

Registered Charity Number: 1083876
Company Number: 04066700



Company limited by guarantee
Financial Statements and Annual Report
For the year ended
30 June 2019

East Anglian Air Ambulance

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Year ended 30 June 2019

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East Anglian Air Ambulance

Charity Details

Year ended 30 June 2019

The Trustees present their report and audited consolidated financial statements of the charity and the group for the year ended 30 June 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Reference and administrative details

Registered charity name East Anglian Air Ambulance

Charity registration number 1083876

Company registration number 04066700

Principal office and registered office
Hangar E
Gambling Close
Norwich Airport
Norwich
NR6 6EG

The Trustees
Major General Sir William Cubitt KCVO CBE DL (Chairman) * †
D Astill †
Mrs S Bourne †
R S Holden *
The Earl of Iveagh DL * †
N Savory FCA DL *
Mrs P A Walkinshaw DL
T F Wells *
* Member of Finance Committee † Member of Nominations Committee

Chief Executive P G Peal

Company Secretary C H Dicker FCA DChA DL

Auditor
Lovewell Blake LLP
Chartered Accountants & Registered Auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

East Anglian Air Ambulance

Charity Details

Year ended 30 June 2019

Solicitors

Hansells
13 The Close
Norwich
NR1 4DS

Birketts LLP
Kingfisher House
1 Gilders Way
Norwich
NR3 1UB

Bankers

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

Barclays Bank plc
3 St James Court
Whitefriars
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NR3 1RJ

Santander UK plc
28 St Stephens Street
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NR1 3SH

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

Investment Managers

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

East Anglian Air Ambulance

Chairman's Statement

Year ended 30 June 2019

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

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

In 2018/19, EAAA crews were tasked to 2,821 missions (2,725 in the previous year) and treated 1,664 patients (1,722 in the previous year). The difference between the numbers of missions and patients is due to stand-downs, where the patients no longer require critical care.

1,798 of these missions were by helicopter, with the remaining 1,023 missions by RRV due either to proximity of the patient, the new RRV-only night shift in Norwich, or occasionally to the unavailability of the helicopter for weather or technical reasons.

43.7% of the missions were in Norfolk, 16.8% in Suffolk, 16.5% in Cambridgeshire, 5.9% in Bedfordshire and the remaining 17.1% 'out of area' reflecting EAAA's willingness to be tasked across boundaries within the EEAST area and beyond. This is predominantly at night when the EAAA helicopter based in Cambridge is the only unit available across the region.

The majority of incidents attended by EAAA were cardiac arrests, road traffic collisions, non-traffic accidents, other medical emergencies, and self-harm.

With survival from cardiac arrest relying on an intact 'Chain of Survival' which includes early bystander CPR (Cardio-Pulmonary Resuscitation), early use of an AED (defibrillator), and early attendance of a critical care team such as an EAAA crew, the Charity continues to expand its community first aid training programme. More than 4,600 children and adults received training in basic life support from EAAA during the financial year.

EAAA has also further expanded its Aftercare provision for patients and their loved ones to help them come to terms with and cope with their incident and the aftermath. This can be a meeting with the crew or a longer-term programme of support and signposting to tertiary care. The Aftercare team is also leading on securing data sharing agreements with hospitals to aid research and objective measurement of outcomes. The Aftercare Team supported 282 former patients in 2018/19, a 25% increase on the previous year.

Blending medicine and aviation is expensive. In 2018/19, expenditure totalled £12m, of which £9m related to operational and support expenditure and £3m related to fundraising expenditure. The total expenditure equates to just £4 per year per head of the 3 million population of the four counties, and the approximate cost per mission is £3,500.

Fundraising is a major effort every year and great credit is due to the community and the EAAA fundraising staff and volunteers for raising income which exceeded the level of expenditure (£12m). The main sources of (gross) revenue were the EAAA Lottery (£5.5m), legacies (£3.5m) and community fundraising (£3m). In addition, the Charity was successful in securing a grant of £454,000 from the Department of Health and Social Care which included contributions towards the cost of two more fully equipped RRVs and the latest night vision goggles for the Charity's pilots. Provisional approval has also been given for a further grant of £336,000 in 2020/21 to cover the cost of a new hangar immediately next to the Cambridge base and an immersive interactive clinical training facility in the new Norwich base.

East Anglian Air Ambulance

Chairman's Statement

Year ended 30 June 2019

EAAA is one of the few air ambulances to operate night HEMS (helicopter emergency medical service) missions but it does not yet fly all through the night. Its next step is to move to a full 24/7 service which is estimated to enable EAAA to attend a further 600 missions a year. This will require a radically improved operational base at Norwich costing around £7m and an increase of around £1m in running costs each year to cover the increase in service delivery. EAAA is already a long way down the road towards financing the base improvements, and has made some early steps towards 24/7 coverage. During the year, the Charity launched a widespread campaign 'Mission 24/7 – lighting your darkest hour', to increase the annual fundraising by the £1m required for 24/7 operations, through increased regular giving and wider support from companies and major donors. Mission 24/7 includes a scheme to recruit 'Navigators' which are businesses, individuals or trusts that undertake to fund a mission per year for 3 years. It is planned to reach full 24/7 operations by the end of 2020.

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

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

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

The team has performed brilliantly over 2018/19, in all areas. It is worthy of note that the Charity was placed 7th in the Sunday Times 100 Best Not-For-Profit Organisations to Work For 2019 – a measure of staff satisfaction and support.

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

Major General Sir William Cubitt KCVO CBE DL (Chairman)
17 December 2019

East Anglian Air Ambulance

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

Year ended 30 June 2019

Objectives and activities

Objectives of the Charity

The objects of the Charity are:

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

Activities

The activities of the Charity are explained in the Chairman's Statement on pages 3 and 4.

