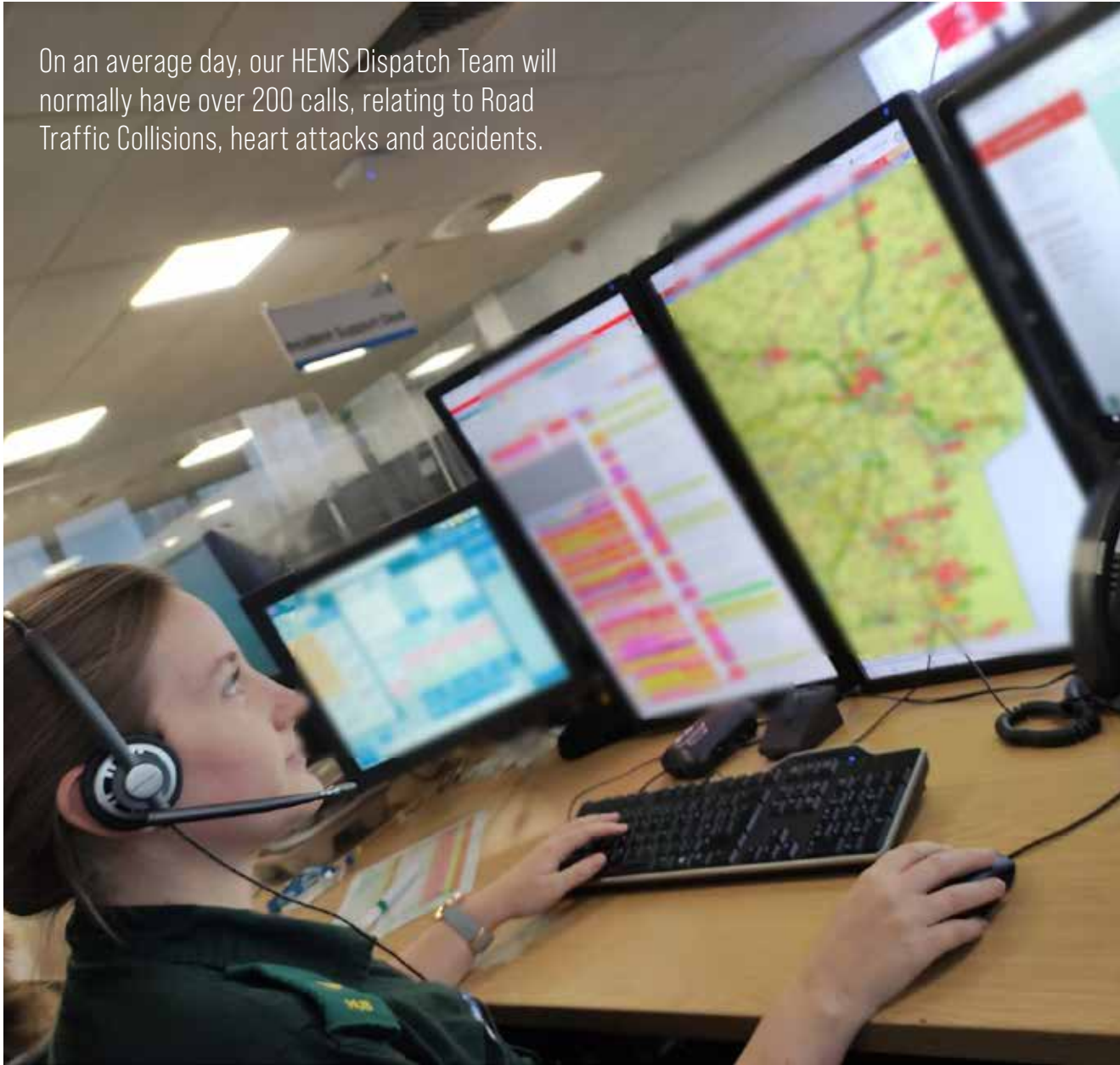
22. Financial Instruments

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Financial assets measured at fair values through profit and loss	10,016	8,103	19,106	18,223
Financial liabilities measured at amortised cost	544	554	710	613

23. Key Management Judgements and Non-adjusting Post Balance Sheet Events

Following the delivery of the new H145 Helicopter in 2020, one of the older H135 aircraft (G-DVAA) is on the market to be sold. The residual accounting value was reviewed when the aircraft was taken out of operation and compared to the value it is expected to be sold for. The aircraft was believed to have retained more value than the £435,000 it had been depreciated to, so no further depreciation has been deducted and the depreciation policy has been adjusted for the other aircraft to only write-down the airframe value to 30% of its original cost being the best estimate of residual value.

An agreement has been signed after the year-end to sell DVAA for £1.35 million which will result in a significant profit on the current book value of £435,000



Legal & Administrative
Information for the year ended 31 Dec 2021

Patrons

Mary King MBE
Lady Penny Mountbatten
Jennie Bond

David FitzGerald
Adam Isaac
Sam Hill

Trustees who served during the year

Margaret DAVIES, Chair ■
Julie HAWKER, Vice Chair ■
Dr Ross HEMINGWAY ■
Dominic HAZELL ■
Ann HOLMAN (appointed 25th March 2021) ■
Nicholas JOHNSON (resigned 6th October 2021) ■
William MATTHEWMAN, Treasurer ■
Dick RICHARDSON (appointed 16th December 2021) ■
Vicky SMILEY ■ ■
Mark WILLIAMS ■
Justin WYLIE ■

Committees served:

- Financial Growth & Sustainability Committee (from November 2020)
- People, Talent & Culture Committee (from November 2020)
- Environmental, Sustainability & Stewardship Committee (from November 2020)
- Digital & Technological Committee (from November 2020)

Senior Leadership Team

Heléna HOLT
Caroline CREER

Martin BELL
Nigel HARE
David HAWES
Ian PAYNE

Steve RUSH

Chief Executive
Deputy CEO / Income Generation Director
People Director
Operations Director
Finance & Infrastructure Director
Flight Operations Director (retired 31st October 2021)
Helicopter Services Director (appointed 1st November 2021)

Principal Address and Registered Office

Devon Air Ambulance Trust
5 Sandpiper Court
Harrington Lane
Exeter EX4 8NS

Bankers

HSBC Bank plc
250 High Street
Exeter EX4 3PZ

Solicitors

Foot Anstey LLP
Senate Court
Southernhay Gardens
Exeter EX1 1NT

Chartered Accountants & Statutory Auditors

PKF Francis Clark
Centenary House
Peninsula Park
Rydon Lane
Exeter EX2 7XE

Investment Manager

Investec Wealth & Investment Management
30 Gresham Street
London
EC2V 7QN

Getting In Touch

Devon Air Ambulance Trust

Registered office address:
5 Sandpiper Court
Harrington Lane
Exeter EX4 8NS
01392 466666
info@daat.org
DAAT.org



Devon Air Ambulance Trust is the Charity that funds and operates Devon's air ambulance service
Devon Air Ambulance Trust is a company limited by guarantee no. 03855746 and a registered Charity no. 1077998.

Statutory Notice

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Accreditations

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Devon Air Ambulance Trust

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A REGISTERED CHARITY NO. 1077998