

# Annual Report 2018 of the Trustees of the Cornwall Air Ambulance

page

- 3 Welcome
- 4 Objectives & Activities
- 5 Achievements & Preformance
- 9 Making it all Possible
- 16 Our Future Direction
- 18 Financial Reivew



Saving time. Saving lives



Welcome from our Chairman & Chief Executive

When we made our decision to purchase an AW169 - a new generation of helicopter that will allow us to reach more casualties and save more lives - and launched our £2.5m fundraising appeal, we set ourselves a challenging target in a demanding climate.

Raising £2.5m is just one part of our challenge. Whilst we work towards the inspirational goal of buying our new helicopter, we must also do 'the day job'. We must keep our current helicopter flying and our critical care cars running, we must build lasting, sustainable support for our cause and make sure our organisation is future proofed and ready for the next decade and longer. Cornwall is a small place, with economic challenges of its own, so success is dependent on building long term relationships and forging links in the Duchy and beyond.

Or, to put it another way, we need to keep an enormous number of plates spinning, on a moving stage, with the odd unexpected hurdle popping up when we least expect it.

For every question we asked there was a good answer, for every issue we raised there was a compelling argument, so we entered into this challenge believing we had the ability to spin all of those plates, creatively, consistently and carefully. And the evidence is, that's exactly what we are doing. We have passed the halfway mark, and as I write, have less than £1m of the £2.5m left to raise.

I am enormously proud to have celebrated this and a number of other key milestones during 2018, with a team of staff and volunteers who never cease to amaze me with their tenacity, resourcefulness and skill. These achievements include our busiest year to date operationally (1105 missions) and passing the milestone of our 28,000th mission; building the Cornwall Air Ambulance brand and raising our profile; strong and cost-effective growth (30% income growth from a 7% increase in costs); maintaining high standards of governance including a Trustee led GDPR project, and continuing to develop the talent of our staff. We strengthened our Board too; at the end of 2018 we were delighted to welcome Ben Mark and Simon Carr as Trustees; their respective skills and experience are a valuable addition.

who gives their time, skill, connections, energy and commitment in support of Cornwall Air Ambulance. This year I would like to single out fellow Trustee and Appeal Board Chair, Barbara Sharples, for a particular personal thank you. Her vision and tenacity are a driving force behind the New Heli Appeal. Barbara's warmth and passion have enabled her to recruit a high calibre Appeal Board – volunteers themselves with busy and accomplished professional and personal lives - whose collective energy and enthusiasm is quite remarkable. Our appeal couldn't be in safer hands; thank you.

As always, I want to thank each and every person

There is much still to do and we will continue to do it to the absolute best of our collective ability. I look forward to reporting on future milestones.

Sarah Pryce - Chairman

In 2018 I celebrated 10 years of leading Cornwall Air Ambulance Trust, and this Annual Report presents a fabulous opportunity to reflect back on that time and look ahead to the future.

The whole journey has been about how many people can we reach, how many lives can we save, and how can we have a bigger impact on those suffering life threatening illness or injury. In parallel, as a team, we have also faced the challenge of matching the resources to the ambition and vision. As a truly local charity, we have relied almost entirely on our local communities to fundraise and make it all happen.

Along the way we have been honest and transparent. We have been up front when things did not work out the way we wanted, and we have apologised for the occasional mistake. The charity has worked very hard to earn and keep the trust and confidence of its supporters and in turn our supporters have rewarded us in spades and helped us continue to improve the life saving Cornwall Air Ambulance service.

As we have grown the size of the cake, we have

been able to help more people, carrying out a record number of emergency responses in 2018. Increasing operating hours, improvements to clinical skills, drugs and lifesaving equipment, then adding night flying capability, have all enabled the service to do more for the patient. For the past two years we have been saving for a new generation helicopter and in 2018 launched the first significant capital appeal to ask the public for an extra £2.5m. The New Heli Appeal required substantial investment in 2018 to pump prime a project which will reach beyond April 2020 when the old helicopter contract comes to an end and

the new AW169 goes on line and flies its first life saving mission. We have that vision in our mind's eye every day, and none of our eye's will be dry when that first emergency flight takes off, the first of many over the next 15-20 years. Every single one made possible by the people of Cornwall.

To close I want to add my personal thanks to Dr Ed Abrahamson, who I describe as a "wing man", for his generosity in introductions to many of his special friends. To our Chairman Sarah Pryce for her leadership of the Board and for her "critical friend" relationship with me, and indeed to each Trustee who has given so generously of their skills and time over the past year. I also want to thank every former patient who has come forward in the past year to share their story with us and with you. Some of them feature in this report. My final thanks are on behalf of everyone, to the incredible team of paramedics and doctors, pilots and engineers, who carry out their roles with a passion and professionalism they can be proud of, but who also very often go above and beyond to help the charity and its supporters. They see and deal with emergency situations that all of us hope we never have to face. They deserve the best air ambulance helicopter, and by golly we are going to work hard together to make sure they get it. Thank you.

Paula Martin - Chief Executive

Purpose & Impact

## **Patient** Story - Harry Roberts

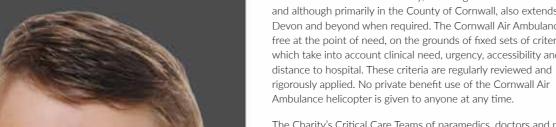
A trip to the coast turned into a life changing experience for the Roberts family when they were on holiday in Cornwall in April 2018.

Five-year-old Harry was excitedly heading towards Trevone Beach when he suddenly fell off the cliff, six metres on to rocks below. Harry luckily landed on top of his bodyboard, but had sustained a serious head injury in the fall.

Cornwall Air Ambulance was tasked and landed nearby on the beach in just 15 minutes. Harry was airlifted to Royal Cornwall Hospital where he spent three hours, before being transferred by the larger HM Search & Rescue helicopter to Bristol Children's Hospital for emergency surgery and further specialist treatment.

Harry underwent a four-hour operation, which his parents were told could leave him with cognitive issues or personality changes. He spent the next 8 days in a coma and in the months that followed Harry had a titanium plate inserted to reconstruct the damaged part of his skull.