Public benefit statement

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

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

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

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

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

Strategic Report

Charity achievements

The Charity continues to focus on delivering the best outcomes for patients and their loved ones, primarily in the pre-hospital environment and increasingly in prevention and aftercare. Its main achievements are covered in the Chairman's Statement.

East Anglian Air Ambulance

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

Year ended 30 June 2019

The year marks a levelling out in the number of missions attended and patients treated, while income received exceeded the Charity's budget with costs well controlled. This enabled the Charity to continue developing and implementing its plans to move to a full 24/7 HEMS service in 2020/21 confident of the need and in its ability to deliver a further expansion to its service to the community, sustainably and ethically.

This expansion reflects the Charity's current 5 Year Strategic Plan which spans 2016-2021 and comprises 3 core strands:

- 1) Improving patient outcomes
- 2) Financially sustainable
- 3) Held in high regard

The Charity's progress is such that a new 5 Year Strategic Plan is being developed for the period 2020-2025.

(i) Improving patient outcomes

During 2018/19 the Charity continued its relentless focus on improving the care for its patients, whether this stems from improved internal clinical training, data sharing with other healthcare organisations, raising public awareness of the importance of early CPR and defibrillation in cardiac arrest patients or saving vital seconds at any stage of its missions.

The Charity employed a full-time permanent data analyst during 2018/19 to support its audit and research activities which are increasingly important in the drive to learn how to improve clinical practice and therefore to improve patient care. To facilitate this learning, the Charity is striving to complete data sharing agreements with all the regional hospitals to which the HEMS teams deliver patients, to analyse the effect of the teams' treatments and obtain feedback for the Charity's clinicians.

The Charity's aftercare service, expanded in 2018/19 with the recruitment of three part-time clinical liaison officers, is now routinely helping about 20% of its patients during their long term recovery. All three nurses in these positions have strong relationships with key hospitals in the region which is paying dividends in re-establishing contact with patients at an early stage in their recovery process.

The Charity's internal and external clinical and first aid training has expanded during the year with almost 5,000 school children now trained in first aid and 4,500 members of the community trained in basic life support. In addition, Charity staff have now delivered advanced life support training to almost 100 clinical professionals, leveraging the uniquely rich knowledge and experience of the Charity's pre-hospital clinicians in treating cardiac arrest patients.

The Charity has been running a trial with a single critical care paramedic responding on an overnight RRV operating from its Norwich base for about two years. With effect from late March 2019 the Charity started to introduce a doctor on some shifts with the aim of providing a RRV-based doctor/paramedic team every night. This has gone according to plan; the Charity is now operating a fully staffed rota which is an essential step towards its ultimate objective of being available 24 hours a day by helicopter by 2021.

To increase the effectiveness of its service during the hours of darkness, the Charity continues to work with and assist regional hospitals in the upgrading of their helipads to facilitate their use at night. Ipswich Hospital's brand new lit helipad came into use in the summer of 2018; the Charity is also working with West Suffolk and Peterborough Hospitals to achieve a similar objective.

East Anglian Air Ambulance

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

Year ended 30 June 2019

Just before the year end, the Charity was informed that it had been successful in its grant application to the Department of Health and Social Care and would receive £454k in capital funding in the year to 30 June 2019. This grant secures funding for two more fully-equipped RRVs and the latest night vision goggles for the Charity's pilots together with a contribution towards the costs of the new Norwich base. Provisional approval has also been given for a further grant of £336k in the following year to cover the expected cost of a new hangar immediately next the Cambridge base (resulting in up to 30 minutes more availability by helicopter each day) and an immersive interactive clinical training facility in the planned new Norwich base to be completed in 2020.

(ii) Financially sustainable

The Objectives of the fundraising team continue to be:

- 1) Raise sustainable funds to support delivering the Charity's life-saving HEMS
- 2) Build the Charity's reputation through its fundraising
- 3) Use the Charity's resources responsibly

In 2018-2019 the Charity's lead income streams remained consistent with Lottery 6.5% up year on year and accounting for 44% of total fundraised income.

Legacies have also remained a key revenue stream up 4.4% year on year and representing 24% of total income.

The Charity launched its '24/7, lighting your darkest hour appeal' to highlight the need for sustained fundraising support in order to deliver a 24/7 air ambulance service in the region. This helped to raise awareness and created a focus for printed material, event promotion and online content.

The strategy has been to continue to grow other income streams such as Regular Giving (up 59% year on year) and donations from Corporates (up 30% year on year).

High value supporters and Events continue to be a focus for the long term and whilst year on year growth has been limited, these areas are set to grow during the Charity's 5 Year plan. The Charity has made great inroads into these supporter groups and will continue to grow these income streams in the next financial year.

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

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

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

(iii) Held in high regard

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

In June 2018, the Charity undertook market research to understand public perceptions of the organisation. The results provided fascinating insights, indicating that 86% of the public are aware of the Charity, but there is higher awareness in Norfolk and Suffolk than Cambridgeshire and Bedfordshire. This insight has helped the Charity to set its marketing and fundraising strategies for the next 3 years.

East Anglian Air Ambulance

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

Year ended 30 June 2019

Throughout the year, with continued support from staff, volunteers and the entire community, EAAA was delighted to achieve the following:

- The Charity once again took part in the Sunday Times Best Companies survey placing no. 7 in the Best Not-For-Profit Organisations to Work For nationally, climbing 36 places from the previous year
- Jenny Easton won Charity Staff Member of the Year at the Association of Air Ambulances National Awards for her dedicated and long-standing commitment to EAAA
- EAAA launched the McQueen Charter, an initiative which supports mental health in the air ambulance sector and provided mental health first aid training to all staff
- The Charity also undertook research in June to better understand its impact on the environment and as a result has set objectives to minimise its carbon footprint

