

HAMPSHIRE AND  
ISLE OF WIGHT  
**AIR AMBULANCE**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED**

**30 SEPTEMBER 2018**

Company Number 5244460

Charity Number 1106234



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2018

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### Contents

**Page:**

2	Introduction and Chairman's Report
3-11	Trustees Report
12-14	Report of the Independent Auditors
15	Statement of financial activities
16	Balance Sheet
17	Statement of cash flows
18-26	Notes forming part of the accounts



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2018

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 2018. The reference and administrative information set out on pages 8/9 forms part of this report.

### Chairman's Report

2018 was again a year of considerable achievement for the Charity but, before I summarise this, I would like to record my thanks to one of our dedicated Trustees, Keith Mans, who retired after 9 years in April 2018. Additionally, it is with great sadness that I report the death of one of our other longest serving Trustees Bob Prescott, after battling with illness for some time. In his six years as a Trustee, his meticulous attention to governance detail and his great reserve of common sense were always highly valued.

In last year's Report, we fired the starting gun on our Clinical Services Transition Programme, and not surprisingly Transition dominated our activities in 2018. As this Report is written, HIOWAA is 4 months into the new partnership, having transferred Operational and Clinical Responsibility to the new HEMS Care Group within Division B of University Hospital Southampton on 1<sup>st</sup> November 2018. An early dividend of this transfer was the recruitment of 7 new trainee HEMS Paramedics. They started with the new Care Group on 10<sup>th</sup> December and should achieve their first level of advanced clinical independence in the Spring of 2019. In the Operations Section of this Report, despite the many pressures and challenges of preparing for Transition, you will see that HIOWAA continued to meet its mission throughout the year: to always bring exceptional pre-hospital critical care to people in Hampshire and the Isle of Wight, when they need it most. Indeed, the first full year of data for our Critical Care Team Vehicle has shown a near-doubling of the mission numbers, as our growing air and road capabilities mean we are able to attend many more seriously ill and injured patients across our two Counties.

The Clinical Services Transition project brought with it a significantly increased long-term financial commitment and, to fund this sustainably, we have an equally ambitious plan to extend our fundraising activities. As part of this, I am very pleased to report that, thanks to the continued commitment of all our Fundraisers, income again exceeded budget forecast, achieving a 10% overall increase on FY16/17. Whilst it is difficult to single out particular highlights, the success of our Corporate fundraising activities is worthy of particular note, achieving a very impressive 138% over target for the year. This reflects the outstanding dedication and achievements of our Partnerships Manager in both recruiting new Corporate supporters and also retaining many others beyond their standard term. All other areas of income generation and profile building have performed strongly, and it is with great pride that I can report that our two educational programmes ("Be a 999 Hero" and "LifeLines") have now reached over 60,000 children and young people across our Counties. Through these programmes, the Charity has raised over £25,000, and also HIOWAA's profile has achieved invaluable exposure and promotion through association with The Royal Academy of Engineering, The Prince's Trust, The Duke of Edinburgh Awards and National Citizenship Schemes. As always, none of these activities could have been achieved so successfully without the quiet dedication and hard work of our Volunteers, who give HIOWAA so much more than just their time.

Alongside all the activity in the 'foreground' of HIOWAA, there has been almost as much behind the scenes, as the Governance and support areas have embraced the new Charity Governance Code and the introduction of the General Data Protection Regulation. In this regard, I pay tribute to the HIOWAA Staff who have, once again, risen admirably to this new regulatory challenge, and also to my fellow Trustees who have not flinched from their responsibilities, despite this daunting and seemingly-relentless increase in their accountability burden. As a Board, we are committed unanimously to full implementation of the Charity Governance Code. For this reason, we look forward to HIOWAA's first Independent Governance Audit in the Spring of 2019, as this will provide both a benchmark for today and a clear signpost towards future Governance excellence.

As this Report goes to print, we are in the process of refining our future strategic priorities. In this context, the Future Plans Section of this Report places a priority on consolidation during 2019, but I must stress that HIOWAA is not sitting back and easing off. We will publish our comprehensive and fully-developed 5 year Strategic Development Plan once it is completed.

In closing, I commend this Annual Report to you. As always, I pay tribute to the dedication and energy of my fellow Trustees, both past and present, and to the many people in Hampshire and the Isle of Wight who support their Air Ambulance every single day. We could not do what we do without them, and they are the reason we can look forward and plan with confidence.

**Sir John Day – Chairman of Trustees**



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2018

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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, as contained within its Articles of Association (amended in 2016) are:

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

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

Underpinned by the 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.
- University Hospital Southampton (UHS), who host the Helicopter Emergency Medical Services (HEMS) Care Group within Division B. From 1/11/2018, this group took full operational and clinical responsibility for the provision of HEMS and Air Ambulance Services, and they hold the contracts of employment (permanent/bank/honorary) for all clinical and dispatch staff.
- South Central Ambulance Services (SCAS) who continue to provide access to the Emergency Operations Centres, from where HIOWAA assets are dispatched.
- Thames Valley Air Ambulance (TVAA), with whom we collaborate on many operational aspects across the SCAS region. This includes 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.
- Through 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.

#### Activities and Achievements

Having regard to the Charity Commission guidance on Public Benefit reporting, Trustees offer the following summary of achievements across the charity's scope of operations.