"We were very lucky; it could have been a very different story. Harry is doing very well now and a lot of that is down to the responsiveness of the Cornwall Air Ambulance."



The Charity's Critical Care Teams of paramedics, doctors and pilots provide emergency medical services to the most seriously ill and injured patients throughout Cornwall and the Isles of Scilly. Utilising our two specially equipped MD902 air ambulance helicopters to provide services for 365 days every year to the county's residents and visitors. In addition, the Charity operates two critical care cars carrying the same specialist lifesaving equipment, specialist drugs and the same crew who would normally fly on the air ambulance helicopter. These cars provide a backup service if the helicopter is unavailable (predominantly due to poor weather limitations) and have also operated until 0200 as a trial to evaluate the need for our critical care services outside of the current aircraft operating hours.

services 365 days every year to the county's residents & visitors.

## Objectives & Activities

The Charity's Objects are relieving pain and sickness for the benefit of the public by assisting in the provision of emergency medical services and equipment, in particular the provision of an air ambulance service or other emergency transportation, primarily in Cornwall and the Isles of Scilly. These are the purposes of the Charity as set out in its Governing documents.

The public benefit provided by the Charity is to anyone and everyone in Cornwall and the Isles of Scilly, including residents and visitors, and although primarily in the County of Cornwall, also extends to Devon and beyond when required. The Cornwall Air Ambulance is free at the point of need, on the grounds of fixed sets of criteria which take into account clinical need, urgency, accessibility and

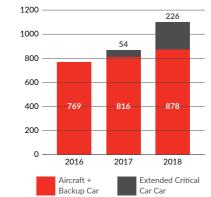
Providing Air Ambulance

## Achievements & Performance

## Activity

In 2018 the Charity passed the milestone of 28000 missions and it proved to be our busiest year to date with the service responding to 1105 incidents and treating 846 patients. The last three years have seen a year on year growth in helicopter (and backup car) missions. Following launch of the trial in October 2017, the Extended Critical Care Car service is now providing valuable data to help demonstrate the level of demand for services during night-time hours, until 2am, operating four days per week (Wednesday to Saturday nights).

Our busiest days of the week for aircraft and car operations is Friday and the peak time for responding to incidents is between 11:00 and 12:00 in daylight hours.



#### deployment on emergency missions from their Emergency Clinical Hub in Exeter and the clinical governance & oversight of the paramedics and doctors.

## Royal Cornwall Hospitals Trust (RCHT)

contribution of our key partner:

During 2015 the Charity recruited a small team of doctors to carry out the role of education support physicians for the paramedic aircrew, and this work has continued. The Charity is pleased to have formed a new and much closer relationship with RCHT through this recruitment process, and their assistance towards this important education programme.

Our Key Stakeholders Partners

South West Ambulance Service NHS Foundation Trust

The Cornwall Air Ambulance is part of a fully integrated response

to emergencies in Cornwall, facilitated through the South Western

Ambulance Service NHS Foundation Trust. The ambulance service

is contracted through a Service Level Agreement for the provision

of a team of paramedics dedicated to air ambulance operations,

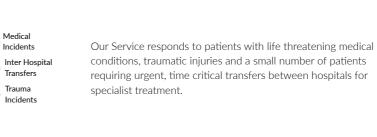
Delivery of our services would not be possible without the

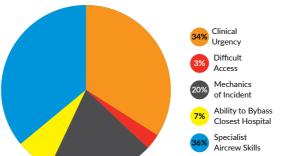
#### Specialist Aviation Services (SAS)

SAS have owned, operated and maintained our two MD902 Explorer helicopters since December 2014, providing our base pilots and engineering resources. In 2018, the charity selected SAS to operate and maintain the new AW169 helicopter which is planned to enter service in April 2020. This new contractual arrangement will see the ownership of the helicopter transfer to the Charity, however, SAS will continue to deliver the same high standards of operations and safety.

- Association of Air Ambulances (AAA)
- The Association of Air Ambulances Charity (AAAC)
- Bristow (Search and Rescue)
- Cornwall Airport Newguay
- University Hospital Plymouth NHS Trust
- Kernow Clinical Commissioning Group
- Wider emergency services partners

Other key stakeholder partners include





8% of our missions were from the Isles of Scilly and over 16% of our patients were visitors to the county.

The majority of missions tasked to the air ambulance were as a result of the clinical urgency or complexity (mechanics) of the mission together with the specialist clinical skills provided by our aircrew.

## Our Impact in 2018



incidents



Trauma injuries



Road traffic accidents

Serious falls



Cardiac emergencies



Neuro patients



Equestrian incidents



Agricultural/ industrial accidents



Babies and young people



**Sports** related injuries



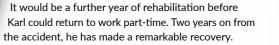


On the day of his accident, Karl Dexter was enjoying a motorbike ride on a sunny day in February 2017. As he approached a bend on the A39 he had a head-on collision with a car travelling in the opposite direction. Karl was thrown from his motorbike, suffering extensive injuries to his legs, pelvis and lower back. The 53-year-old had also suffered a bleed to the brain and needed urgent medical attention. Over an hour's drive from the nearest hospital, Cornwall Air Ambulance was requested.

Critical Care Paramedics Steve and Mick administered medication to stabilise Karl while he was transferred to Derriford Hospital in Plymouth. He said:

"My internal injuries were very bad and I lost a lot of blood, so time was critical that day. I don't remember anything about the accident, but I later heard that doctors told my family I had about a 5% chance of surviving the night. If I hadn't got to the hospital as quickly as I did, I wouldn't be here."

Karl lost 23 pints of blood in the accident, and was placed in an induced coma for 12 days. He spent a total of 8 weeks in hospital recovering from major surgery.



"From where I was to where I am now - I've been given another chance. Someone was looking down on me that day. It's thanks to the air ambulance team and everyone at the hospital that I'm back to almost 100%."



