



**HAMPSHIRE AND
ISLE OF WIGHT
AIR AMBULANCE**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED

30 SEPTEMBER 2017

Company Number 5244460

Charity Number 1106234



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2017

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The Trustees of Hampshire and Isle of Wight Air Ambulance (HIOWAA), who are also Directors of the charitable company for the purpose of Company Law, are pleased to present their Annual Report and the Financial Statements for the year ended 30 September 2017. The reference and administrative information set out on page 9 forms part of this report.

Chairman's Report

In opening my second Annual Report, I have much on which to reflect regarding HIOWAA's achievements in 2017. This time last year, I bade farewell to my predecessor Noel Dobbs and, since then, two more of our longest serving Trustees, Dr Robin Beal and Nick Howes, have stepped down after more than 21 years dedicated service to HIOWAA between them. They both acknowledged proudly that the Charity has grown and changed almost beyond recognition, but that it was time for 'fresh legs' to help guide the Board and the Charity onwards. As I write, we have just completed a round of Trustee recruitment that has seen us recruit 4 exceptionally talented new Board members, and I look forward very much to working with them and the rest of the Board to take HIOWAA forward.

In this Report, you will see that your Charity continues to go from strength to strength, whilst staying true to our mission: to always bring exceptional pre-hospital critical care to people in Hampshire and the Isle of Wight, when they need it most. The Report documents our achievements across all areas, as well as laying out the future strategic direction agreed during our Strategy Day in June. For me, there are two particular highlights. The first was the launch of our Critical Care Team Vehicle on 9th February, resplendent in HIOWAA colours and the Charity's new logo and which had, by the end of our Financial Year, already been tasked to 430 missions. The second was our 10th Anniversary Family Fun Day at Thruxton on 1st July, to coincide with our first ever mission in 2007. Attended by well over 2000 people, every part of HIOWAA was represented: the aircraft, the CCT Vehicle, our HEMS teams, staff and volunteers. It was a wonderful team effort, at which we were supported by an amazing array of organisations and individuals, and there was even a rather eclectic gathering of dogs for a great fun dog show!

Before discussing in detail HIOWAA's future strategic direction, I must mention our fundraising achievements, which have again exceeded expectation and which, in turn, have allowed us to add strength to our reserves position. Our reserves are vital because they offer the Charity resilience in what is becoming an increasingly challenging fundraising landscape. Given that HIOWAA receives no Government funding for operations and relies totally on the generosity of our supporters, it is no exaggeration that the Charity lives and dies on its reputation. Moreover, in the context of the intense pressure on all aspects of the NHS, I and my fellow Board members believe that demands on our service are likely to increase, and we judge that our reserves allow us to give donors and patients alike the confidence that we will be there for them, when they need us most: today, tomorrow and beyond.

Recent scandals have proven unequivocally that charities' reputations, built over years, can be destroyed in just a few days. As a result, we have seen a steady flow of new regulatory and compliance requirements over the last 2 years. I am very pleased to report that HIOWAA has achieved, as planned, ISO 27001 accreditation and, in addition, we are making good progress in preparation for the implementation of the General Data Protection Regulations to replace the Data Protection Act in May 2018. With all this in mind, I would urge you to read the sections where we detail how we have stepped up to these, and other, new challenges. I hope very much that you feel able to conclude that your Charity continues to be resilient, well-led and well-governed and that, in everything we do, we remain bound by our values, particularly those of openness and professionalism.

Although an important role of the Trustee Board is to both challenge and support the Executive Team in the implementation of the chosen strategy, the Board must also set that Strategy. As I close, I would like to highlight the section in this report on future plans, where we have laid out more detail on our Clinical Services Transition Programme. This was agreed at the Board's Strategy Day in June and is now moving towards Transition Day on 1st October 2018. This programme will see us create strong new partnerships with both South Central Ambulance Service and University Hospital Southampton to preserve, strengthen and develop the quality and capacity of our Helicopter Emergency Medical Service, for the benefit of people in Hampshire and the Isle of Wight.

In closing, I commend this Annual Report to you. I would also like again to pay tribute to the dedication and energy of my fellow Trustees, both past and present, and to the many people in Hampshire & the Isle of Wight who support their Air Ambulance every single day. We could not do what we do without them, and I do hope you see from this Report that in 2017 we have again done well!

Sir John Day – Chairman of Trustees



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Trustees Report

Charitable Mission and History

Formed in 2005, operational in July 2007, and continually evolving in order to meet the emerging needs of patients, the Charity's Objects (amended in 2016) are now:

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

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

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

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

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

- Babcock Mission Critical Services (Onshore) (BMCS), who provide every aspect of our aviation capability.
- South Central Ambulance Services (SCAS) who provide Paramedics, staff the helicopter dispatch control desk and hold the contracts that allow Doctors to fly. They also provide essential clinical governance assurance for our HEMS and Air Ambulance operations.
- Thames Valley Air Ambulance (TVAA), with whom we collaborate on many operational aspects across the SCAS region. This includes coordination on joint training and education as well as the provision of extended hours cover across Hampshire, the Isle of Wight, Berkshire, Buckinghamshire and Oxfordshire.
- Alongside SCAS, we cooperate closely with the Isle of Wight Ambulance Service in order to provide the very necessary and unique support, vital to people on the Island.
- University Hospital Southampton, with whom we jointly fund a Pre-Hospital Emergency Medicine consultant training programme and with whom we will be forging an important new operating alliance in 2018.