#### Operational

Overview. Much of 2018 was defined by the very significant work required to achieve Transition. Philosophically and culturally, there was an initial challenge to convince all our partners of the compelling Case for Change as well as the future opportunities available, for the benefit of Patients. With this achieved, however, a tripartite project team began work and made significant progress, quickly. As with all organisational change projects, effective communications are a constant challenge, and it is testament to everyone involved that their commitment to, and confidence in, the eventual outcome provided strong reassurance to all staff throughout. This reassurance was vital in order to allow operational HEMS teams to maintain focus on the top priority: that of maintaining our critical care service for patients. During the year, this service saw the aircraft attend 765 emergencies and the Critical Care Team Vehicle (CCTV) 618. Whilst the aircraft mission numbers were slightly down on FY16/17 (as were the 123 transfers conducted from the Isle of Wight), the addition of the first full year of operational data for the CCTV emphatically endorsed the original rationale for this extension to the service.

Data Gathering. A key element of the Transition Case for Change was the need to develop a more wholistic system to gather accurate and comprehensive operational and clinical data. This data, and the knowledge it will provide, is fundamental both to strategic decision-making and to the day to day management of operations, training and education. Accordingly, considerable effort went into identifying a solution meeting these requirements and the ARC system, designed and developed by Great North Air Ambulance (GNAA) was chosen. Although less



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

### Report and financial statements for the year ended 30 September 2018

mature than other candidates, the opportunities for collaborative development with GNAA alongside the in-built flexibility of the system, which allows the construction of tailored automatic reports and dash-boards, ARC presented a very cost-effective and future-proof system.

In other operational highlights:

- Tasking and Dispatch. Although the 765 aircraft missions completed were fractionally lower than FY16/17 (down by 1.7%), encouragingly the stand-down rate was also 8% lower, at 32%, reflecting improved experience and consistency of dispatch. Analysis of night missions revealed that 99 (13%) were conducted in darkness (30mins after sunset), which represents a 16% increase on last year. Missions to the IoW remained broadly stable at 123.
- Education and Training. Education of all our HEMS teams continues to grow in importance and, in April, HIOWAA received a very positive endorsement from NHS Health Education England's Wessex Deanery, who conducted a full inspection of the charity's Pre-Hospital Emergency Medicine (PHEM) training programme, and the progress being made by the first two students Drs Matt Kerton and Rob Summerhayes. Additionally, 7 paramedics completed modules towards the PG Dip in Advanced Clinical Practice, the agreed qualification level for Specialist in Critical Care and it is anticipated that 4 will fully qualify as Specialists in 2019.
- Staffing and Recruitment. Another pillar of the Transition Case for Change was the need to expand the numbers of HEMS and Specialist Critical Care Paramedics. Although not completed until after year end, it is very encouraging to note that the external recruitment for 7 new trainee HEMS Paramedics, which commenced in August, attracted 89 applicants.
- Aircraft staffing levels have been strong throughout the year, with Paramedic cover achieving 99.5% cover day and night, and combined Doctor/Paramedic daytime cover achieving 81%, a small improvement on last year. Regrettably only 23.6% combined Doctor/Paramedic night cover was achieved, reflecting the ongoing challenge for doctors to achieve a sustainable hospital/pre-hospital balance, whilst maintaining precious down-time.
- Notwithstanding the overall mission data above, staff rotas were prioritized towards the aircraft and, accordingly, Critical Care Team Vehicle (CCTV) Paramedic staffing achieved only 71.5% shift coverage, and combined Doctor/Paramedic teams achieved only 23.6%. This reinforced an overriding priority of Transition, to grow staff numbers and so improve shift coverage.
- Technical Availability. Aircraft technical availability (crew and mechanical) was strong throughout the year, at 98.8%, although the harsh winter weather conditions had a significant impact, reducing overall aircraft availability to 90.4%.

### Fundraising Approach

Hampshire and Isle of Wight Air Ambulance receive no Government or National Lottery funding for routine operations and it is only thanks to the generosity of the communities that we serve that we are able to keep the Air Ambulance flying and saving lives. Our income profile comprises a multiplicity of fundraising initiatives that are designed to engage with individuals and groups who raise funds for the Charity. We employ a dedicated fundraising team to manage our portfolio and ensure that we meet our statutory obligations with the Charity Commission and operate within the Fundraising Regulator framework. The fundraising team receive a salary, but do not have the opportunity to earn a bonus. Additionally, they are required to undertake certified training with the Institute of Fundraising and to participate in in-house professional development pathways.

Hampshire and Isle of Wight Air Ambulance work with Lottery Fundraising Service (LFS) as our third-party operator, to deliver our Flight for Life society lottery and to provide a canvassing facility for our Small Change Big Difference committed giving campaign. LFS provide team of canvassers and deliver end to end service of the lottery administration. The committed giving campaign administration is managed in house by the Charity. There is a Commercial Participation Agreement in place, that details the obligations of each organisation and regular reviews are conducted to thoroughly appraise the service provided.

The LFS canvassers undergo a full induction process that focuses on gambling and fundraising regulation, and standards of behaviour that are expected when they interact with the public. All canvassers are 'Dementia Friends' qualified; a course that is accredited by the Alzheimer's Society and intended to protect vulnerable persons. Hampshire and Isle of Wight Air Ambulance deliver additional training regarding our charitable operations, expectations and brand standards. The Charity conduct regular canvasser mystery shopping exercises and compliance calls to ensure quality and consistency of service.

The Charity is a member of the Institute of Fundraising and the Fundraising Regulator, and hold a society lottery



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2018

licence with the Gambling Commission alongside LFS. We maintain strong governance practices having achieved ISO27001 and remain compliant with the afore mentioned organisational codes of practice.