## **Patient** Story - Keith Simmonds

Keith Simmonds was on his garage roof on a beautiful summer's morning preparing to paint the exterior walls of his house in Porthleven when he suddenly developed severe chest pains.

As he made his way down into the house, wife Sharon became concerned that the pain was getting more intense by the minute and called for an ambulance.

Paramedics from the ambulance service assessed Keith and discovered he had suffered a heart attack. With time critical, they immediately requested Cornwall Air Ambulance to transfer Keith to hospital for further treatment.

The charity's pilot and paramedics landed at Porthleven Cricket Club just before 2pm on Saturday 4 August 2018, causing play to stop.

"The paramedic told me he was calling for an air ambulance and then I knew it was serious. The irony is it's the first flight I've ever taken. I remember going in the helicopter and someone at the cricket club shouted 'good luck mate' that really stayed with me. I don't think I'd have made it if it wasn't for the air ambulance."

Cornwall Air Ambulance got Keith to Royal Cornwall Hospital in 7 minutes, where a medical team was on standby to provide further treatment.

Wife, Sharon, said:

The doctors at the hospital told me he had about 5 minutes to spare. Keith's heart damage would be a lot worse if he didn't get there as quick as he did. I don't think the paramedics realise how special they are-they think it's just another

Keith spent five days in hospital, and has since undergone heart bypass surgery.

# Making it all Possible

Fundraising • Supporters • Marketing & Communications • Volunteers • Retail



## Making it all Possible

## Fundraising & Supporters

As the Charity faces the many challenges of fundraising against a backdrop of economic uncertainty, downward giving trends and reduced trust in charities (CAF UK Giving 2019), Trustees continue to strive to achieve the high standards the public expects. The reputation of the Charity has helped to underpin an increase in the number of supporters and income across all fundraising activities.

At the start of the year the Trustees invested in expanding the skills and experience of the fundraising team to meet the challenge of raising funds for increasing future running costs and the launch of the biggest ever fundraising appeal in the Charity's history. In April, the New Heli Appeal was launched with a target of raising £2.5m by April 2020. This organisational development is a people strategy aimed at sustaining income levels well beyond the appeal and lays the foundation to achieve longer-term operational goals.

During the year the Charity did not receive any public purse government funding towards the cost of operating the air ambulance helicopter, and continued to rely on the generosity of individuals, community groups and local business. The Trustees remain incredibly grateful for the generosity of supporters and are proud of the staff and volunteers, who have also worked very hard in this important year.

The New Heli Appeal Board, chaired by Trustee Barbara Sharples, has helped us to welcome a number of key ambassadors on board, including TV presenters Richard Madeley and Judy Finnegan, celebrity chef Paul Ainsworth and paediatric consultant Dr Ed Abrahamson, all whom contributed their time, efforts and influence in raising significant funds. The Charity remains indebted to all for their ongoing support in the second year of the appeal. During 2018, Paul Ainsworth raised over £25,000 at his first fundraising dinner held at Rojano's in Padstow, whilst Dr Abrahamson set the bar for individual fundraising by raising over £50,000 in sponsorship for a parachute jump.



The Trustees are grateful to the Appeal Board for their strength, determination and focus on achieving the £2.5m target by April 2020.

During the year the Charity expanded its range of fundraising initiatives and events across Cornwall to encourage more participation from both traditional and new audiences, including the many visitors to Cornwall and the tourism sector itself. The exposure from the appeal has secured more individual supporters, community groups and corporate partnerships and developed the activities in major donor fundraising, trusts and grants fundraising, and pledges of legacy gifts. Overall during the year the Charity increased its core supporter base by 18% on the previous year.

Across the county 364 community groups and schools raised funds through countless different fundraising events from traditional coffee mornings to dress down days, danceathons to golf days, beard shaving, sponsored roller skating and cycle relays. The list of the ways people have had "fun", whilst fundraising is endless, but all shared one goal, to help Cornwall Air Ambulance save lives.



Above: The New Heli Appeal Board · Back row · Kevin O'Sullivan, Jonathon McCulloch, Chris Richard, Ali Carnegie. Front row · Heather Forster, Amy Richards (Appeal Manager) Jackie Stanley, Barbara Sharples. Barbara Corbett is also part of the Appeal Board but not pictured above.

The fundraising team were responsible for some memorable days and nights! There were many highlights including the infamous annual Summer Ball, where over 180 guests celebrated over a formal dinner arranged in the hangar and raised net proceeds of over £43,000. The inaugural Runway Runaround new mass participation event attracted just over 200 runners. Participants ran either 5k or 10k in the dark and raised over £10,000. Over the year around 1,000 people attended one of our four family friendly open days held at HQ raising £14,000.

We value all the relationships we have with local businesses. Some of these partnerships have been built over many years and we are privileged to continue our association with them. For instance, Adventure 001 has donated in excess of £150,000 over nine years and Ann's Cottage has donated in excess of £80,000 over four years. All of the corporate supporters are important to achieving our charitable objectives. Many have selected Cornwall Air Ambulance as their charity of the year, or have sponsored events and engage in related marketing. This includes The Ocean Group which supported the Annual Draw in 2018, providing a BMW 1 series as the first prize. Wolf Rock donated £10,000 towards professional advice and design for the appeal. The Motor Fuel Group donated over £21,000 from their Pennies scheme where customers have the option to add 25p every time they fill up their vehicle with fuel from their forecourts.

The long-established Mission Maker Lottery generates income from the sale of society lottery tickets. This vital income stream contributed £1,364,000, a 14% increase over 2017. The lottery is managed by an external lottery manager, Lottery Fundraising Services Ltd, a Gambling Commission accredited operator who work under the supervision of the Cornwall Air Ambulance Trust Senior Leadership Team (SLT). Their agents wear the Charity brand in the community, with lottery fundraising being regulated under both Gambling Commission laws and Fundraising Regulator Codes of Practice. The SLT hold quarterly compliance meetings with our lottery fundraising operator, and undertake reviews of their canvassing activities including the training of fundraisers engaged directly in communicating with the public. The Board of Trustees, and the board led Risk & Audit and Finance Committees scrutinise this fundraising activity and its reporting.