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

Key performance indicators

	2019	2018
Total Missions	2,821	2,725
Total Patients	1,664	1,722
Missions by county		
Norfolk	1,234	1,111
Suffolk	473	423
Cambridgeshire	466	506
Bedfordshire	167	166
Essex	233	302
Hertfordshire	214	210
Other	34	7
	<u>2,821</u>	<u>2,725</u>
Patients by incident type		
Cardiac Arrests	480	484
Road Traffic Collisions	355	466
Accidental injury	256	259
Medical emergencies	340	236
Other	233	277
	<u>1,664</u>	<u>1,722</u>

East Anglian Air Ambulance

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Year ended 30 June 2019

Volunteers

The Charity has 365 volunteers. There has been a significant increase in numbers over the past year which reflects the wider trend in volunteering for micro or occasional volunteering. There are 245 regular volunteers who continue to support the Charity by co-ordinating collection tins, giving presentations to community groups, attending events, providing administrative support in the Charity's offices and of course, on the board of trustees. The Charity has introduced volunteers as trainers into its First Aid programme, thus increasing the capacity to deliver life-saving skills across the wider community.

An expansion of the Charity's events programme has seen an increase in demand for people willing to assist on an ad hoc basis. The Charity has actively promoted these occasional volunteering opportunities, recruiting 120 new volunteers as a result. This has also provided a platform to engage with local colleges, universities and businesses who often seek shorter term commitments.

The Charity recognises and values the huge contribution that these volunteers make. In the last financial year, this has amounted to more than 7,200 recorded volunteer hours, saving more than £56k; it is further recognised that not all volunteers submit their hours, remaining 'unsung heroes'. Their dedication and commitment not only allows the Charity to be visible at a host of fundraising events, but it also helps to raise the Charity's profile and awareness of its life-saving work across the region.

Financial Review

Results for the year

The total income for the year was £14.1m (2018 - £13.7m) including restricted income of £543k (2018 - £767k).

Voluntary income other than from legacies totalled £4.3m (2018 - £4.3m) of which £543k (2018 - £767k) related to restricted income which included a Government grant of £454k towards the cost of two new Rapid Response Vehicles, night vision goggles and a contribution towards the cost of the new Norwich base.

Legacy income totalled £3.5m (2018 - £3.3m) and in accordance with the accounting policy referred to on page 25, £874k (2018 - £826k), being 25% of legacy income, has been credited to the Designated Planned Capital Expenditure Fund.

Expenditure totalled £12.0m, an increase of £847k on 2018. £492k of the increase related to helicopter operational costs and the employment of doctors/paramedics and £197k related to fundraising.

Trading income from the lottery, raffle and sale of merchandise increased by £293k to £5.9m and costs increased by £50k to £1.35m giving a net contribution of £4.6m (2018 - £4.3m).

Net income before unrealised gains on investment assets totalled £2.1m (2018 - £2.5m) and with investment gains of £813k (2018 - £613k) the Charity's funds increased by £2.9m (2018 - £3.1m) to £23.5m (2018 - £20.6m).

The value of the investment portfolio at 30 June 2019 was £12.4m (2018 - £11.1m). £500k was added during the year and the balance of the increase related to the unrealised investment gain referred to above.

At 30 June 2019 bank deposit and current accounts comprised:

	2019	2018
	£'000	£'000
Designated cash deposit accounts (for the building of the new Norwich base)	4,856	3,931
General fund deposit account to cover lottery payments received in advance	514	510
Current account	<u>756</u>	<u>367</u>

East Anglian Air Ambulance

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Year ended 30 June 2019

Principal sources of funding

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

Reserves

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

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

	2019 £'000	2018 £'000
Planned Capital Expenditure Fund (Designated)	5,986	4,112
General Fund	15,040	14,396
	<u>21,026</u>	<u>18,508</u>

Planned Capital Expenditure Fund

A designated fund is set aside from legacy and other income towards meeting the cost of planned capital projects during the next 5 years. The fund is currently being built up to meet the projected costs of a new Norwich base, estimated to be approximately £7m.

25% of legacy income is credited to this fund (£874k in 2019), unless otherwise agreed with the executors or the terms of the will state otherwise. In previous years the fund has also been enhanced by transfers from the General Fund, at the discretion of the Trustees, in order to build up sufficient funds for particular projects. The Trustees agreed that a further £1m be transferred from the General Fund as at 30 June 2019.

General Fund

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

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

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

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

East Anglian Air Ambulance

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

Year ended 30 June 2019

At 30 June 2019 the General Fund Reserve was £15m, being the equivalent of 13.1 months' budgeted expenditure for the year to 30 June 2020.

The Trustees plan to reduce the level of the General Fund reserve over the next few years by introducing new enhanced services and moving to 24/7 helicopter operations in 2020. In the short term these costs will largely be met from reserves but in the longer term the planned increase in fundraising income is expected to produce a more balanced budget. Other capital projects will also be considered.

Restricted Funds

Details of the restricted funds, which amounted to £584k at 30 June 2019, are shown in note 17 to the financial statements.

Investment policy

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

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

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

The majority of these reserves are held in cash and deposits emphasizing minimal risk and access at short notice. In addition accrued income at 30 June 2019 amounted to £3.8m which included legacy income notified but yet to be received of £2.6m and the Government grant of £790k.

The remaining reserves are held in an investment portfolio to provide capital growth whilst also generating income to support the on-going activities of the Charity. Whilst the Trustees do not anticipate the need to realise the portfolio in the foreseeable future they consider that the investments should be capable of being realised within 6 months.

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

The Charity chooses to invest with reputable fund managers who specialise in charities and comply with normal ethical codes of funding.

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

Professional advice is taken where appropriate on the investment of cash deposits. The Planned Capital Expenditure Fund is represented by fixed rate deposits held with NatWest Bank plc and Santander UK plc, whose balances totalled £4,856k at 30 June 2019. EAAA policy is that the amount of cash held in current accounts or other deposit accounts with any one bank or institution is not to exceed £500k for more than three months.