Activities and Achievements

Operational

Operationally, 2017 has been a year of looking backwards and forwards simultaneously! The pace of missions has not relented and the complexities of running the service have become no easier, but the HEMS teams have risen to every challenge with their usual mix of complete humility and utter professionalism. Whilst the June Trustee strategy day encouraged everyone to look at new opportunities and responsibilities, July allowed everyone to reflect, for a brief moment, on how far the charity had come since that first ever mission on 1st July 2007.

The entry into service of the HIOWAA Critical Care Team (CCT) Vehicle on 9th Feb 2017 was an important moment in the HIOWAA story, and by the end of the FY it had already completed 430 missions, or an average of nearly 2 missions a day. Added to the total of 778 aircraft missions, this means that our critical care HEMS teams were deployed 1208 times during the year, or more than 3 times per day. Given this gruelling operational pace, it is easy to understand why it did not take long before the brand new Volvo XC-90 CCT Vehicle needed new tyres and brakes and why the aircraft did suffer occasional technical failures. It is, however, humbling to note that all through this time, in almost any weather, the HEMS teams did not buckle and Trustees wish to emphatically record their gratitude to the paramedics and doctors of callsigns Helimed 56 (aircraft) and 0058 (the CCT Vehicle) who have gone the extra mile time and again during the year.

Education has continued to grow in importance across all aspects of the charity's operation and in August, HIOWAA was delighted to welcome Drs. Matt Kerton and Rob Summerhayes as our first formally appointed Pre-Hospital Emergency Medicine (PHEM) trainees. Spending their time equally between working in University Hospital Southampton and with the HEMS teams, they will follow a 2 year path before qualifying as PHEM Consultants. In parallel, the educational programme has continued, to support our HEMS paramedics on their path to qualifying as Specialist Paramedics in Critical Care.



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Some further operational highlights are summarized below:

- During the first full year of extended operating hours, of the 778 missions tasked to the aircraft, 103 were tasked during extended operating hours (1900 – 0200) and 86 were classified as night missions (from 30 minutes after sunset).
- Total missions tasked were up 1% on FY15/16, although the 125 missions tasked to the Isle of Wight were 20% down on last year. The stand-down rate of 39% is high and perhaps reflects the difficulties that have been experienced achieving robust and consistent manning on the HEMS dispatch desk.
- Although staffing cover on the aircraft has remained high with a doctor/paramedic team available 80% of the day, cover at night on the aircraft and on the CCT Vehicle has been significantly more challenging and has made little progress in the last 2 years. This remains the highest priority for HIOWAA trustees and was a driving factor in deciding on the future Clinical Services Transition path, explained in full in the Future Plans section of this report.
- The extraction of meaningful knowledge and understanding from the very limited operational data available has continued to handicap the identification of focused development priorities. In August, however, HM56 and HM24 (Thames Valley Air Ambulance) operations teams launched a secure, anonymized mobile phone app, allowing HEMS and Critical Care teams to record, at scene, the interventions they had performed. For the first time, this has given both charities a very rough – but important - indication that in nearly 70% of all missions, HEMS teams added enhanced critical care value to the treatment received by patients.
- A real-time appreciation of the often rapidly changing weather in our region is vital in order to dispatch the aircraft safely as often as possible. For this reason, HIOWAA and TVAA agreed to fund the installation of four additional 'Skyview' weather monitoring stations at University Hospital Southampton (UHS), St Marys Hospital IoW, the John Radcliffe Hospital and at RAF Benson. A web-based system, once operational these systems will allow pilots at both bases, as well as other emergency aviation operations, to access real-time high-quality weather information.

Fundraising

Mirroring the pace of operational achievements above, the Fundraising team has again exceeded expectations. After a very significant restructuring in 2015/16, the team has now fully established themselves in their individual roles and continue to shine. With a clear focus on a strong brand image to drive increased awareness of the charity, the marketing and fundraising teams conducted a very successful Brand Evolution project at the end of 2016, resulting in the launch of a new charity logo and strapline in early 2017. This has had a positive influence on HIOWAA's fundraising message and how the charity establishes relationships with its donors. The new focus on HIOWAA's Critical Care Teams has created a level of interest and reaffirmed brand loyalty, as donors identify our people as our 'product'. That 'product' is the charity's ordinary people, delivering extraordinary prehospital care, and also the moving and inspirational stories which patients share with us.

The Brand Evolution project above could not have been achieved as cost effectively as it was without the dedication and assistance of our Volunteers, who helped us conduct some very illuminating market research. The results of this research reinforced our conviction that the Charity now has a new and exciting message to transmit in this second chapter of our story. We must ensure that this message is delivered clearly, compellingly and memorably if we want to continue striving towards being the charity of choice for people in Hampshire and the Isle of Wight. Our volunteers were integral to the development of this new brand messaging and we believe it is for this reason that the evolved HIOWAA branding has been received so well.