Cornwall Air Ambulance Trust actively encourages the public to consider leaving a gift in their Will and promotes legacy giving through a range of sensitive campaigns. The amount received via legacies increased from £946,780 in 2017 to £1,751.226 in 2018, an increase of 85%. This included an exceptional bequest of property which the charity was fortunate to be able to enhance with Planning Permission for development. The Trustees will recognise this very special individual gift with a permanent notice within the headquarters building.

The annual "Make a Will Week", held to coincide with the National Air Ambulance Week, ran from 10th to 16th September. Local solicitors across Cornwall helped promote the event and generously donated their fees in exchange for those who wanted to support the Charity whilst creating or updating their Will.

The Charity adheres to the very highest standards in donor care and fundraising compliance as set out in the Codes of Fundraising. We are registered with the Fundraising Regulator where we agree to ensure our fundraising is legal, open, honest and respectful. Our own Fundraising Promise outlines the commitment this Charity makes to donors and the public, and together with the Complaints Policy and the Communications and Privacy Policies, can be found on our website.



10

## Making it all Possible

## Marketing & Communications

During 2018 we strengthened our marketing and communications team which was necessary to deliver the internal and external activity needed to maintain and grow our brand awareness and promotions, particularly as we entered the first year of the New Heli Appeal. We also recognised the significant overlap between fundraising and marketing and improved our internal communications.

Crucially the marketing team support the organisation by promoting events and stories that illustrate the impact of our service for patients. their loved ones and the wider community. An important part of our work is reaching out and encouraging patients to share their story, sharing mission statistics and engaging the crew in activities.



Facebook likes 11647





1520

Instagram followers

Digital communications are now at the heart of our communication strategy. Social media is being used to communicate and engage with current and new supporters and this enables us to be more responsive than ever before. In August we launched our new supporter e-newsletter to keep our supporters informed between editions of Airtime magazine.

Our website is a vital window for promoting the organisation and we recognised the need to develop it further to create a more interactive experience for users. This resulted in some changes to the donate page, the shops pages and the addition of bespoke appeal pages and an e-newsletter sign-up option. We were pleased to see that our promotions to drive users to the website resulted in an increase in traffic of 11% across the whole site. Further improvements to enhance user experiences and digital interaction are a key area for 2019.

Much of the work behind the branding of the New Heli appeal took place in the first quarter of the year, The 'New Heli Appeal' was launched to the general public on the 24th April where we were able to share new marketing materials and key messages.

We were delighted that Cornwall and Devon Media, which operates the Cornwall Live website and publishes the West Briton, Cornish Guardian and Cornishman newspapers, became a media partner for the duration of the appeal and that other local press and media have helped to inspire support to the appeal.

Two integrated direct marketing campaigns were launched to support the New Heli Appeal, the first to coincide with the launch focused on the features and benefits of the new helicopter, the second "faces of the appeal" campaign used air lifted patients telling their story to appeal for support. For the first time the Charity invested carefully in advertising across strategic public places including Park and Ride's, doctors' surgeries, bus stops, billboards, petrol pumps and door graphics at the departure lounge at Newquay Airport. Company vehicles and shops were wrapped with New Heli Appeal graphics. Direct mail campaigns targeted new audiences and Airtime magazine and e-newsletters were sent to current supporters appealing for support for the New Heli Appeal.





Our regular three editions of Airtime Magazine were ssued with the Spring edition being dedicated to the launch of the New Heli Appeal. With a readership of approximately 30,000 we are able to thank supporters and keep them nformed about our work.

## **VOLUNTEERS**

Our work would not be possible without our "Groundcrew" volunteers who are fundamental in helping us increase awareness and supporting our work. At year end we had an incredible 223 volunteers who in total donated 42,913 hours. Based on the National Living Wage, this represents the equivalent of £336,008.

The role our Volunteers play is absolutely vital to the Charity. Their abilities include helping in one of our five shops, Ebay sales, activities, collecting jars across the county, helping at fundraising and HQ events, selling annual draw tickets and providing customer services to our reception.





It is important to us that our Volunteers feel very much part of the future of the Charity. We have hosted four Volunteer Forums and an annual Volunteer Satisfaction Survey was carried out helping to inform the Charity to help manage opportunities and expectations.

In March our volunteers celebrated the launch of the New Heli Appeal at a conference providing an opportunity for sharing information, knowledge and to meet staff and Trustees in preparation for a very busy year.



## Making it all Possible

## Retail

During 2018, the Charity decided to consolidate its retail foundations to five stores. After more than 10 years' presence in the town, the shop in Saltash was closed mid-year, at the conclusion of the lease term. The Charity would like to thank the local community, and especially the volunteers, who were sorry to see the store close.

Despite the closure of Saltash, annual income held up so like for like sales performance improved on 2017. The charity shops are a primary point of contact with the public, and the Trust is grateful to our customers, our charity shop volunteers and our store staff, for their hard work and especially for their dedication to the New Heli Appeal. The Charity invested in improvements to shop fronts, windows and till points, with marketing associated with the New Heli Appeal as well as messaging and information about the ongoing air ambulance service delivery.

During the year, the Charity tried very hard to find suitable premises to launch a new shop in Truro. Unfortunately, the charity had to be patient for the right premises to come to market, so the plans to open the shop were delayed until 2019.

Expenditure increased by almost 11% associated with shop closure costs and additional relief staff to improve resilience. Staffing costs generally have increased in this sector of fundraising, as charities move to adopt more professional retailing methods, with more paid staff to complement teams of volunteers compared to 10 years ago. The Charity considers that it is important to staff retail fundraising at correct levels, and this investment ensures standards of sales, quality management, health and safety and pastoral support for volunteers are maintained.

Net proceeds fell by almost 25% with the contribution to the cause from charity retailing reducing year on year since 2016. Profit as a percentage of income fell by 7% to 24% in the year and is tracking a trend of falling year on year. However, profits remain above the national average benchmark published in the Charity Shops Report 2018, of 19.3%. The Charity expects this trend to reverse in 2019, due to opening a flagship store in Truro, and the positive effects on quality of donations and sales arising from the New Heli Appeal.