East Anglian Air Ambulance

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

Year ended 30 June 2019

Going concern

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

The Trustees conclude that there is reasonable expectation that the Charity and its subsidiary have adequate resources to continue their activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Plans for the future

The aims of the current 5 Year Strategic Plan are being broadly met ahead of the 2021 timeframe. The Charity is developing a new 5 Year Strategic Plan to run from 2020-2025 which moves from three core strands to four interlinked strands which puts even greater focus on the importance of the Charity's staff. This will be published early in 2020.

A year ago, there was a degree of uncertainty over the Charity's plans to build a new Norwich base as a key enabler of its goal of becoming a full 24/7 HEMS service; that uncertainty was resolved during 2019. Now that planning permission has been secured, the Charity anticipates starting construction on its new £7m Norwich operations base and headquarters early in 2020 with the goal of reoccupying early in the 2020-21 financial year (Oct 2020).

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

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

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

The fundraising teams will develop wider regular giving and broaden the appeal of the Charity's challenge events such as Trek24, while expanding awareness of the Charity's work across the region.

Working with Magpas and Essex & Herts Air Ambulance charities ever more closely, by early 2021 it is envisaged to achieve effective 24/7 delivery of pre-hospital emergency medicine critical care across the east of England, attending patients suffering life-threatening or life-changing accidents and medical emergencies.

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

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

East Anglian Air Ambulance

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Year ended 30 June 2019

Structure, governance and management

Constitution

EAAA was established on 6 September 2000 as a charitable company limited by guarantee. It is governed by its Articles of Association adopted on 20 February 2018.

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

Recruitment and appointment of Trustees

The Directors of the Charity are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees.

All the Trustees listed on page 1 held office throughout the year and at the date of this report.

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

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

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

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

Trustee induction and training

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

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

Trustees attend training sessions and are encouraged to keep up to date with Charity issues by reading Charity Commission newsletters and other relevant publications.

Organisational structure

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

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

East Anglian Air Ambulance

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

Year ended 30 June 2019

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

- Chief Executive
- Director of Fundraising
- Director of Operations
- Medical Director
- Head of Human Resources

The Executive Team directs the day-to-day operational and fundraising activities of the Charity. The Chief Executive provides monthly written reports to the Trustees.

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

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

The Charity is a member of the Association of Air Ambulances. The Association was established as a membership body for those organisations which form the air ambulance services in the UK. The Association's membership is made up of charities, ambulance services and the supply chain that provides this valuable life-saving service. Members are governed by a Code of Conduct which formally recognises the integral part that air ambulances play in the medical service provision. The Chief Executive is a non-executive director and chairman of the Association.

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

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

Remuneration Policy

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

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

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

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

East Anglian Air Ambulance

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

Year ended 30 June 2019

Risk management

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

Risks are categorised under the following headings:

- Operational, relating to the aircraft and the continuing provision of the air ambulance service
- Organisational and management, including governance, administration, financial investment performance, compliance with law and regulations and security
- Health and safety, including those which relate to the welfare of employees, volunteers and patients
- Fundraising
- Communications and reputational

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

Where cash is required for capital projects within a 2 year period, the Trustees move funds from the investment portfolio to cash deposits as a hedge against adverse investment performance.

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

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

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

Health and Safety

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

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

Safeguarding

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

East Anglian Air Ambulance

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

Year ended 30 June 2019

Fundraising regulation

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

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

Fundraising complaints

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

In the year to 30 June 2019, EAAA received complaints relating to lottery canvassing from less than 0.011% of people contacted.

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

Equal opportunities

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

Environmental management

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

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

Our objectives are to:

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

Regulatory bodies

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

East Anglian Air Ambulance

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

Year ended 30 June 2019

Connections with non-charities

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

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

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

Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue in operation.

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

In so far as the Trustees are aware:

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

Signed by order of the Trustees on 17 December 2019.

Major General Sir William Cubitt KCVO CBE DL (Chairman)

East Anglian Air Ambulance

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

Year ended 30 June 2019

Opinion

We have audited the financial statements of East Anglian Air Ambulance (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 June 2019 which comprise the Group Statement of Financial Activities (including the Income and Expenditure account), the Group and Parent Charitable Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 30 June 2019, and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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.

East Anglian Air Ambulance

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

Year ended 30 June 2019

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

East Anglian Air Ambulance

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

Year ended 30 June 2019

Use of our report

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

Mark Proctor FCA DChA (Senior Statutory Auditor)

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

18 December 2019

East Anglian Air Ambulance

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

Year ended 30 June 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Income					
Donations and legacies	2	7,228,456	543,485	7,771,941	7,676,047
Other trading activities	3	5,910,828	-	5,910,828	5,617,626
Investments	4	357,859	-	357,859	376,373
Other	5	60,537	-	60,537	10,799
Total income		13,557,680	543,485	14,101,165	13,680,845
Expenditure					
Raising funds	6	3,056,864	-	3,056,864	2,860,650
Charitable activities	7	8,964,514	14,900	8,979,414	8,328,965
Total expenditure		12,021,378	14,900	12,036,278	11,189,615
Net income before gains on investments		1,536,302	528,585	2,064,887	2,491,230
Net gains on investments	13	812,651	-	812,651	612,688
Net income		2,348,953	528,585	2,877,538	3,103,918
Transfers between funds	17	103,762	(103,762)	-	-
Net movements in funds		2,452,715	424,823	2,877,538	3,103,918
Total funds brought forward	17	20,419,993	159,065	20,579,058	17,475,140
Total funds carried forward	17	22,872,708	583,888	23,456,596	20,579,058

All income and expenditure derive from continuing activities.

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

The notes on pages 24 to 41 form part of these financial statements.