Turning to fundraising achievements in more detail, the following is a brief summary:

- Our Cash Collection Pots are a valuable barometer of the charity's fundraising 'traction' in our communities, and they have again grown impressively this year, rising from 1084 last year to 1727 during FY16/17, and from which we have raised a hugely impressive £63,700.
- Staying on the theme of community, HIOWAA was again active across the 2 counties, attending 107 events and reaching over 580,000 visitors, with 129,000 on the IoW alone (drawn from event organisers' totals). A particular highlight in the events calendar was the HIOWAA 10th Operational Anniversary fun day, attended by over 2000 people and raising in excess of £5000. This engaging and very happy day reinforced the strength of the HIOWAA brand and the charity was again supported by a rich variety of voluntary groups and traders, who brought a vibrancy and warmth to an already special anniversary. Once again, more than 40 of our incredible volunteers helped to deliver a truly memorable day.
- The Charity's education programmes continued to go from strength to strength and, following the success of



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the "Be a 999 Hero" campaign (which has now reached over 40,000 primary school children), at year end the team was on the cusp of launching the new LifeLines programme. Aimed at pre and post-GCSE students, this programme focuses on the importance of STEM subjects in developing the skills necessary to be a Pilot, Paramedic, Engineer or Doctor. Launched on the 9th October, at Bohunt School, this programme has already engaged with over 2000 young students and has been adopted by the Royal Academy of Engineers for inclusion in their Emergency Services teaching resources packs for schools, nationwide.

- It is hard to single out one stream amongst such a strong departmental effort, but Corporate Fundraising has consistently exceeded all early expectations. By the end of the FY, 56 companies were engaged actively supporting HIOWAA (up from 15 at the end of FY15/16) and these relationships had raised over £85,000. Two major retail outlets changed their policies in order to extend their relationships with us, by another year. Through them the HIOWAA brand is presented to nearly 10M shoppers and this in turn has generated exciting new relationships with household retail names including M&S, Cooperative and Sainsburys. HIOWAA's sponsorship by Southampton Airport has also been extended to 2020, and the charity's relationship with Red Funnel ferries had raised £5,000, at year-end, but has since gone from strength to strength, raising well over £50,000, as well as providing valuable exposure to the many thousands of passengers every day.
- Only established formally in FY 15/16, the Trusts and Foundations stream continues to grow steadily and has raised £208,000 from both new and established supporters of HIOWAA. Trustees wish to record their particular thanks to the Masonic Charitable Foundation, which has now donated £35,000 over the last 9 years, and also to the small grant giving trust, who wished to remain anonymous, but who made a stunning grant of £100,000.
- Once again, HIOWAA's membership lottery has performed strongly, and everyone in the charity remains sincerely grateful to the 70,390 members who continue to support HIOWAA every week. A strong commercial partnership exists with the lottery provider, Lottery Fundraising Services Ltd, and several well-publicised fundraising scandals led to a frank review of the sustainability of membership lottery fundraising. This review was also informed by the ongoing introduction of much more restrictive regulation around canvassing and direct marketing operations and details on the outcome and its impact are contained within the Governance and Future Plans section of this report.
- Although challenge fundraising has again been very successful, with HIOWAA's second Kilimanjaro expedition raising £80,000, and creating enduring relationships with many supporters, it has also been reviewed in the context of the changing fundraising landscape. This focussed on the return on investment of these high intensity, infrequent – often overseas – events and as a result, it was agreed that increased emphasis will be placed on both UK-based challenges, and open challenges, which have been very successful, recruiting 187 new supporters and raising £102,000 this year, and where there is no set-up cost to the charity. Lastly, a 10th Anniversary skydive was very successful with 66 people jumping over a busy weekend in September, raising £45,000.

A consistent thread in the achievements above has been review, and FY16/17 was characterised by reviews across all areas of fundraising. This was to ensure full compliance with existing regulations as well as assessments of where improvements would help meet impending changes in the compliance landscape. This was in response to the establishment of the new Fundraising Regulator and to the publishing of the significantly-revised Code of Fundraising Practice. Although the internal review left us confident that HIOWAA does fundraise in a respectful, secure and compliant way, it nevertheless demonstrated that - for the foreseeable future - the only constant in fundraising compliance is likely to be constant change.

Financial Review

Given the turbulence in the fundraising sector caused by the examples of poor fundraising governance alluded to above, HIOWAA's sound financial performance in FY16/17 was reassuring, demonstrating the strength of the brand and the high regard in which the charity is held. Notwithstanding this, at the strategy day in June, Trustees endorsed the need for HIOWAA to diversify its income streams to improve resilience and reduce dependency on the membership lottery. Actions taken to deliver this strategic priority are detailed later in this report, but the following represents some particular highlights in financial performance during the year:

- Total income at £6,735k shows a modest increase of 5% on FY15/16, which has been driven almost exclusively by a very substantial 280% rise in legacy income, and this has prompted a decision to review the charity's legacy fundraising programme to improve the understanding of this very important but unpredictable income stream.
- Total expenditure has risen by 12% this year, with Operational Expenditure rising by over 18%. Whilst this is more modest than the 34% rise in FY15/16, it nevertheless reflects the Trustees' continued commitment to extending both the capability and the reach of the Helicopter Emergency Medical Service (HEMS).