Cornwall Air Ambulance reviewed the relationship between fund

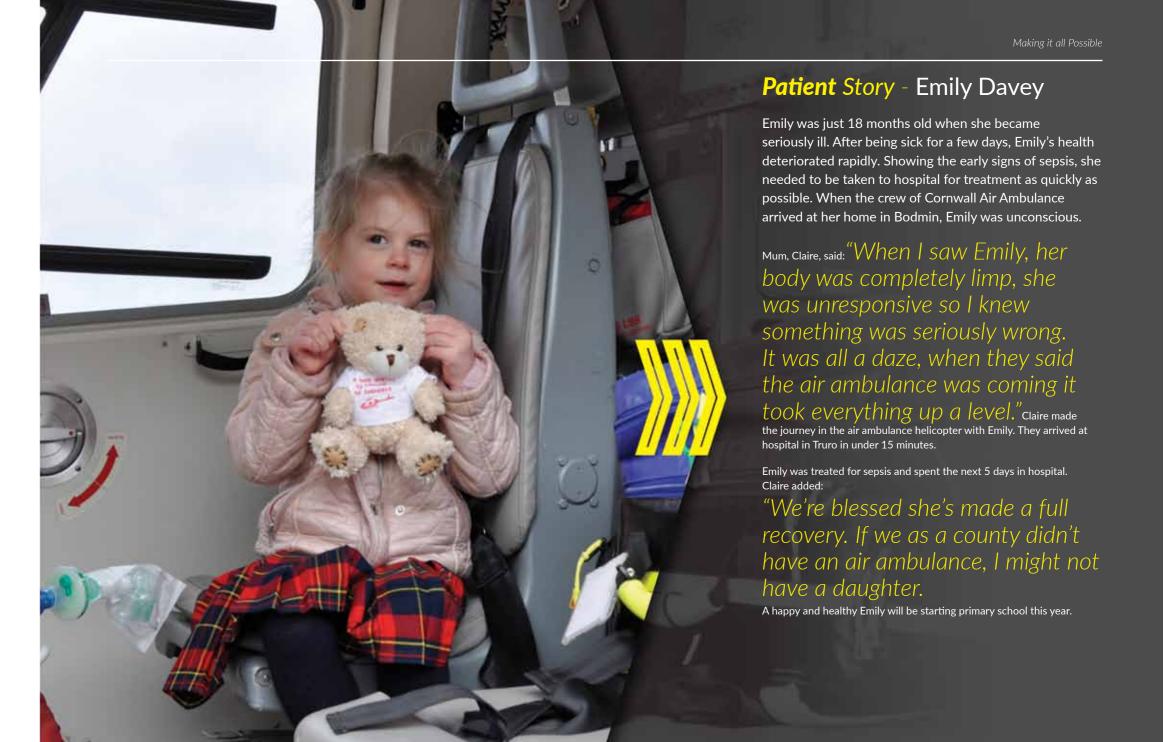
raising and retailing teams two years ago, as the Charity recognised the added value our shop staff and volunteers contribute to wider fundraising goals each year. The shop sales figures do not account for additional fundraising which the charity shop teams undertake, most especially their contribution to sales of annual draw tickets and other local in store events, and it is very important to acknowledge this. Nor do they recognise the marketing value of promoting capital appeals and revenue campaigns to the public, or communicating reach and impact statistics to supporters. Most importantly they do not recognise the wider social and environmental impacts, for example, providing excellence in volunteering opportunities and reducing loneliness, and reducing, re-using and recycling, and the reduction of perfectly saleable items going to landfill.

The Charity is cautious about introducing sales of bought in or upcycled goods. Both introduce significant cost of sales to the business model, crucially volunteers and customers appear to remain loyal to traditional charity shop values. Key consumer ingredients continue to be the desire to recycle old goods and clothes from the home, and a desire to shop for affordable goods and bargains, and we work hard to ensure Cornwall Air Ambulance shops give customers both opportunities.

The strategy has been to consolidate and improve performance of individual shops during a difficult period for charity retail which has seen widespread falling turnovers and profitability. This is much easier to do when the number of shops in the business is small, and the Charity now has the advantage of having a solid foundation upon which it can build. The Charity is modelling various options to achieve its strategic goals in charity retailing by 2022, and the plans for this will be published in 2019 as part of the overall organisation strategy. Some innovation in using technology, as well as expanding on line sales across a wider range of selling platforms and in terms of volume of sales will inevitably form a part of this.

The future of charity retailing is secure, and the Charity's shops have thrived, avoiding risks arising from market saturation, with too many charity shops in a community competing for premises, volunteers, donations and sales at the till, as well a competition from discount retailers. The Charity attributes this sound position to its staff and volunteers who contribute actively to the decision making at local and management level.





Plans for the Future

## Our Future Direction

The decision to purchase a new AW169 represented the culmination of objectives defined by the Board in the previous strategic period. The Trust has decided that the previously fixed five year strategic periods will be replaced with rolling 5 year plans, aligned to a vision stretching beyond this. Trustees believe this provides them with the flexibility and agility to move in a fast changing environment, whilst at the same time keeping the Board focussed on our charitable objectives and avoiding mission drift. The next phase in strategic direction will be published during 2019.



## New generation helicopter

The new generation AW169 air ambulance has been identified as the best platform to provide life saving services for communities across Cornwall and the Isles of Scilly. It's performance capability, additional space, interior configuration and digital/technical systems will enable the Charity to reach more patients



The new AW169 will be built in 2019, taking place alongside pilot and engineer training, with the new medical interior being fitted in early 2020. The charity plans to introduce the new air ambulance into service during April 2020, following a period of training for the remaining aircrew and familiarisation with the aircraft type.

# Operating Hours – reaching more patients over longer operating hours

Over the past 10 years Cornwall Air Ambulance has incrementally increased the operating hours of the helicopter, to the current 12 hours per day year round availability. However, clear data has emerged which indicates there is unmet patient need across Cornwall, and the Charity is working on plans to extend the helicopter operating hours again, to at least 19 hours per day year round. This would mean night flying activity until 0200 hours, maximising the capability of flying in hours of darkness year round, not just in the winter months.