Any complaints that our fundraising activities may generate, are recorded and investigated by the charity's operations team, reviewed by the relevant line manager, or referred to our third-party operator where appropriate. We take any opportunities to improve our supporter care very seriously. Our fundraising activities generate very few complaints each year with less than 10 received in 2017/2018.

### Fundraising

*Overview.* The pace of FY16/17 has been maintained this year, with the fundraising team continuing to capitalise on making our case for support, through the powerful combination of introducing our critical care teams to supporters and through the telling of inspirational patient stories. This brand awareness has translated into successful fundraising through offering an increasing range of routes to donate for potential supporters. This diversification of income streams, announced in last year's report and designed to reduce the 'Flight for Life' membership lottery concentration risk, has continued to make progress, and below are some highlights. Internally, the structure and capability of the fundraising team has continued to mature, with the three newly-created junior managers (Education, Partnerships and Community) undertaking Institute of Fundraising leadership development training. This has given them the confidence and skill to manage and support their teams to deliver success against a challenging set of targets. This new level of management has also built valuable resilience into a young team, and this should pay dividends in meeting the challenges of future development plans.

*Essential Collaborations.* Before looking at some of the detailed fundraising achievements of the year, it is important to highlight two particular points, without which none of the successes below could have been achieved. The highly effective and intuitive collaboration between the Comms team and all elements of the Fundraising team has led to consistent and strong messaging across all channels of communication, both digital and physical, and the charity's digital presence continues to hold its own comfortably amongst peers. Very closely aligned with this, and an equally-essential component of success, the dedicated and tireless support of our Volunteers has again proved its worth, and this very special 148-strong team has continued to both reinforce our message and helped deliver success across all areas of activity. Equally important is their feedback; not only are they an invaluable 'sounding board' for our campaigns, but their assessments of the efficacy of our messaging allows us vital opportunities to fine tune and improve along the way. Once again Trustees wish to record their particular gratitude to this lively, dedicated and very hard-working group.

Turning to some specific highlights:

- *Cash Collection Pots.* As before, these pots remain an important barometer of the charity's profile in our communities and this year has seen a significant overhaul and improvement of their administration. Although there has been a reduction in the total number in circulation, to 1101, the total funds raised has improved significantly, to £81,815 (up by 28%).
- *Partnerships.* A record year for this stream has seen £246,000 donated by over 50 corporate partners, and the year-end position was a superb 138% on top of target. On average one new partner was added each month and 14 partners have decided to extend their relationship with us beyond their normal terms. Building on last year's successes, relationships with NATS and Southampton Airport have also generated exceptional brand presence and financial success. Although this success has been delivered almost single-handedly by the Partnerships Manager, it is a good example of the strong collaboration and support received from many HIOWAA staff and Volunteers and which has characterised much of the fundraising success across the year.
- *Education.* Although not a direct fundraising stream, HIOWAA's two campaigns have allowed the charity to achieve very significant presence and impact in a vital section of our communities. Notwithstanding this, the indirect effect of delivering our "Be a 999 Hero" and "LifeLines" programmes to over 60,000 children and young people has nevertheless directly raised over £21,000. Additionally, the "LifeLines" modules' direct exposure, to young A' Level students, of the 'products' of STEM-based career choices (i.e our Doctors, Paramedics and Pilots) has resulted in HIOWAA being recognised and included within Duke of Edinburgh Awards, National Citizenship and Prince's Trust schemes.
- *Community.* Launched half way through the year, the HIOWAA 'I.' Tribes campaigns have already gained strong early traction within the communities they target. The 'I Tee off for HIOWAA' (Golf) supported golf clubs and captains to raise £16,000 over 6 months, and the first 'I Saddle Up for HIOWAA' (Horseriding) community event attracted over 50 riders and raised £2,000. This innovative stream seeks to support established groups who are looking to fundraise and support a mutually popular cause, and its success and momentum have been



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2018

enhanced by Social Media and, in particular, a new direct-donating function within Facebook.

- Legacy. Legacy income has grown steadily over the last three years, comprising a broad range of gifts, from small pecuniary to large residuary bequests. Whilst it is very hard to identify a particular root cause, the success of this stream is reflective of the age of the Charity and the presence and profile that HIOWAA occupies in our communities. As with last year, Trustees would like to offer sincere and profound gratitude to those individuals and families whose wonderful generosity, often in the saddest of times, has resulted in a quite stunning £909,000 being raised over the year.

### Financial Review

Overview. The charity sector turbulence of FY16/17 showed no let-up in FY17/18 with several further high-profile scandals. Notwithstanding this pressure, total income held up well and showed a further reassuring gain on last year, although particularly strong performance in two areas masked more fragile achievements elsewhere. Whilst acutely conscious of the threat of complacency, Trustees believe this reflects the local strength of the HIOWAA brand and also the high regard in which the charity is held. Given the wide uncertainty being caused by BREXIT, Trustees and the senior leadership team remain vigilant to possible impact across all areas of activity.