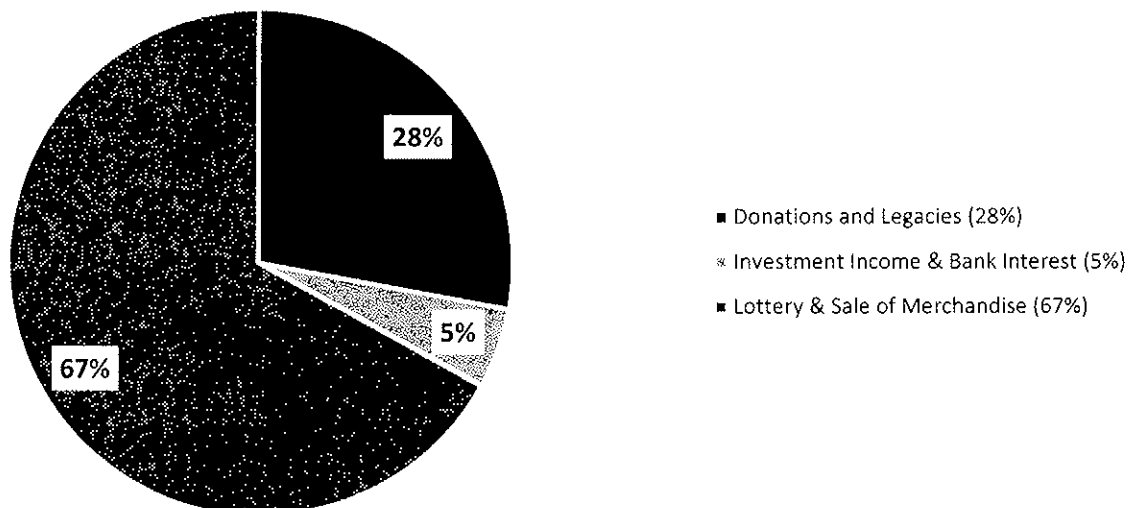


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- All the fundraising streams have again performed well this year and, although expenditure on fundraising has risen by 27%, this still represents a return of 3.8:1 in direct fundraising income against direct fundraising expenditure.
- There have been many donations of note that serve to remind everyone at the charity that HIOWAA could not do what it does without the diverse support of our communities. Once again, the Board wishes to record their sincere gratitude for those families, individuals and groups who have donated, or who have remembered us in their wills. Some particular examples are as follows:
 - £6377 raised through the Great Hampshire Cake Sale.
 - £7692 from Signature Flight Support at Southampton Airport
 - £5103 from the last St Georges Day Classic Car, bringing to £20,000 the total raised in its 10-year run.
 - £5000 from the Mr Bumble Pub summer 'Wet and Wild fun day'.
- The HIOWAA lottery continues to represent a very significant proportion of the charity's overall income (67%) but, in returning over 70p in every £1 raised to the charity it has again far exceeded the national average and has shown a modest rise of 2.8% and in membership terms a more reassuring rise of 4.4% on FY15/16. Accordingly, the Board would like, once again, to record their sincere gratitude to the 70,390 (as at 29/09/17) members of our lottery.
- The pie chart below offers a pictorial interpretation of how the charity's income breaks down by category.

HIOWAA Income Chart 2017



* The above figures exclude Gains/Losses on Investments in the year

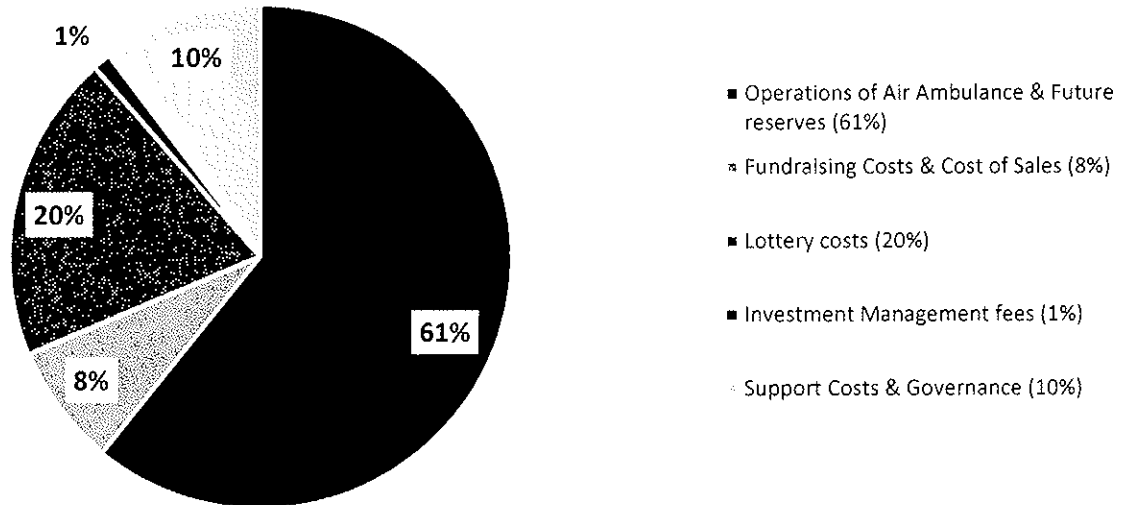
- Additionally, the pie chart over the page demonstrates how the charity spends every £1 raised.



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HLOWAA Expenditure Chart 2017



* The above figures exclude Gains/Losses on Investments in the year

Investments Policy

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

Reserves Policy

In line with the Charity's policy of holding 5 years' estimated operational costs in reserve, the unrestricted reserves as at 30/09/2017 amounted to £15,358K, or just under 3.5 years of budgeted costs that now incorporate the Clinical Services Transition Programme ('Transition'), detailed below. A limited drawdown of reserves was, however, approved in September 2017 in order to finance the increased costs of Transition. Once these increased costs are predictable with greater clarity, a review of the reserves policy will take place in 2018.