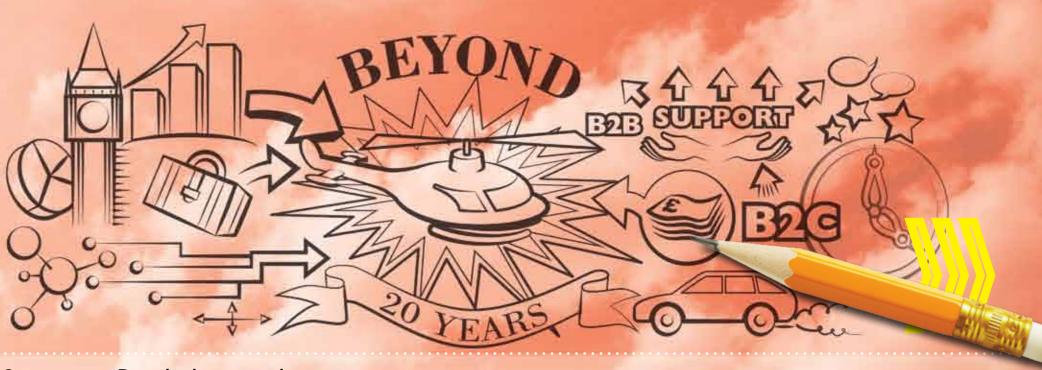
## **Use of Critical Care Cars**

During 2017 and 2018 the charity has trialled the use of Critical Care Cars to supplement the helicopter as a response to scene platform. Whilst the cars cannot be used to convey a patient to hospital, they can facilitate reaching a seriously sick or injured patient on blue lights, during hours when the helicopter does not operate, for reasons relating to operating hours, very poor weather or mechanical service.

The data available to the Charity during the past two years, specifically the demand profile and types of incident occurring at different times of the day, has informed strategic planning and in the future it is likely the response cars will only be used to provide a back up service in the event of the helicopter being offline due to weather, or short term to cover unplanned engineering.

## Patient Liaison Nurse

In the very near future, the Charity plans to employ a Patient Liaison Nurse (PLN), to support improvements in data collection, and strengthen the professional connections between the receiving hospitals and the clinical team at Cornwall Air Ambulance, and to help them achieve high standards in clinical governance. The PLN will also be the conduit in the the relationship with the patient and their families, and crucially help signpost families affected by the consequences of serious illness or trauma to other agencies who can help them move forward. Importantly the PLN will also connect with bereaved families, as part of the process to help them come to terms with the loss of someone close. The appointment of this post follows the successful introduction of this key role in other air ambulance charities, as part of the delivery of charitable objects.



## Strategy to Reach these goals

The acquisition of a new helicopter is the culmination of a long term strategic plan and will see the air operations of the Charity secured and future proofed for the next 20 years. The aircraft ownership model represents a step change in the financial and operating decision making and maturity of the Charity, and in 2018 the Trustees and Senior Leadership Team built on the initial modelling to ensure the plans for "Beyond Appeal" are in place.

In the short term, Trustees may consider the temporary use of some of the free reserves, which remains one option available to them to finance any short-term bridging or gap funding at the point the air ambulance helicopter bulk payment becomes due to the Original Equipment Manufacturer (OEM), Leonardo Helicopters.

While the new helicopter provides a platform for future development, 2019 will focus on defining the long-term strategy for clinical and operational capabilities to prove benefit to more patients and under

stand/improve patient outcomes and maximise the opportunity afforded by the new asset.

For the past three years, the Charity has been steadily increasing its revenue, increasing the return on fundraising investment, diversifying income generation, and developing the team to deliver the financial stability to underpin the future expansion in operations and service delivery. This work, specifically growing the supporter base, increasing reach and giving, remains an ongoing part of our strategic plans which will continue in 2019 and beyond, in line with forecasts and affordability projections and careful financial planning. The plans to increase the reach and engagement with new supporters includes specific campaigns in the tourism sector, both B2B and B2C, and the strong connection between Cornwall and London, and Cornish Associations around the world. In the short term the charity will invest into securing a larger slice of the regular supporter market place in Cornwall, which has high up-front costs, but has a longer return on investment, adding to sustainable income.

The Charity is increasing its investment into the use of digital technology, whether in operational systems, data capture and analysis, fundraising tools or gaining back office efficiencies. This is a real challenge for a small local charity, and it is unlikely that Cornwall Air Ambulance will innovate, more likely that we will follow solutions developed, trialled and taken to market by national charities, and which in time become affordable to adopt.

Trustees are cognisant of the balance to be struck between managing risk and innovating, and of having ambitious goals whilst being prudent with charity funds. Over the past 10 years, the Board of Trustees has adopted a self-regulating policy, of accepting only one very material risk at a time, associated with the strategic development of how Cornwall Air Ambulance delivers its charitable objects, and this has proved to be a sound methodology which has given both the Board and the Senior Leadership Team confidence as they work on the next phase.

16 Cornwall Air Ambulance Annual Report 2018

## Key Performance Indicators

Key Financial Performance Indicators (KPI's) are a measurable values that demonstrate how effectively we are performing.

As part of our monthly Management Accounts, we measure and monitor the pounds raised per employee and the percentage relating to our Charitable Objects. This enables Trustees to understand in real time the performance or contribution of each activity.

In addition, the Charity Retail Association collect and publish retail KPIs which enable the Charity Shops to be benchmarked against other similar retail KPI's and other performance of Charity Shops. This information is then used to help assess how our Charity Retail Shops meet the targets and expectations of the Board in terms of Return On Investment. It also assists in measuring how well they perform as a contribution towards our cause.