East Anglian Air Ambulance

Group and Parent Charitable Company Balance Sheets

30 June 2019

	Note	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Fixed assets					
Tangible assets	12	1,846,717	1,911,487	1,846,717	1,911,487
Investments	13	12,458,459	11,145,808	12,458,461	11,145,810
Cash at bank and in hand					
Designated fund deposits		4,856,324	3,931,378	4,856,324	3,931,378
		19,161,500	16,988,673	19,161,502	16,988,675
Current assets					
Stocks	14	69,677	22,580	65,931	20,678
Debtors	15	4,177,541	3,705,438	3,935,680	3,495,404
Cash on deposit		513,628	510,118	513,628	510,118
Cash at bank and in hand		755,679	366,740	416,164	88,245
		5,516,525	4,604,876	4,931,403	4,114,445
Creditors: Amounts falling due within one year	16	(1,221,429)	(1,014,491)	(639,188)	(526,941)
Net current assets		4,295,096	3,590,385	4,292,215	3,587,504
Total assets less current liabilities		23,456,596	20,579,058	23,453,717	20,576,179
Net assets		23,456,596	20,579,058	23,453,717	20,576,179
Charity Funds					
Restricted funds	17	583,888	159,065	583,888	159,065
Unrestricted funds					
Designated funds	17	5,985,637	4,112,055	5,985,637	4,112,055
General fund	17	16,887,071	16,307,938	16,884,192	16,305,059
Total Charity funds		23,456,596	20,579,058	23,453,717	20,576,179

The financial statements were approved and authorised for issue by the Board on 17 December 2019.

Signed on behalf of the board of Trustees

Major General Sir William Cubitt KCVO CBE DL (Chairman)

N Savory FCA DL

Company number: 04066700

The notes on pages 24 to 41 form part of these financial statements.

East Anglian Air Ambulance

Group Statement of Cash Flows

Year ended 30 June 2019

	Note	Group 2019 £	Group 2018 £
Net cash flow from operating activities	23	<u>1,691,029</u>	<u>853,837</u>
Cash flows from investing activities			
Income received from investments		320,047	367,228
Receipts from sale of tangible fixed assets		924	18,670
Payments to acquire tangible fixed assets		(232,417)	(316,709)
Bank interest received		37,812	9,145
Disposal of investments		-	3,640,042
Purchase of investments		<u>(500,000)</u>	<u>(550,000)</u>
Net cash flow from investing activities		(373,634)	3,168,376
Net increase in cash and cash equivalents		1,317,395	4,022,213
Cash and cash equivalents at 1 July 2018	24	4,808,236	786,023
Cash and cash equivalents at 30 June 2019	24	<u>6,125,631</u>	<u>4,808,236</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		6,125,631	4,808,236
Cash and cash equivalents at 30 June 2019	24	<u>6,125,631</u>	<u>4,808,236</u>

The notes on pages 24 to 41 form part of these financial statements.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

1. General information

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

(a) General information and basis of preparation

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

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

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

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

(b) Group financial statements

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

(c) Funds

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

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

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

(d) Income

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

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

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

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

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

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

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

The Charity received government grants towards the cost of constructing the Cambridge base and the additional cost of operating the new Norwich aircraft. Income from the government and other grants are recognised at fair value when the Charity has entitlement after any performance conditions have been met, if it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

(e) Legacies

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

(f) Expenditure recognition

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

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

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

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

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

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

(g) Operating leases

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

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

(h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

(i) Fixed asset investments

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

(j) Stocks

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

(k) Redundancy

Where an obligation to make a redundancy or termination payment exists, the costs incurred by the Charity are accounted for on an accruals basis and included within employee benefits.

(l) Pensions

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

(m) Tax

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

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

(n) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

(o) Judgements and key sources of estimation uncertainty

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

(i) Accrued legacy income

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

At 30 June 2019 the financial statements include accrued legacy income of £2,639,147 (2018: £2,608,555).

(ii) Donated goods and services

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

The financial statements for the year ended 30 June 2019 include donated goods and services of £736,348 (2018: £552,769).

(p) Financial instruments

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

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

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

Debt instruments are subsequently measured at amortised cost.

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

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

2. Income from donations and legacies

	2019			2018		
	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£	£	£	£
Collections & collecting tins	145,213	-	145,213	157,867	-	157,867
Third party & Charity events	1,127,405	-	1,127,405	1,169,428	-	1,169,428
Grants from trusts	125,600	-	125,600	137,386	-	137,386
Corporate donors	304,702	-	304,702	234,314	-	234,314
General donations	691,296	-	691,296	772,224	-	772,224
In memoriam	357,113	-	357,113	357,522	-	357,522
Gift Aid tax reclaimed	132,422	-	132,422	114,148	-	114,148
Circle of Benefactors	114,029	-	114,029	109,974	-	109,974
Donations towards Norwich base	-	9,585	9,585	-	-	-
Government grant from LIBOR Fines Fund towards cost of operating new Norwich aircraft	-	-	-	-	593,143	593,143
HM Treasury Capital Funding	-	453,841	453,841	-	-	-
Donations towards medical equipment	-	73,184	73,184	-	118,859	118,859
Donated goods and services	736,348	-	736,348	552,769	-	552,769
Donations towards training	-	6,875	6,875	-	9,770	9,770
Legacies	3,494,328	-	3,494,328	3,303,643	45,000	3,348,643
	7,228,456	543,485	7,771,941	6,909,275	766,772	7,676,047

3. Income from other trading activities

	2019			2018		
	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£	£	£	£
Lottery income	5,478,144	-	5,478,144	5,144,900	-	5,144,900
Raffle income	361,044	-	361,044	411,741	-	411,741
Merchandise income	70,014	-	70,014	60,565	-	60,565
Scratch card income	1,626	-	1,626	420	-	420
	5,910,828	-	5,910,828	5,617,626	-	5,617,626

4. Income from investments

	2019			2018		
	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£	£	£	£
Bank interest received	37,812	-	37,812	9,145	-	9,145
Dividends received	320,047	-	320,047	367,228	-	367,228
	357,859	-	357,859	376,373	-	376,373