A summary of financial performance highlights for the year:

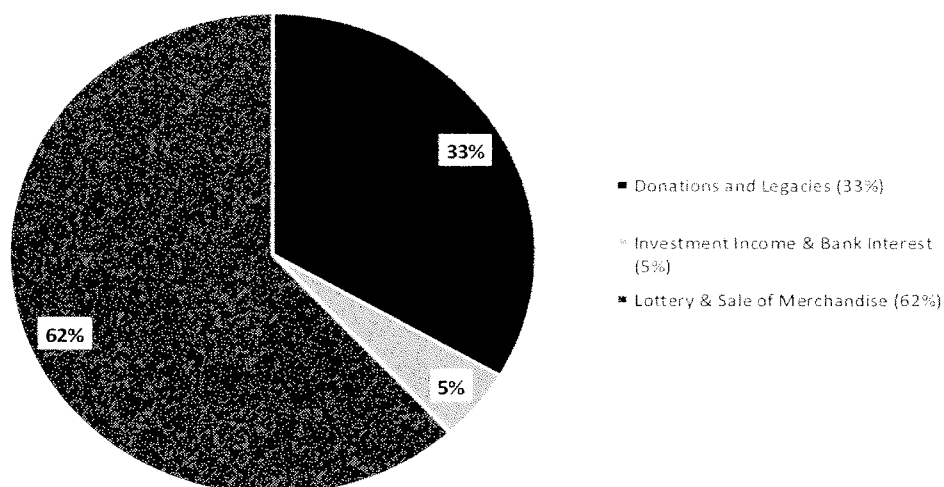
- Income. Total income of £7,435k was up 10% on FY16/17 and this was again helped by a significant increase in Legacy income, up 52% on last year, to £909k. This strong performance was complemented by Partnerships Fundraising, which achieved more than twice its original target, raising £246k.
- Lottery and Direct Giving. The HIOWAA 'Flight for Life' lottery remained static over the year, whilst the new Direct Giving campaign, called 'Small Change Big Difference' (SCBD) made a slower than planned start, requiring refinements to the canvassing campaign. Although at year end, SCBD had achieved only 30% of its growth target, it has since made good progress. Overall, and in an encouraging move towards increasing the diversity of income streams, Lottery income accounted for 62% of total income, against 67% in FY 16/17.
- Individual Support. Once again, Trustees wish to record sincere gratitude not only to the 66,582 people who are members of our Flight for Life Lottery, but also to the countless thousands of people who donate to the charity regularly, and amongst which the following are just a very few examples:
  - The CIM Services Ltd team of nine staff members, who cycled 265 miles around the Hampshire border to raise an outstanding £6,849
  - Conor McQuaid who ran the Marathon des Sables after Helimed 56 crews saved his sister's life following a car crash. He raised a superb £3,321
  - Harestock Brownies who raised £417 selling toys and teddies that were donated by friends and family
  - Fair Oak Primary School who raised £1,000 by selling tickets to their school Nativity play
- Income and Expenditure. Consistent with the forecasts associated with Transition, total expenditure in-year rose 15% to £5,938k, including 21% rise in operational costs to £3,064k. Planning had forecast a further 25% increase in operational expenditure (in anticipation of taking on full financial responsibility for the service) and so Trustees agreed that an increase in cash holdings would be prudent, in order to meet any short term needs. For this reason the year-end cash at bank position is significantly higher than in the past.
- The pie charts below offer a pictorial interpretation of how the charity's income and expenditure break down by category.



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2018

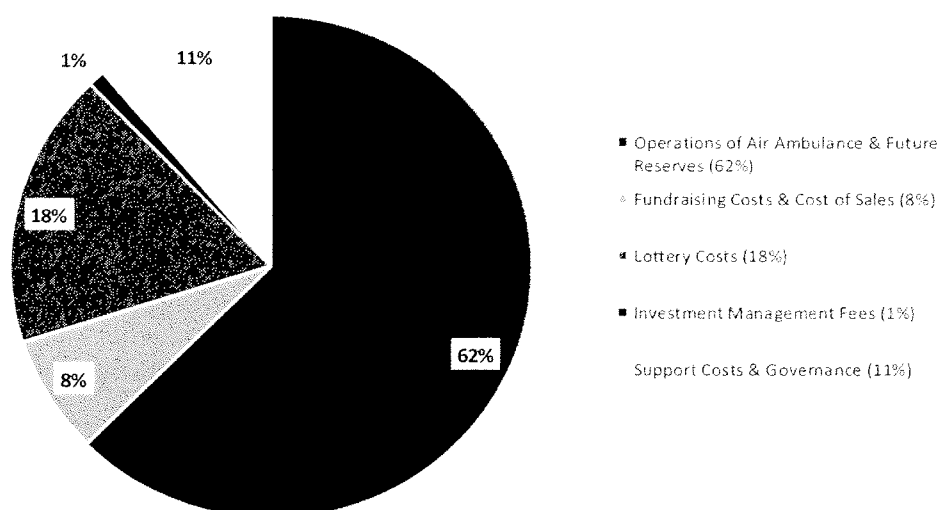
HLOWAA Income Chart 2018



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

- The next pie chart below demonstrates how the charity spends every £1 raised.

HLOWAA Expenditure Chart 2018



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





## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2018

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### Investments Policy

Rathbones and Brewin Dolphin continue as HIOWAA's appointed Investment Managers. The investment objective for both investment managers continues to be to preserve the value of the funds under management in real terms, balancing risk against return. 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 available reserves as at 30/09/2018 amounted to £16,264K, or just over 3 years of the estimated operational costs that now incorporate the Clinical Services Transition Programme ('Transition'), explained above. The Charity's current 5 year forward cash flow confirms that, on the basis of predicted income and expenditure, our reserves are adequate and provide sustainability of operations. The limited drawdown of reserves in September 2017 combined with the slightly slower start to the Transition programme accounts for the charity's liquidity at the year end.