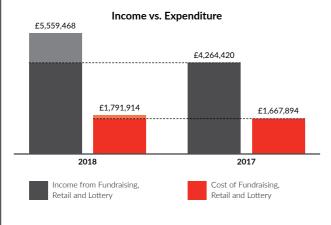
Annually, we monitor the overall performance for the year, especially the percentage of funds committed direct to the cause, including funds set aside for reserves and the designated helicopter replacement fund.

**WE ACTIVELY MONITOR** THE POUNDS RAISED PER EMPLOYEE

## Performance Review

In 2018, the Charity has achieved a strong financial performance which has delivered a 30% growth in main income streams including Fundraising, Legacies and the Lottery. This has been achieved with only a 7% growth in costs for these areas. This growth represents a return on investment of over **3:1** which is again an improvement on the 2.5:1 ROI delivered in 2017.

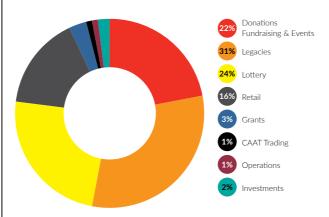
#### **30%** RFAL TERMS GROWTH IN INCOME ONLY 7% GROWTH IN COSTS



#### Income

The launch of the New Helicopter Appeal in April 2018 has been a significant contributor and catalyst to achieving this growth income together with a higher than predicted legacy income which contributed £1.7M an increase of £800K from 2017.

Retail income has fallen to £903K (-10%) which is attributable to the closure of the Saltash Charity shop. However, the Charity Lottery continues to grow with the number of players increased by 10% which has resulted in an income of £1,364K (14% growth from 2017).

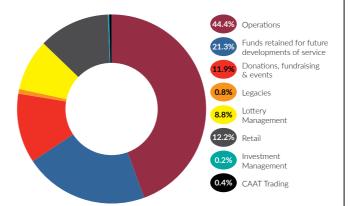


The overall costs of raising funds was £1.805K which represents an 8% increase. This includes the costs to launch the New Helicopter Appeal and given the associated growth in income this represents a good value investment.

#### Financial Policies Expenditure

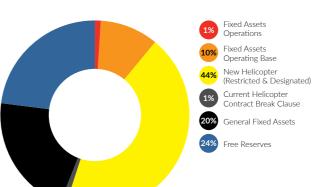
The Charity remains focused on efficient expenditure with a clear focus on delivering the Charity's objectives. To that end, over 65% of our expenditure has been used to support our aviation and clinical operations or has been retained to support our future development including the acquisition of the new AW169 Helicopter which is planned for 2020.

Our direct operating costs for the helicopter and our clinical services were £2,513K (up 15% from 2017). These costs are directly attributable to the increased number of missions undertaken in the aircraft and the extended hours of the Critical Care Car service.



## Reserves Policy

The Trustees have established a Reserves Policy to ensure the continuation of the air ambulance service in the event of a shortfall of income over expenditure in any one year or if a major funding stream stops abruptly. The reserve levels have been set to be sufficient to cover day-to-day activities, cover unplanned emergency repairs and respond to change and opportunity.



The free reserves of £2.570K is inline with the agreed reserves policy.

The reserves policy is formally reviewed by the Trustees each year and account is taken of the Charity Commission guidance (CC19) on reserves.

Having taken account of the risk analysis, primarily financial and operational, the extent of the contractual commitments for the outsourced helicopter services and the need to meet new challenges associated with the procurement of the new helicopter. the Trustees concluded that a minimum of £2.5M free reserves should be maintained with a tolerance between £2m and £2.5m for short periods to support cash flow for significant capital projects.

At the end of 2018, our total funds amounted to £10.7M of which:

#### **Funds & Reserves**

Restricted	Fixed Assets - Operations	£	67,537.00
Restricted	Fixed Assets - Operating Base	£	1,097,006.00
Restricted & Designated	New Helicopter (Restricted & Designated)	£	4,689,118.00
Designated	Current Helicopter Contract Break Clause	£	92,312.00
General	General Fixed Assets	£	2,159,515.00
	Free Reserves	£	2,570,479.00
TOTAL		£	10,675,967.00

## Trading Subsidiary

The Charity's trading subsidiary continued its activities in 2018 focussed on non-primary purpose activities including the commercial sponsorship activities. The activity of CAAT Trading has reduced in 2018 following the decision to undertake events sponsorship through the Charity. The trading company delivered an operating profit of £32K which was donated to the Charity.

## Financial Health/ Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

#### Funds Held as Custodian

There are no funds held by the Charity on behalf of another charity or project.

## Material Investments Policy

The Charity's investment powers are governed by the Charity's Articles of Association and permit the Charity's funds to be invested in a wide range of assets. The Board of Trustees is responsible for setting the investment policy and has delegated the ongoing monitoring to a sub-committee, while Quilter Cheviot provide discretionary investment and cash management services to the Charity. The Charity's policy remains to instruct their advisers to operate within medium risk parameters to secure reasonable investment income and sustain moderate capital growth.

The Charity held investments at 31 December 2018 with a market value of £2,625,934 (2017: £2,721,991). This reflects an unrealised loss in the portfolio value of £96,057 due to the continued uncertainty in the financial market exacerbated by Brexit. The market value of the charity's investment is expected to improve in 2019 although the Trustees are aware that investment values can go down as well as up but they assess that values will increase in the longer term.

The investments are held as the major element of the Charity's free reserves. Income from the portfolio is paid into the Charity's bank account on a quarterly basis. In 2018 the total income generated was £91,660 (2017: £52,488).

The Charity also holds deposits of £4,2376,984, which are held at UK regulated banks. These deposits include €2,584,506 (Euros) which have been purchased to support the procurement of the AW169 helicopter which will be paid for in Euros. These purchases have been made to help mitigate exchange rate volatility which could affect the overall helicopter price.

#### Constitution

The Charity and the group is registered as a charitable company limited by guarantee and was set up by a Memorandum & Articles of Association on 24 November 2009 and is a registered charity number 1133295 and company number 07085879.