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

5. Other income

	Unrestricted Funds £	2019 Restricted Funds £	Total Funds £	Unrestricted Funds £	2018 Restricted Funds £	Total Funds £
Income from recycling	5,705	-	5,705	10,164	-	10,164
Training courses	54,832	-	54,832	635	-	635
	60,537	-	60,537	10,799	-	10,799

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

6. Analysis of expenditure on raising funds

	Costs of generating voluntary income £	Fundraising trading (lottery) £	Fundraising trading £	Total 2019 £	Total 2018 £
Fundraising & event costs	250,556	221,263	-	471,819	516,294
Lottery prizes	-	160,963	-	160,963	161,262
Canvassers' and agents' commission	-	645,843	-	645,843	523,948
Marketing and consultancy	143,445	13,685	-	157,130	79,629
Goods for resale	-	-	52,252	52,252	38,386
Staff costs	946,562	148,612	37,205	1,132,379	1,082,244
Premises establishment costs	59,793	6,379	6,379	72,551	93,386
Administration costs	182,028	128,886	28,653	339,567	337,315
Depreciation and profit/loss on disposal of fixed assets	16,185	2,725	5,450	24,360	28,186
Total 2019 (unrestricted)	1,598,569	1,328,356	129,939	3,056,864	2,860,650
Total 2018 (unrestricted)	1,480,954	1,295,129	84,567	2,860,650	

Costs are allocated directly or apportioned on the following basis:

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

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

7. Analysis of expenditure on charitable activities

	Operational & support costs £	Governance costs £	Total 2019 £	Total 2018 £
Helicopter costs	5,350,585	-	5,350,585	5,140,182
Doctors' salaries and fees	924,440	-	924,440	826,050
Doctors and Critical Care Paramedics - donated services	736,348	-	736,348	552,769
Other staff costs	1,093,072	-	1,093,072	1,045,846
Medical consumables and other clinical costs	116,598	-	116,598	119,927
Premises establishment costs	77,002	-	77,002	65,802
Administration costs	368,308	41,159	409,467	334,106
Depreciation and profit/loss on disposal of fixed assets	271,902	-	271,902	244,283
	8,938,255	41,159	8,979,414	8,328,965
Restricted	14,900	-	14,900	
Unrestricted	8,923,355	41,159	8,964,514	
Total 2019	8,938,255	41,159	8,979,414	
Restricted	594,409	-	594,409	
Unrestricted	7,692,698	41,858	7,734,556	
Total 2018	8,287,107	41,858	8,328,965	

Costs are allocated directly or apportioned on the following basis:

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

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

8. Net income for the year

Net income is stated after charging:	2019 £	2018 £
Depreciation of tangible assets	295,225	285,463
Loss/(profit) on disposal of tangible assets	1,038	(12,994)
Operating lease rentals - helicopter standing charges	4,418,315	4,248,950
Operating lease rentals - other	69,455	85,607

9. Auditor's remuneration

	2019 £	2018 £
Audit of the Charity's annual financial statements	11,950	11,600
Audit of the subsidiary company's annual financial statements	6,950	6,750
Professional services	12,687	11,409
	<u>31,587</u>	<u>29,759</u>

10. Trustees' and key management personnel remuneration and expenses

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

No members of the Board received expenses in the course of their duties during the year in respect of travel and subsistence (2018 - one member received expenses totalling £136).

The total amount of employee benefits received by key management personnel was £413,630 (2018 - £433,310). The Trustees consider the key management personnel to be the CEO and three directors (2018 - CEO and three directors).

11. Staff costs and employee benefits

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

	2019 No.	2018 No.	2019 FTE No.	2018 FTE No.
Operations	9	9	8	9
Doctors	7	9	4	3
Locum Doctors	18	13	-	-
Lottery	4	4	4	3
Fundraising	27	29	24	24
Communications and marketing	4	4	4	4
Administration	17	15	15	12
	<u>86</u>	<u>83</u>	<u>59</u>	<u>55</u>

The total staff costs and employee benefits were as follows:

	2019 £	2018 £
Wages and salaries	2,423,606	2,181,364
Social security costs	236,300	204,296
Pension contributions	128,067	97,558
Life insurance	6,405	10,536
	<u>2,794,378</u>	<u>2,493,754</u>

The aggregate ex-gratia redundancy payments during the year totalled £nil (2018 - £2,000).

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

11. Staff costs and employee benefits (continued)

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

	2019 No.	2018 No.
£60,000 to £70,000	1	3
£80,000 to £90,000 *	1	1
£90,000 to £100,000 **	1	-
£110,000 to £120,000 **	1	-
£150,000 to £160,000 **	1	-
£170,000 to £180,000 **	-	1

* Chief Executive, ** Doctor

12. Tangible fixed assets - Group

	Norwich base (under construction) £	Cambridge base £	Plant & motor vehicles £	Fixtures, fittings and computers £	Medical & helicopter equipment £	Total £
Cost						
At 1 July 2018	35,710	1,565,264	364,223	469,147	574,187	3,008,531
Additions	93,616	828	16,389	41,034	80,550	232,417
Disposals	-	-	-	-	(19,598)	(19,598)
At 30 June 2019	129,326	1,566,092	380,612	510,181	635,139	3,221,350
Depreciation						
At 1 July 2018	-	190,673	177,405	393,069	335,897	1,097,044
Charge for the year	-	78,302	62,672	46,684	107,567	295,225
Eliminated on disposals	-	-	-	-	(17,636)	(17,636)
At 30 June 2019	-	268,975	240,077	439,753	425,828	1,374,633
Net book value						
At 30 June 2019	129,326	1,297,117	140,535	70,428	209,311	1,846,717
At 30 June 2018	35,710	1,374,591	186,818	76,078	238,290	1,911,487

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Notes to the Financial Statements