Future Plans

HLOWAA's 10th operational anniversary year prompted a considerable reflection by the Board of Trustees, on how the charity must move forward, on behalf of our patients and our communities, into our second decade. Developing the four key themes laid down in last year's report, the Board conducted a wide-ranging strategy day in June. After a closed discussion focussing on developing the board skillset required for the future, Trustees and staff came together to welcome speakers who focussed on two key areas: the changing Fundraising regulatory landscape and the opportunities for new partnerships to build resilience and capacity in our critical care teams and to develop their skills further.

The conclusions of the day were summarised as follows:

- In order to move forward clinically and operationally, HLOWAA must seek to form new partnerships to allow better-structured, more focussed and sustainable service development. A new partnership model was chosen



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in preference to HIOWAA pursuing full clinical independence and it was accepted that any new coalition would involve a redesigning of the existing relationship with SCAS.

- Cognisant of the inevitability of further compliance and scrutiny being imposed in fundraising, that HIOWAA must design new and more diverse income streams in order to reduce dependency on our Flight For Life membership lottery. Additionally, that the Charity must progress plans to stay fully aware of and aligned with emerging compliance standards.
- The results of a skills audit of trustees would be combined with existing succession plans in order to shape future trustee recruitment.
- The review of premises, signposted in last year's report, concluded that, for the time being, the new offices in Nursling and the new airbase facility at Hangar 2B Thruxton served the charity well in meeting its current strategic priorities. A critical lack of comprehensive operational data, in particular in the domain of unmet HEMS demand, means a further review may be needed.

HIOWAA Trustees' strategic decision to seek out and forge new clinical operating partnerships, in order to develop the service further was timely, and mirrors a national picture. This picture shows an increasing demand for PHEM specialist doctors, as well as the introduction of a Specialist Paramedic (Critical Care) career development framework. National research and National Institute of Health and Care Excellence (NICE) guidelines have signposted the significant benefits that accrue to critically ill and injured patients who receive, with minimum delay, the pre-hospital interventions that only HEMS Critical Care Teams can deliver. Clearly these benefits can only be fully realised if the patient, once stabilised, can be brought to the right hospital and receive the definitive care that will give them the best possible chance of making a full recovery. As a result of this, HIOWAA has decided to form a new alliance, called the Clinical Services Transition Programme, with SCAS and University Hospital Southampton (a designated Major Trauma Centre and hub of the Wessex Trauma Network).

This transition, planning for which started in Nov 2017, will see the following key changes to HIOWAA's operating model, by the 1st October 2018:

- HIOWAA will assume responsibility for fully funding all aspects of Air Ambulance Operations.
- Clinical governance and assurance for all pre-hospital critical care will be transferred from SCAS to UHS.
- The leadership, management and development of both PHEM doctors and our specialist Critical Care Paramedics will also transfer to UHS.
- HIOWAA, UHS and SCAS will develop and implement a joint operational leadership structure that operates as a bespoke Care Group within the Emergency Medicine Division at UHS.

Whilst the first significant milestone is the 1st October 2018, this programme may take up to three years to become fully established, but the key benefits are assessed as:

- Ensuring patients receive the right care, at the right time, in the right place and by the right staff.
- Allowing HIOWAA and UHS to respond to the emerging needs of patients on the Isle of Wight.
- Enhancements to the skill levels of Critical Care paramedics through greater integration with their Major Trauma Centre colleagues.
- Joint education, training and development for Critical Care teams, resulting in enhanced patient care.
- A career development programme for Critical Care paramedics that will improve recruitment and open up wider job opportunities for ambulance and hospital staff.
- The implementation of a clinical leadership and governance structure that will continue to assure best practice in a rapidly evolving clinical speciality.
- The introduction of a 3-way partnership to lead and develop HEMS well into the next decade.

Enabling and Sustaining Future Plans

Clearly this ambitious clinical transition programme will see the charity's expenditure on operations increase significantly. Indeed, expenditure on charitable activities is forecast to rise by 24% between 2018-2022, to approximately £5.4M per year and, quite obviously, this sets us new challenges in fundraising.

In meeting this challenge, Trustees recognise that nothing HIOWAA has achieved could have been done without the amazing generosity of supporters and donors over many years. Through this generosity, the charity has built a reserve that now gives HIOWAA the flexibility to deliver this ambitious plan, whilst also ensuring that it continues to meet other, vital obligations for provision of the helicopter service. Moreover, this reserve gives the flexibility to rise to the new income generation challenge in a measured and sustainable way. This led, in October 2017, to



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the launch of HIOWAA's 'Small Change Big Difference' regular giving campaign. This campaign, which will also draw additional benefit from Gift Aid, aims to recruit 34,000 regular giving donors, each contributing just £8 a month, by the end of 2022. When this target is achieved, it will enable the charity to start rebuilding its reserves. Moreover, this new campaign is not the only development that will be coming to fundraising over the next 1-2 years, and the Director of Fundraising and her team will be growing further capacity and performance in community engagement, corporate partnerships and legacy fundraising.