### Future Plans

At their annual strategy day in June, Trustees acknowledged that the main operational priority remained the successful delivery of Transition. It was therefore agreed that a full strategic review would be of more value once Transition had been achieved and HIOWAA's new operating landscape became clearer. Fundamental to this process, however, would be the gathering of comprehensive data to inform future decisions and, although progress had been made in compiling financial and fundraising management information, a clear gap remained in operational and clinical impact. This is a significant priority in both the successful design and delivery of any future strategic plan.

Beyond the operational context, the ongoing turbulence in the Third Sector and the seemingly relentless arrival of new legislation and regulations, prompted Trustees to agree that a full, independent, Governance audit would be appropriate and something the Charity Commission endorses. Given their unanimous commitment to implementing the new Charity Code of Good Governance in full, it was agreed that this audit would provide a good benchmark from which to focus future actions, and this audit is now in hand.

Now four months into the new operating partnership with UHS and SCAS, and acknowledging that Transition caused some personal turbulence to paramedics and doctors alike, it has been agreed that the overriding operational priority for 2019 is consolidation, allowing vital time and space for new structures and staff to settle in, whilst maintaining the overriding priority of delivering our operational service for Patients, 7 days a week, up to 19 hours a day.

Looking forward, however, a strategic review process is in hand and will conclude in the Autumn of 2019 with the publishing of a new 5yr development strategy and financial plan. As this process takes shape, some enduring operational priorities remain relevant, as follows:

- To complete the planned fundraising team developments in order to embed and support the skills necessary to achieve future income targets.
- Allied to this, to continue the drive to innovate and diversify HIOWAA income streams in order to build both breadth and resilience into HIOWAA's overall income profile.
- Informed by the output of the independent Governance review, to create an action plan to support the continued delivery of strong, open and accountable governance.
- As far as is possible, to predict and compensate for the potential impact of BREXIT.
- To develop a detailed understanding of the work required and the opportunities offered by the Digital Space.

### Enabling and Sustaining Future Plans

As already stated, a vital component of both enabling and sustaining future plans, is the acquisition and mastery of accurate, comprehensive and relevant data. This data will help the charity understand and target not only the disposition and employment of our operational assets, for the patients benefit, but also what motivates – and indeed demotivates - the many thousands of donors who support HIOWAA. Acutely aware of the importance of maintaining the best possible donor relationships, the Charity will initiate a donor retention programme, designed initially to understand as much background as possible as to why, and when, members of the Lottery stop supporting the charity. The second phase will then implement a programme to try and reverse this attrition. In due course, if initial results are successful, this donor retention programme will be adapted and rolled out across HIOWAA's



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2018

fundraising programmes. By way of a very simple example: if a donor retention programme could reverse the attrition of new Lottery members, some 25% of whom leave within 5 months of joining, this could make a positive difference of over £150k per year.

Introduced last year, in one of the first steps towards diversifying HIOWAA's fundraising profile, the Small Change Big Difference campaign of committed giving by Direct Debit is beginning to develop steady growth. As with many new programmes, it suffered a hesitant start but the ability to draw down a limited portion of HIOWAA's investment reserves allowed operational commitments to be met, and the programme to be fine-tuned without undue pressure. Once again this has reinforced the Trustees view that maintaining a strong reserves position is key to giving the charity confidence to plan and implement future strategy. None of these plans or reserves would be possible, however, without the incredible generosity of all our donors and supporters, many of whom tell us how proud they are to support *their* air ambulance. Once again, therefore, Trustees wish to record their sincere gratitude to everyone who donates to support the charity, in whatever way they can.

### Administration, Governance and Structure

#### Trustees and Directors

Sir John Day KCB OBE RAF(ret'd)	Chairman
Rachel Peppiatt	Vice Chair
Liz Brown	
Andrew Cheesewright FCA	
David Drew	
Dr Andy Eynon BSc(Hons) MBBS(Hons)	
Lisa Gagliani MBE	
Graham Hill FRCS (Tr&Orth)	
Keith Mans FRSA FRAeS	(Retired 24 April 2018)
Jonathan Moseley	
Gwen Moulster OBE	
Robert Prescott	(Deceased 26 March 2019)
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

NatWest, 25 West Street, Poole, Dorset, BH15 1LD

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

#### Investment Managers

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

Brewin Dolphin, 12 Smithfield Street, London EC1A 9BD

#### Registered Office

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

#### Registered Numbers

5244460 Companies House

1106234 Charity Commission



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2018

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### Governance

#### Public Benefit and Openness

Having full regard to 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 historical incidents of poor governance and practice. ISO27001 accreditation has been revalidated with a very successful external audit and the extensive preparations for the introduction of the General Data Protection Regulation (May2018) have resulted in a very positive engagement by all staff to ensure that HIOWAA and our agents look after the data we gather properly. Indeed, this heightened awareness by staff has resulted in the submission of two incident reports to the Charity Commission and the ICO, neither of which required follow up action as both the Commission and ICO were content with the Charity's remedial actions.

As indicated above, an independent Governance Audit has now commenced and will report on how well the Charity meets the new Code of Charity Governance. The results of this audit will be reported next year.