Year ended 30 June 2019

12. Tangible fixed assets - Charity

	Norwich base (under construction) £	Cambridge base £	Plant & motor vehicles £	Fixtures, fittings and computers £	Medical & helicopter equipment £	Total £
Cost						
At 1 July 2018	35,710	1,565,264	364,223	458,483	574,189	2,997,869
Additions	93,616	828	16,389	41,034	80,550	232,417
Disposals	-	-	-	-	(19,598)	(19,598)
At 30 June 2019	129,326	1,566,092	380,612	499,517	635,141	3,210,688
Depreciation						
At 1 July 2018	-	190,673	177,405	382,406	335,898	1,086,382
Charge for the year	-	78,302	62,672	46,684	107,567	295,225
Eliminated on disposals	-	-	-	-	(17,636)	(17,636)
Impairment provision	-	-	-	-	-	-
At 30 June 2019	-	268,975	240,077	429,090	425,829	1,363,971
Net book value						
At 30 June 2019	129,326	140,535	1,297,117	70,427	209,312	1,846,717
At 30 June 2018	35,710	186,818	1,374,591	76,077	238,291	1,911,487

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

13. Fixed asset investments

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Market value at 1 July 2018	11,145,808	13,623,162	11,145,808	13,623,162
Additions at cost	500,000	550,000	500,000	550,000
Disposals at opening market value	-	(3,640,042)	-	(3,640,042)
Net gain on revaluation	812,651	612,688	812,651	612,688
Market value at 30 June 2019	12,458,459	11,145,808	12,458,459	11,145,808
Investment in subsidiary at 1 July 2018 and 30 June 2019	-	-	2	2
Carrying value at 30 June 2019	12,458,459	11,145,808	12,458,461	11,145,810
Investments at fair value comprise:				
Equities	12,458,459	11,145,808	12,458,459	11,145,808
Total	12,458,459	11,145,808	12,458,459	11,145,808

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

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

The summary financial performance of the subsidiary alone is:

	2019 £	2018 £
Turnover	5,910,828	5,617,024
Expenditure	(1,346,527)	(1,296,574)
Bank interest receivable	6,613	11,125
Profit	4,570,914	4,331,575
Amount donated to East Anglian Air Ambulance by Gift Aid	4,570,914	4,331,575
Net assets	2,881	2,881

14. Stocks

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Retail goods for resale	140	2,201	140	299
Drugs and medical consumables	69,537	20,379	65,791	20,379
	69,677	22,580	65,931	20,678

Retail goods for resale amounting to £52,224 (2018 - £38,386) have been recognised as an expense during the period and charged to the Statement of Financial Activities.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

15. Debtors

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade debtors	5,068	2,500	5,068	2,500
Amount due from subsidiary undertakings	-	-	41,567	-
Other debtors	16,907	168,175	16,164	167,269
VAT	57,534	48,099	56,501	47,977
Prepayments	601,400	728,682	556,774	519,676
Accrued income	3,496,632	2,757,982	3,259,606	2,757,982
	<u>4,177,541</u>	<u>3,705,438</u>	<u>3,935,680</u>	<u>3,495,404</u>

Accrued income includes accrued legacy income of £2,639,147 (2018: £2,608,555) and HM Treasury capital funding of £453,841 (2018: £nil).

16. Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Trade creditors	433,223	227,950	342,319	176,897
Amount due to subsidiary undertakings	-	-	-	88,111
Taxation and social security	80,861	65,205	80,861	65,205
Accruals and deferred income	705,110	720,043	213,773	195,435
Other creditors	2,235	1,293	2,235	1,293
	<u>1,221,429</u>	<u>1,014,491</u>	<u>639,188</u>	<u>526,941</u>

Included within accruals and deferred income is £423,120 (2018 - £420,197) relating to income from lottery ticket sales and £52,809 (2018 - £91,963) relating to advance raffle tickets for the draw held in July 2019. These amounts relate to monies received before the year end for draws held at later dates. Deferred income from 2018 of £720,043 (2017 - £710,552) has been credited to the Statement of Financial Activities during the year.

17. Analysis of charitable funds

Analysis of movements in unrestricted funds

Year ended 30 June 2019

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

A transfer of £103,762 was made to the General Fund representing medical equipment purchased during the year using restricted funds. At 30 June 2019 a transfer of £1,000,000 was made from the General Fund to the Planned Capital Expenditure Fund, as explained on page 10.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

Year ended 30 June 2018

	Balance at 1 July 2017 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance at 30 June 2018 £
General Fund	9,806,739	11,535,393	(10,042,437)	4,395,555	612,688	16,307,938
Designated Aircraft Leasing Fund	4,347,199	-	-	(4,347,199)	-	-
Designated Planned Capital Expenditure Fund	2,756,144	825,911	-	530,000	-	4,112,055
Designated Richard Allen Fund	530,000	-	-	(530,000)	-	-
	<u>17,440,082</u>	<u>12,361,304</u>	<u>(10,042,437)</u>	<u>48,356</u>	<u>612,688</u>	<u>20,419,993</u>

Transfers between funds are explained below.

Analysis of movements in restricted funds

Year ended 30 June 2019

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

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

Year ended 30 June 2018

	Balance at 1 July 2017 £	Income £	Expenditure £	Transfers £	Balance at 30 June 2018 £
Medical Equipment Fund	29,058	139,357	-	(24,250)	144,165
Training Fund	6,000	9,770	(870)	-	14,900
Aircraft operating cost Fund	-	593,144	(593,144)	-	-
Helipad Lighting Fund	-	24,501	(395)	(24,106)	-
	<u>35,058</u>	<u>766,772</u>	<u>(594,409)</u>	<u>(48,356)</u>	<u>159,065</u>

Transfers between funds are explained below.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

Fund descriptions

(a) General funds

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

(b) Designated funds

Aircraft Leasing Fund

This fund represented the cost of aircraft leasing commitments for the following financial year. The Charity has entered into a contract for the lease of two state-of-the-art helicopters which expires in 2021. If the Charity has insufficient funds to enable it to pay the lease costs, the contract may be terminated with demobilisation charges, equivalent to no more than 6 months' leasing costs, being applied. In prior years the Trustees considered it prudent to set aside 12 months leasing costs in a separate designated fund. At 30 June 2018, as the end of the contract neared and negotiations for a new lease were due to commence, the Trustees decided to transfer the balance on this fund back to the General Fund.