Administration, Governance and Structure

Trustees and Directors

Sir John Day KCB OBE RAF(ret'd)	(Elected Chair 1 February 2017)
Noel Dobbs FCA	Chairman (retired 25 April 2017)
Robin Beal MA FRCEM	(Resigned 25 April 2017)
Liz Brown	(Appointed 19 March 2018)
Andrew Cheesewright FCA	
David Drew	
Dr Andy Eynon BSc(Hons) MBBS(Hons)	(Appointed 25 April 2017)
Lisa Gagliani MBE	(Appointed 19 March 2018)
Graham Hill FRCS (Tr&Orth)	(Appointed 19 March 2018)
Nick Howes	(Resigned 28 September 2017)
Frances Kellett-Clarke MA	(Resigned 29 March 2017)
Keith Mans FRSA FRAeS	
Jonathan Moseley	
Gwen Moulster OBE	(Appointed 19 March 2018)
Rachel Peppiatt	
Robert Prescott	
Peter C Taylor JP, FCA, FRSA	Treasurer

Company Secretary

Sherie Williams Ellen

Chief Executive

Alex Lochrane

Auditors

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

Bankers

Handelsbanken, 3 Carlton Crescent, Southampton, SO15 2EY

Lloyds TSB Plc, High Street, Winchester

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

CCLA Investment Management Ltd, 80 Cheapside, London, EC2V 6DZ

Investment Managers

Rathbone Brothers Plc, 32 Southgate Street, Winchester, SO23 9EH

Brewin Dolphin, 12 Smithfield Street, London EC1A 9BD

Registered Office

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

Registered Numbers

5244460 Companies House

1106234 Charity Commission



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Governance

Public Benefit and Openness

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

As already indicated, the Charity has continued work to step up to the new regulatory requirements that have been introduced in the wake of recent incidents of poor governance and practice. ISO27001 accreditation has been achieved and significant training has been undertaken to prepare for the implementation of the General Data Protection Regulations (replacing the existing Data Protection Act) in May 2018. Aligned with this, in the second half of 2017, the charity initiated a drive to engage with all current supporters in order to gain their positive agreement to receiving future communications. To date the 'Opt-In' communications campaign has generated a very positive response and HIOWAA now has 7,000 supporters who have positively agreed to future communications.

Earlier in this report, the publication (Spring 2017) of the revised Code of Fundraising Practice was cited because of the wide-ranging review of fundraising policies and procedures that it had prompted. Although the overall outcome gave reassurance that HIOWAA's fundraising is fully compliant, it has led to revisions of both the Commercial Participation Agreements between HIOWAA and external agents, and also some internal processes in order to improve the protection of our Volunteers and the vital fundraising work they undertake on the Charity's behalf.

Although published after the Board conducted its Strategy Day, the new Code of Charity Governance (Jul 2017) will become an integral part of challenging and supporting the Board's – and by extension the Charity's – overall effectiveness and governance. In many aspects, the HIOWAA Board is already a strong performer against the Code's seven principles (Organisational purpose; Leadership; Decision making, risk and control; Integrity; Effectiveness; Openness and Accountability; Diversity) but trustees have acknowledged that an important objective in the next 2 years will be to undertake a full governance review.

Structure

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

- Incorporated as a Company Limited by Guarantee (Co Reg no 05244460) under Articles of Association updated on 8th June 2016 (Trustees are Members of the Charitable Co with liability of £10).
- Trustees are recruited by the Board against required skill sets and all receive appropriate induction and training. Regular, wider training and development opportunities are also offered.
- The Board of Trustees must consist of at least three individuals and will not normally exceed 12.

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

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

Pay Policy for Staff

The pay of all staff is reviewed annually by a remunerations sub-committee, who will normally, subject to individual



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staff's satisfactory annual appraisal, recommend that the Board approves annual increases in line with average earnings. The salary of the CEO is normally increased in the same way, but subject to satisfactory annual appraisal by the Chairman and Treasurer. In accordance with the revised FRS102, further detail on senior staff pay is contained in the notes to the financial statements (note 9).

Risk

On behalf of Trustees, the Chief Executive maintains a comprehensive Risk Register, broken down into five key areas (Governance and Compliance; Operations; Income Generation; Finance; People) and designed to assess risks that may impact on the Charity achieving its agreed objectives. Whilst some areas of operational and clinical risk are transferred to our key partners SCAS and BMCS, Trustees review quarterly the top 5 risks that could impact on both the delivery and resilience of our life-saving service as well as the strong reputation of the Charity. The detailed review of individual risks is delegated to the respective sub-committee, with the Chief Executive maintaining sole accountability for People.

Our gratitude

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

Trustees' Responsibilities for Financial Statements

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

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

The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

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

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

This report was approved by the Trustees on *24th April 2018* and is signed on their behalf by:

Sir John Day
Chairman



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2017

Independent Auditors' Report



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

Opinion

We have audited the financial statements of Hampshire and Isle of Wight Air Ambulance (the 'charitable company') for the year ended 30 September 2017 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2017

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2017

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

Nexia Smith & Williamson

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

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

Date: 24/4/18



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2017

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total 2017 £	Total 2016 £
Income and endowments from:					
Donations and legacies	2	1,882,467	-	1,882,467	1,512,975
Other trading activities	3	4,507,005	-	4,507,005	4,609,257
Investments	4	346,087	-	346,087	309,825
Total		6,735,559	-	6,735,559	6,432,057
Expenditure on:					
Raising funds	5	2,398,430	-	2,398,430	2,243,326
Charitable activities	6	2,761,489	-	2,761,489	2,344,794
Total		5,159,919	-	5,159,919	4,588,120
		1,576,640	-	1,576,640	1,843,937
Net gains on investments	11	460,008	-	460,008	936,653
Net income		2,035,648	-	2,035,648	2,780,590
Transfers between funds		-	-	-	-
Net movement in funds		2,035,648	-	2,035,648	2,780,590
Funds at 1 October 2016		13,322,075	-	13,322,075	10,541,485
Funds at 30 September 2017		15,357,723	-	15,357,723	13,322,075

All amounts relate to unrestricted funds and continuing activities.