#### 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 8<sup>th</sup> 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 strategy and financial plan, which the Chief Executive and SMT are then authorised to deliver in addition to managing the day-to-day business of the Charity and its fundraising activities. In addition, to coordinate operational activity and enhance external cooperation, the Chief Executive meets regularly with UHS, 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 a single voice for the AA community with central government, but who also oversees the activities of the Air Ambulances UK, the 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 staff's satisfactory annual appraisal, recommend that the Board approves annual increases in line with average earnings. Specifically, the salary of the SMT is externally benchmarked and individual recommendations made to the Board by the Remunerations sub-committee and CEO. The salary of the CEO is reviewed separately, subject to satisfactory annual appraisal by the Chairman and Treasurer. In accordance with the revised FRS102, further detail on senior staff pay is contained in the notes to the financial statements (note 9). Additionally, during 2018, an independent assessment of HIOWAAs' gender pay gap was also conducted and will be repeated annually going forward. It was pleasing to record a gap of only 2.3%, against the ONS 2017 national average of 9%, but effort will be maintained to keep this gap as low as feasible.



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2018

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### Risk

On behalf of Trustees, the Chief Executive maintains a comprehensive Risk Register, broken down into five key areas (Governance and Compliance; Operations; Income Generation; Finance; People) and designed to assess risks that may impact on the Charity achieving its agreed objectives. Whilst some areas of operational and clinical risk are transferred to our key partners, Trustees review quarterly the top 5 risks that could impact on both the delivery and resilience of our life-saving service as well as the strong reputation of the Charity. The detailed review of individual risks is delegated to the respective sub-committee, with the Chief Executive maintaining 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;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

### Auditors

Nexia Smith Williamson were appointed as the Charity Auditors, on 27<sup>th</sup> 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 *30<sup>th</sup> April 2019* 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 2018

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### 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 2018 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).

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 2018 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.

##### **Other information**

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

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.



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2018

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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, which incorporates the Directors' Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Annual Report 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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



**HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE**

Report and financial statements for the year ended 30 September 2018

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*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: *30/4/19*



# HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Report and financial statements for the year ended 30 September 2018

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Income and endowments from:					
Donations and legacies	2	2,467,838	10,468	2,478,306	1,882,467
Other trading activities	3	4,596,855	-	4,596,855	4,507,005
Investments	4	360,765	-	360,765	346,087
<b>Total</b>		<b>7,425,458</b>	<b>10,468</b>	<b>7,435,926</b>	<b>6,735,559</b>
Expenditure on:					
Raising funds	5	2,558,115	3,852	2,561,967	2,398,430
Charitable activities	6	3,375,600	1,377	3,376,977	2,761,489
<b>Total</b>		<b>5,933,715</b>	<b>5,229</b>	<b>5,938,944</b>	<b>5,159,919</b>
		<b>1,491,743</b>	<b>5,239</b>	<b>1,496,982</b>	<b>1,576,640</b>
Net gains/ (loss) on investments	11	(23,935)	-	(23,935)	460,008
<b>Net income</b>		<b>1,467,808</b>	<b>5,239</b>	<b>1,473,047</b>	<b>2,035,648</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>1,467,808</b>	<b>5,239</b>	<b>1,473,047</b>	<b>2,035,648</b>
<b>Funds at 1 October 2017</b>		<b>15,357,723</b>	<b>-</b>	<b>15,357,723</b>	<b>13,322,075</b>
<b>Funds at 30 September 2018</b>		<b>16,825,531</b>	<b>5,239</b>	<b>16,830,770</b>	<b>15,357,723</b>

The statement of financial activities incorporating the income and expenditure account includes all gains and losses recognised in the year.

All amounts relate to continuing activities.

All amounts in the prior year related to unrestricted funds.

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 2018

## BALANCE SHEET AT 30 SEPTEMBER 2018

<b>Company number 05244460</b>	<b>Note</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Fixed assets			
Tangible assets	10	561,559	610,693
Investments	11	12,355,750	13,601,232
		<u>12,917,309</u>	<u>14,211,925</u>
Current assets			
Stocks		36,237	18,873
Debtors	12	555,943	521,777
Cash at bank and in hand		4,860,503	1,999,171
		<u>5,452,683</u>	<u>2,539,821</u>
Liabilities			
Creditors: Amounts falling due within one year	13	(1,539,222)	(1,394,023)
		<u>3,913,461</u>	<u>1,145,798</u>
Net current assets			
		<u>16,830,770</u>	<u>15,357,723</u>
Total assets less current liabilities			
		<u>16,830,770</u>	<u>15,357,723</u>
Net assets			
		<u>16,830,770</u>	<u>15,357,723</u>
Funds			
Restricted income funds	19	5,239	-
		<u>16,825,531</u>	<u>14,707,723</u>
Unrestricted funds			
- operational		16,825,531	14,707,723
- designated		-	650,000
		<u>16,825,531</u>	<u>15,357,723</u>
Total unrestricted funds	19	16,825,531	15,357,723
		<u>16,830,770</u>	<u>15,357,723</u>
Total funds			
		<u>16,830,770</u>	<u>15,357,723</u>

Approved by the Trustees and authorised for issue on 30/4/19  
and signed on their behalf by:

  
**Sir John Day**  
Chairman

  
**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 2018

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2018

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Cash flows from operating activities:		
Net cash provided by operating activities	<b>1,446,914</b>	1,550,443
Cash flows from investing activities		
Purchase of property, plant and equipment	<b>(85,582)</b>	(253,327)
Purchase / (Withdrawal) of investments	<b>1,500,000</b>	(1,000,000)
Net cash generated from / (used in) investment activities	<b>1,414,418</b>	(1,253,327)
Change in cash and cash equivalents in the financial year	<b>2,861,332</b>	297,116
Cash and cash equivalents at the beginning of the year	<b>1,999,171</b>	1,702,055
Cash and cash equivalents at the end of the year	<b>4,860,503</b>	1,999,171
Reconciliation of net income to net cash flow from operating activities		
	<b>2018 £</b>	<b>2017 £</b>
Net income for the year	<b>1,473,047</b>	2,035,648
Adjustment for:		
Gains/losses on investments	<b>23,935</b>	(460,008)
Investment income	<b>(355,793)</b>	(345,636)
Investment costs	<b>77,339</b>	77,510
Depreciation charges	<b>134,718</b>	108,199
Gift in kind	<b>-</b>	(8,000)
Decrease/(Increase) in stock	<b>(17,363)</b>	10
(Increase) in debtors	<b>(10,732)</b>	(37,490)
Increase/ in creditors	<b>121,763</b>	180,210
Net cash provided by operating activities	<b>1,446,914</b>	1,550,443



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2018

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### 1 Accounting policies

Hampshire and Isle of Wight Air Ambulance is a company limited by guarantee and incorporated in England and Wales. The Address of the registered office is: Office Unit 22 Oriana Way, Nursling, Southampton, SO16 0YU.

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 £1,000 are capitalised.



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2018 contd.

### Accounting policies (continued)

- e) **Leased assets**  
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.
- f) **Investments**  
Investments are included in the balance sheet at market value.
- g) **Funds**  
Unrestricted general funds can be used in accordance with the charitable objects of the organisation at the discretion of the Trustees.

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

- h) **Judgements in applying accounting policies**

Judgements in applying accounting policies and key sources of estimation.

Estimates and judgements are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimate and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made.

The estimates and assumptions that are considered to be key to Hampshire and Isle of Wight Air Ambulance are outlined below:

Recognition of legacy income: where notifications of legacies are received prior to the balance sheet date but the income has not been received, an accrual for legacy income will be made if it is probable that the legacy will be received and the value of incoming resources can be measured with sufficient reliability.

Where these measurement criteria have not been met, consideration is made to determine whether the legacies meet the definition of a contingent asset. At the year end the estimated cash value of contingent assets is £59,000 (prior year £432,000). Note 17 gives more details

## 2 Income from donations and legacies

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Donations	<b>1,558,355</b>	<b>10,468</b>	<b>1,568,823</b>	1,286,618
Legacies	<b>909,483</b>	<b>-</b>	<b>909,483</b>	595,849
	<b>2,467,838</b>	<b>10,468</b>	<b>2,478,306</b>	1,882,467



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2018 contd.

The charity benefits greatly from the involvement and support of its many volunteers, details of which are given in the Trustees report. In accordance with FRS102 and the Charity's SORP (FRS 102) the economic contribution of general volunteers is not recognised in the accounts.

### 3 Income from other trading activities

	Unrestricted funds 2018 £	Total 2018 £	Total 2017 £
Lottery income	4,579,728	4,579,728	4,494,325
Sale of merchandise	17,127	17,127	12,680
	<u>4,596,855</u>	<u>4,596,855</u>	<u>4,507,005</u>

### 4 Income from investments

	Unrestricted funds 2018 £	Total 2018 £	Total 2017 £
Investment income	355,793	355,793	345,636
Bank interest	4,972	4,972	451
	<u>360,765</u>	<u>360,765</u>	<u>346,087</u>

### 5 Expenditure on raising funds

	2018 £	2017 £
Fundraising costs and cost of sales	333,127	300,627
Fundraising staff costs	230,580	197,625
Allocated support costs (note 7)	598,499	476,656
Lottery prizes and expenses	1,322,422	1,346,012
Investment management costs	77,339	77,510
	<u>2,561,967</u>	<u>2,398,430</u>

Expenditure on raising funds was £2,561,967 (2017: 2,398,430) of which £2,558,115 was unrestricted and £3,852 (2017: £0) was restricted.



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2018 contd.

### 6 Expenditure on charitable activities

	2018 £	2017 £
Operation of air ambulance	3,064,904	2,525,713
Operation staff costs	85,167	15,191
Allocated support costs (note 7)	226,906	220,585
	<u>3,376,977</u>	<u>2,761,489</u>

Expenditure on charitable activities was £3,376,977 (2017: £2,761,489) of which £3,375,600 was unrestricted and £1,377 (2017: £0) was restricted.

### 7 Analysis of expenditure on Support costs

	2018 £	2017 £
Administrative salaries and social security	438,372	360,048
Pension costs	26,714	24,034
Office costs	259,827	209,650
Other administrative costs	89,968	93,484
Governance costs	10,524	10,025
	<u>825,405</u>	<u>697,241</u>

Support costs have been allocated as follows:

	2018 £	2017 £
Expenditure on raising funds (note 5)	598,499	476,656
Expenditure on charitable activities (note 6)	226,906	220,585
	<u>825,405</u>	<u>697,241</u>

### 8 Analysis of Governance costs

	2018 £	2017 £
Auditor and accountancy fees	8,262	7,000
Trustees expenses	1,179	1,062
Other	1,083	1,963
	<u>10,524</u>	<u>10,025</u>



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2018 contd.

9 Staff costs	2018 £	2017 £
Wages and salaries	687,088	520,618
Employer's national insurance	62,649	46,633
Employer's pension contributions	34,621	29,647
	<u>784,358</u>	<u>596,898</u>

No trustee, or any of their connected persons, received any remuneration in the current or prior year. Trustees travel expenses were £1,179 (2017: £1,062) during the year.