Planned Capital Expenditure Fund

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

25% of all legacy income is credited directly to this fund, unless otherwise agreed with the Executors or the terms of the will state otherwise. The fund may also be enhanced by transfers from the General Fund, at the discretion of the Trustees, in order to build up sufficient reserves for particular planned projects. It is anticipated that the fund will make a substantial contribution to the cost of a new base in Norwich planned for 2020.

	£
Fund balance at 1 July 2018	4,112,055
25% of legacy income	873,582
Transfer from General Fund	<u>1,000,000</u>
Fund balance at 30 June 2019	<u>5,985,637</u>

Richard Allen Fund

This fund represented a legacy of £530,000 following the sale of a Nembo Spyder Ferrari bequeathed to EAAA under the will of the late Richard Allen. The Trustees agreed with the Executors that the proceeds be set aside in a separate Designated Fund to be used for the acquisition of land for the new Norwich base. The balance was subsequently transferred to the Designated Planned Capital Expenditure Fund in the year ended 30 June 2018.

(c) Restricted funds

Medical Equipment Fund

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

Training Fund

This fund represents donations received towards training costs. There is a balance carried forward at 30 June 2019 of £6,875.

Norwich Base Fund

This fund represents donations received towards the cost of the new base in Norwich.

HM Treasury Capital Fund

This fund comprises funding receivable from HM Treasury towards the new Norwich base, the purchase of Rapid Response Vehicles and night vision goggles. The balance carried forward is £453,841.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

Aircraft operating cost fund

This fund comprised Government grant income towards the cost of operating the new Norwich aircraft.

Helipad Lighting Fund

This fund represented donations received towards the cost of installing lighting on the helipad at Addenbrooke's Hospital. This work was carried out and the funds transferred back to the unrestricted funds during the year ended 30 June 2018.

18. Analysis of group net assets between funds

At 30 June 2019

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

At 30 June 2018

	General Fund £	Designated Funds £	Restricted Funds £	Total £
Fixed asset investments	11,145,808	-	-	11,145,808
Tangible fixed assets	1,911,487	-	-	1,911,487
Stock	22,580	-	-	22,580
Debtors	3,519,761	180,677	5,000	3,705,438
Bank	722,793	3,931,378	154,065	4,808,236
Creditors	(1,014,491)	-	-	(1,014,491)
Fund balances at 30 June 2018	16,307,938	4,112,055	159,065	20,579,058

19. Operating lease commitments

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

	Land & buildings 2019 £	Aircraft 2019 £	Land & buildings 2018 £	Aircraft 2018 £
Operating leases expiring:				
Not later than one year	-	4,683,617	16,995	4,503,567
Later than one and not later than five years	-	6,957,085	-	11,640,702
	-	11,640,702	16,995	16,144,269

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

20. Trustees indemnity insurance

During the year the Charity purchased an insurance policy which is designed specifically for Charity Trustees. The cost of this policy for the year was £1,048 (2018 - £1,096).

21. Company status

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

22. Surplus of the Charity (parent company)

A surplus of £2,877,538 (2018 - £3,103,918) has been recognised in the accounts of the Charity. The Charity is not required to produce its own profit and loss account because of the exemption provision in Section 408 of the Companies Act 2006.

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

	Group 2019 £	Group 2018 £
Net income for the year	2,877,538	3,103,918
Income received from investments	(320,047)	(367,228)
Depreciation of tangible fixed assets	295,225	285,463
Impairment of fixed assets	-	53,386
Net gains on investments	(812,651)	(612,688)
Bank interest received	(37,812)	(9,145)
Loss/(profit) on disposal of tangible fixed assets	1,038	(12,994)
Increase in stocks	(47,097)	(21,920)
Increase in debtors	(472,103)	(991,642)
Increase/(decrease) in creditors	206,938	(573,313)
Net cash flows from operating activities	<u>1,691,029</u>	<u>853,837</u>

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

	Group 2019 £	Group 2018 £
Increase in cash in the period & change in net funds	1,317,395	4,022,213
Net funds at 1 July 2018	<u>4,808,236</u>	<u>786,023</u>
Net funds at 30 June 2019	<u>6,125,631</u>	<u>4,808,236</u>

The Charity holds a bank deposit of £513,628 (2018: £510,118) on behalf of East Anglian Air Ambulance (Trading) Limited.

East Anglian Air Ambulance

Notes to the Financial Statements

Year ended 30 June 2019

25. Related party transactions

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

During the year the Charity received donations totalling £31,703 (2018 - £4,344) from Trustees and charitable trusts with whom they are associated.

During the year the Charity purchased services amounting to £1,750 (2018 - £2,655) from Hansells Solicitors and Financial Advisers, a business in which R S Holden has an interest. The balance owed to Hansells Solicitors and Financial Advisers at 30 June 2019 was £nil (2018 - £2,655).

The Only The Brave event was held on the Elveden Estate, near Thetford, in which The Earl of Iveagh DL has an interest. No rent was paid for the use of this venue.

26. Financial instruments

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

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Financial assets				
Measured at fair value through net income	12,458,459	11,145,808	12,458,459	11,145,808
Debt instruments measured at amortised cost	879,460	320,102	683,258	319,196
Financial liabilities				
Measured at amortised cost	(627,072)	(253,508)	(520,760)	(278,118)

27. Capital commitments

The Charity had capital commitments at 30 June 2019 of £60,300 (2018 - £16,812) in respect of the purchase of tangible fixed assets.