The notes on pages 18 to 25 form part of these financial statements.



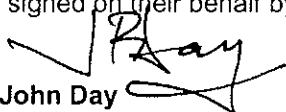
HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE


Report and financial statements for the year ended 30 September 2017

BALANCE SHEET AT 30 SEPTEMBER 2017

<i>Company number 05244460</i>	Note	Total 2017 £	Total 2016 £
Fixed assets			
Tangible assets	10	610,693	457,565
Investments	11	13,601,232	11,873,098
		<u>14,211,925</u>	<u>12,330,663</u>
Current assets			
Stocks		18,873	18,883
Debtors	12	521,777	484,287
Cash at bank and in hand		1,999,171	1,702,055
		<u>2,539,821</u>	<u>2,205,225</u>
Liabilities			
Creditors: Amounts falling due within one year	13	(1,394,023)	(1,213,813)
		<u>1,145,798</u>	<u>991,412</u>
Net current assets		<u>15,357,723</u>	<u>13,322,075</u>
Total assets less current liabilities		<u>15,357,723</u>	<u>13,322,075</u>
Net assets		<u>15,357,723</u>	<u>13,322,075</u>
Funds			
Restricted income funds	18	-	-
Unrestricted funds			
- operational		14,707,723	12,672,075
- designated		650,000	650,000
		<u>15,357,723</u>	<u>13,322,075</u>
Total unrestricted funds	18	15,357,723	13,322,075
Total funds		<u>15,357,723</u>	<u>13,322,075</u>

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


Sir John Day
 Chairman

20th April 2018

Peter Taylor JP FCA FRSA
 Treasurer

The notes on pages 18 to 25 form part of these financial statements.



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2017

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Total 2017 £	Total 2016 £
Cash flows from operating activities:		
Net cash provided by operating activities	1,550,443	1,997,276
Cash flows from investing activities		
Purchase of property, plant and equipment	(253,327)	(404,127)
Purchase of investments	(1,000,000)	(2,500,000)
Net cash used in investment activities	(1,253,327)	(2,904,127)
Change in cash and cash equivalents in the financial year	297,116	(906,851)
Cash and cash equivalents at the beginning of the year	1,702,055	2,608,906
Cash and cash equivalents at the end of the year	1,999,171	1,702,055
Reconciliation of net income to net cash flow from operating activities		
	2017	2016
	£	£
Net income for the year	2,035,648	2,780,590
Adjustment for:		
Gains/losses on investments	(460,008)	(936,653)
Investment income	(345,636)	(302,911)
Investment costs	77,510	64,463
Depreciation charges	108,199	26,781
Gift in kind	(8,000)	(55,200)
Decrease/(Increase) in stock	10	3,242
(Increase) in debtors	(37,490)	(44,323)
Increase/ in creditors	180,210	461,287
Net cash provided by operating activities	1,550,443	1,997,276



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2017

1 Accounting policies

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

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

a) Accounting Convention

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

b) Income

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

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

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

c) Expenditure

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

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

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

d) Tangible fixed assets and depreciation

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

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

Only tangible fixed assets costing more than £500 are capitalised.

e) Leased assets

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2017 contd.

Accounting policies (continued)

f) **Investments**

Investments are included in the balance sheet at market value.

g) **Funds**

Unrestricted general funds can be used in accordance with the charitable objects of the organisation at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are given for particular restricted purposes.

2 Income from donations and legacies

	Unrestricted funds 2017 £	Total 2017 £	Total 2016 £
Donations	1,286,618	1,286,618	1,300,547
Legacies	595,849	595,849	212,428
	<u>1,882,467</u>	<u>1,882,467</u>	<u>1,512,975</u>

3 Income from other trading activities

	Unrestricted funds 2017 £	Total 2017 £	Total 2016 £
Lottery income	4,494,325	4,494,325	4,458,883
"Bag it up" donated goods	-	-	133,376
Sale of merchandise	12,680	12,680	16,998
	<u>4,507,005</u>	<u>4,507,005</u>	<u>4,609,257</u>

4 Income from investments

	Unrestricted funds 2017 £	Total 2017 £	Total 2016 £
Investment income	345,636	345,636	306,368
Bank interest	451	451	3,457
	<u>346,087</u>	<u>346,087</u>	<u>309,825</u>



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2017 contd.

5 Expenditure on raising funds	2017	2016
	£	£
Fundraising costs and cost of sales	300,627	220,158
Fundraising staff costs	197,625	171,394
Allocated support costs (note 7)	476,656	390,444
Lottery prizes and expenses	1,346,012	1,396,867
Investment management costs	77,510	64,463
	2,398,430	2,243,326
	<hr/>	<hr/>
6 Expenditure on charitable activities	2017	2016
	£	£
Operation of air ambulance	2,525,713	2,157,514
Operation staff costs	15,191	-
Allocated support costs (note 7)	220,585	187,280
	2,761,489	2,344,794
	<hr/>	<hr/>
7 Analysis of expenditure on Support costs	2017	2016
	£	£
Administrative salaries and social security	360,048	323,190
Pension costs	24,034	13,325
Office costs	209,650	171,708
Other administrative costs	93,484	58,952
Governance costs	10,025	10,549
	697,241	577,724
	<hr/>	<hr/>
	2017	2016
	£	£
Support costs have been allocated as follows:		
Expenditure on raising funds (note 5)	476,656	390,444
Expenditure on charitable activities (note 6)	220,585	187,280
	697,241	577,724
	<hr/>	<hr/>



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2017 contd.