The average number of full time equivalent employees was 25 (2016 - 17).

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 £310,164 (2017: £249,511). The highest paid employee received emoluments of £66,128 (2017: £61,758) and pension contributions of £17,163 (2017: £16,882) in the year.

No other employee earned over £60,000.

10 Tangible fixed assets	Leasehold property £	Equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 October 2017	392,569	159,138	83,712	107,938	743,357
Additions	-	82,844	2,740	-	85,584
Disposals	-	(19,279)	-	-	(19,279)
	<u>392,569</u>	<u>222,703</u>	<u>86,452</u>	<u>107,938</u>	<u>809,662</u>
At 30 September 2018					
Depreciation					
At 1 October 2017	56,798	50,842	16,547	8,477	132,664
Charge for year	48,810	35,213	16,424	26,985	127,432
Eliminated on disposal	-	(11,993)	-	-	(11,993)
	<u>105,608</u>	<u>74,062</u>	<u>32,971</u>	<u>35,462</u>	<u>248,103</u>
At 30 September 2018					
Net book value					
At 30 September 2018	<u>286,961</u>	<u>148,641</u>	<u>53,481</u>	<u>72,476</u>	<u>561,559</u>
At 30 September 2017	<u>335,771</u>	<u>108,296</u>	<u>67,165</u>	<u>99,461</u>	<u>610,693</u>

The net book value of assets under finance lease was £3,516 (2017: £6,875).



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2018 contd.

<b>11</b>	<b>Fixed asset investments</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	Market value at 30 September 2017	<b>13,601,232</b>	11,873,098
	(Disposals) / Additions	<b>(1,144,208)</b>	1,345,636
	Investment manager fees	<b>(77,339)</b>	(77,510)
	(Decrease) / Increase in market value	<b>(23,935)</b>	460,008
	Market value at 30 September 2018	<b>12,355,750</b>	13,601,232
	Historic cost at 30 September 2018	<b>11,443,020</b>	12,390,614
Total investment income as disclosed on the face of the Statement of Financial Activities also includes £4,972 (2017: £451) of bank interest. All investments are listed.			
No single investments exceeded 5% of total market value. The cash element was £351,070.			
<b>12</b>	<b>Debtors</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	Accrued income	<b>45,256</b>	3,254
	Prepayments	<b>348,917</b>	186,692
	Other debtors	<b>161,770</b>	331,831
		<b>555,943</b>	521,777
<b>13</b>	<b>Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	Other creditors	<b>441,787</b>	429,251
	Lottery receipts in advance	<b>689,053</b>	667,430
	Accruals	<b>388,886</b>	281,460
	Other taxation and social security	<b>19,496</b>	15,882
		<b>1,539,222</b>	1,394,023





## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2018 contd.

### 14 Financial Instruments

	2018 £	2017 £
<b>Financial Assets</b>		
Cash at bank and in hand	4,860,503	1,999,171
Financial assets that are debt instruments Measured at amortised cost	147,821	279,244
	<u>5,008,324</u>	<u>2,278,415</u>

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

	2018 £	2017 £
<b>Financial Liabilities</b>		
Financial liabilities that are measured at amortised cost	1,519,726	1,378,141
	<u>1,519,726</u>	<u>1,378,141</u>

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

### 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 2018 £	Other 2018 £	Land and buildings 2017 £	Other 2017 £
Within one year	71,529	1,469,574	71,529	1,438,134
In two to five years	180,310	2,697,301	219,557	4,068,790
In more than five years	73762	-	106,045	-
	<u>325,601</u>	<u>4,166,875</u>	<u>397,131</u>	<u>5,506,924</u>

The charge to the Statement of Financial Activities relating to operating leases for the year was £1,541,103 (2017: £1,509,664)



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2018 contd.

### 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 £59,000 (2017: £432,000)

### 18 Analysis of Unrestricted funds

	At 1 October 2017 £	Net Movement in Funds £	Transfers £	At 30 September 2018 £
General fund - operational reserve	14,707,723	1,467,808	650,000	16,825,531
New aircraft fund	400,000	-	(400,000)	-
Additional services fund	250,000	-	(250,000)	-
	<u>15,357,723</u>	<u>1,467,808</u>	<u>-</u>	<u>16,825,531</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 full amount of the designated fund was released to general operational reserves at 30.09.2018.

The additional services fund comprises an amount designated by the Trustees representing the additional cost of supporting longer flying hours for one year. The full amount of the designated fund was released to general operational reserves at 30.09.2018.

### 19 Analysis of Restricted funds

	At 1 October 2017 £	Net Movement in Funds £	Transfers £	At 30 September 2018 £
Reserve for specified capital expenditure	-	5,239	-	5,239
	<u>-</u>	<u>5,239</u>	<u>-</u>	<u>5,239</u>

### 20 Post balance sheet events

Since the year end the Charity has made a capital commitment amounting to £69,276.



## HAMPSHIRE AND ISLE OF WIGHT AIR AMBULANCE

Notes to the Financial Statements for the year ended 30 September 2018 contd.

### 21 Analysis of net assets between funds

Fund balances at 30 September 2018 are represented by:

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Tangible fixed assets	561,559	-	-	561,559
Investments	12,355,750	-	-	12,355,750
Net current assets	3,908,222	-	5,239	3,913,461
	<u>16,825,531</u>	<u>-</u>	<u>5,239</u>	<u>16,830,770</u>