8	Analysis of Governance costs	2017	2016
		£	£
	Auditor and accountancy fees	7,000	7,500
	Trustees expenses	1,062	2,134
	Other	1,963	915
		<hr/>	<hr/>
		10,025	10,549
		<hr/>	<hr/>
9	Staff costs	2017	2016
		£	£
	Wages and salaries	520,618	456,601
	Employer's national insurance	46,633	34,768
	Employer's pension contributions	29,647	16,540
		<hr/>	<hr/>
		596,898	507,909
		<hr/>	<hr/>

No trustee, or any of their connected persons, received any remuneration in the current or prior year. Trustees travel expenses were £1,062 (2016 - £2,134) during the year.

The average number of full time equivalent employees was 17 (2016 - 14).

The key management personnel of the charity comprise 5 staff members in addition to the Trustees. The total employee emoluments of the key management personnel of the Charity were £249,511 (2016 – 226,851). The highest paid employee received emoluments of £61,758 (2016 - £67,710) and pension contributions of £16,882 (2016- £8,077) in the year.

No other employee earned over £60,000.



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2017 contd.

10 Tangible fixed assets

	Leasehold property	Equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 October 2016	332,074	90,145	71,640	-	493,859
Additions	60,495	68,993	23,901	107,938	261,327
Disposals	-	-	(11,829)	-	(11,829)
At 30 September 2017	392,569	159,138	83,712	107,938	743,357
Depreciation					
At 1 October 2016	7,377	18,503	10,414	-	36,294
Charge for year	49,421	32,339	17,962	8,477	108,199
Eliminated on disposal	-	-	(11,829)	-	(11,829)
At 30 September 2017	56,798	50,842	16,547	8,477	132,664
Net book value					
At 30 September 2017	335,771	108,296	67,165	99,461	610,693
At 30 September 2016	324,697	71,642	61,226	-	457,565

The net book value of assets under finance lease was £6,875.

11 Fixed asset investments

	2017 £	2016 £
Market value at 30 September 2016	11,873,098	8,197,997
Additions	1,345,636	2,802,911
Investment manager fees	(77,510)	(64,463)
Increase in market value	460,008	936,653
Market value at 30 September 2017	13,601,232	11,873,098
Historic cost at 30 September 2017	12,390,614	10,272,806

Total investment income as disclosed on the face of the Statement of Financial Activities also includes £451 (2016 - £3,457) of bank interest. All investments are listed.

No single investments exceeded 5% of total market value. The cash element was £598,028.



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2017 contd.

12 Debtors	2017	2016
	£	£
Accrued income	3,254	49,967
Prepayments	186,692	195,458
Other debtors	331,831	238,862
	<u>521,777</u>	<u>484,287</u>

13 Creditors: amounts falling due within one year	2017	2016
	£	£
Other creditors	429,251	474,306
Lottery receipts in advance	667,430	566,858
Accruals	281,460	161,215
Other taxation and social security	15,882	11,434
	<u>1,394,023</u>	<u>1,213,813</u>

14 Financial Instruments	2017	2016
	£	£
Financial Assets		
Cash at bank and in hand	1,999,171	1,702,056
Financial assets that are debt instruments Measured at amortised cost	279,244	240,712
	<u>2,278,415</u>	<u>1,942,768</u>

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

	2017	2016
	£	£
Financial Liabilities		
Financial liabilities that are measured at amortised cost	1,378,141	1,202,379
	<u>1,378,141</u>	<u>1,202,379</u>

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



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2017 contd.

15 Controlling party

The charity is controlled by its Trustees.

16 Commitments under operating leases

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

	Land and buildings 2017 £	Other 2017 £	Land and buildings 2016 £	Other 2016 £
Within one year	71,529	1,438,134	71,529	1,322,352
In two to five years	219,557	4,068,790	258,717	5,059,493
In more than five years	106,045	-	138,143	-
	<u>397,131</u>	<u>5,506,924</u>	<u>468,389</u>	<u>6,381,845</u>

The charge to the Statement of Financial Activities relating to operating leases for the year was £1,509,664 (2016: £1,305,325)

17 Contingent assets

The charity has been notified of material legacies which have not been included in the Statement of Financial Activities because the conditions for recognition have not been met. The estimated cash value is £432,000.

18 Analysis of Unrestricted funds

	At 1 October 2016 £	Net Movement in Funds £	Transfers £	At 30 September 2017 £
General fund - operational reserve	12,672,075	2,035,648	-	14,707,723
New aircraft fund	400,000	-	-	400,000
Additional services fund	250,000	-	-	250,000
	<u>13,322,075</u>	<u>2,035,648</u>	<u>-</u>	<u>15,357,723</u>

The new aircraft fund comprises an amount designated by the Trustees representing the additional cost of operating a new aircraft for one year.

The additional services fund comprises an amount designated by the Trustees representing the additional cost of supporting longer flying hours for one year.



HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2017 contd.

19 Analysis of Restricted funds

	At 1 October 2016 £	Net Movement in Funds £	Transfers £	At 30 September 2017 £
Reserve for specified capital expenditure	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

20 Post balance sheet events

Since the year end the Charity has made a capital commitment amounting to £53,840.