#### Organisational Structure & Decision Making

In the spring of 2018, the Organisation Development Plans referred to in the 2017 Annual Report were completed in readiness for the launch of the New Heli Appeal. Mid-year, the role of Finance Director was replaced with the role of Chief Operating Officer with responsibility for finance. The Charity has a fully developed organisational structure comprising a Senior Leadership Team (3), a Management Team, (5) and teams delivering work in the areas of finance, fundraising, volunteering, marketing and communications, retail fundraising and support for operations.

Cornwall Air Ambulance Trust is committed to on-going programmes of training and development for individuals and teams. This includes training for our volunteers where appropriate to help keep people safe and to perform their role effectively. Training and development provided in the year included:

- Specialist courses for fundraisers provided by the Institute of Fundraising and the NCVO.
- Strategic development in digital transformation.
- Reducing the risk of cyber attack and breaches of security.
- New Data Protection legislation and how to apply new policies and regulation.
- Development of emerging leaders, with local ILM accredited courses provided by Colleges in Cornwall and leadership courses with NCVO.
- Management and stewardship of volunteers, to support our Investing in Volunteers Accreditation.
- The application of Gift Aid and retail gift aid and tax law.
- Leadership skills, with the NCVO.
- Mental health and wellbeing and resilience.
- Society Lottery Governance, Gambling Commission Regulation.
- Health and safety, risk assessments and event management

Where possible the charity seeks grant funding or subsidised opportunities to support training activities.

During 2018 the Charity made changes to its Governing Documents to enable individual Trustees to remain on the Board beyond nine years. The Board recognises this goes beyond the recommendations set out in the Charity Governance Code, however robust procedures

to effect additional single year terms have been adopted, where the remaining Trustees believe it is in the best interests of Cornwall Air Ambulance Trust that a Trustee can remain in post for a further year.

A schedule of delegated authority, set by the Board of Trustees, governs the extent to which policy decisions, contracts, purchasing, salaries, payments and other key business decisions can be made by the Senior Leadership Team and Managers, including controls for very high level decisions around cash management and investments where the Board itself has ultimate control.

Cornwall Air Ambulance Trading Limited, is a wholly owned Trading Subsidiary of the main Charity, (Company Number: 10227352) and the Directors of that company are comprised of the Chief Executive, the Chief Operating Officer (Company Secretary) and the Chair of the Finance Committee. Trustees have considered the requirement for an independent Director of the Trading Company but while the trading activity remains minimal the Directors will remain as currently appointed. The Directors of the Trading Subsidiary are clear on the requirement to act in the interests of the Company when making decisions.

Cornwall Air Ambulance Trust has three non-executive led committees. During the year a fourth non executive committee was Chaired by a Trustee while the charity completed its new policy work to support changes in Data Protection Law.

Finance

- Nominations and Remuneration
- Risk and Audit
- Information Governance

In addition the Executive Team has three committees meeting at regular intervals relating to the following activities:

- Operations
- Fundraising
   Human Resources















#### Election of Trustees

It is the Trustees' aim to ensure that an appropriate mix of skills and experience is maintained on the Board of Trustees. Potential Trustees are invited to apply through open recruitment processes, and are interviewed by external non-executive recruitment specialists and a Committee of the Board who assess their suitability. During the year, the trustees made changes to their Governing Document relating to the reappointment of Trustees completing their third term of service. This amendment, approved by the Charity Commission, permits a Director (Trustee) who has served 9 years, to be re-elected on an annual basis provided their re-election has the full support of the remainder of the Board. This change to the Governing Document was made to provide full flexibility, and reduce the risk of losing a Director with key expertise at the wrong moment during evolving strategy.

Dr Nick Clark stood down from the Board at the AGM on 4th July, and Ben Mark and Simon Carr joined the Board on 13th December 2018. (A further three new Directors are to be appointed in 2019, to provide succession planning and continuity in decision making, and to provide support for new Trustees in building their understanding of the Charity).

## Policies Adopted for the Induction & Training of Trustees

The Charity provides a full induction programme for new Trustees. This includes providing Trustees with an organisation e mail address, a tablet with encrypted hard drives providing access to a suite of files including the Trustee handbook. From time to time each Trustee can attend training and trustees networking events, days covering aspects of Governance and trustee responsibilities including training with Civil Society/NCVO in London and locally based experts in the Charity Sector.

## Risk Management

The Trustees have assessed the major risks to which the Charity and the group is exposed, in particular those related to the operations and finances of the Charity and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Cornwall Air Ambulance Trust operates a Board level Risk & Audit Committee, which meets four times a year and reports into the Board of Trustees. Risk management is a fundamental element of

the Charity's business strategy on all levels and encompasses different types of risk. It is therefore an integral part of the business planning and controlling processes.

The Committee has responsibility for ensuring the adequacy of risk management, internal control and governance arrangements and the implementation of strategic plans and policies of the Charity. It is also responsible for reviewing the integrity of the annual report and financial statements.

Following the annual review of risks and uncertainties, the major risks currently facing the charity have been identified as:

Risk	Mitigating Action
Failure to sustain income levels beyond the end of the New Helicopter Appeal.	The charity is developing a long term strategy plan to provide focus on increasing income levels.
	Between 2019 and 2022 strategic marketing and campaigns will be undertaken aimed at increasing charity supporter base, finding new donors, increasing income generation with the priority on opportunity revenue streams such as the lottery.
Managing exchange Rate volatility and exposure to the ultimate cost of the new helicopter at the due date of the final payments in June and December 2019.	The charity has already purchased €2.6M and committed to a forward contract for €1.2M. During 2019, the charity will work with expert advisers to to track currency markets to inform timing of purchases to help mitigate this ongoing market volatility.
Failure to raise sufficient funds from the New Helicopter Appeal to meet capital costs of the new helicopter.	The investment in the Appeal, together with a strong start to the campaign have reduced this risk. However, the Trustees have agreed to review the appeal progress in summer 2019 which will provide sufficient time to secure any additional borrowing or drawdown on the free reserves prior to the final aircraft payment in December 2019.

All risks identified by the Charity, including the above major risks, are continuously monitored and significant management time is invested in mitigating these risks to minimise the probability of occurrence and potential impact on the Charity if they were to occur.



## Policies

## Pay 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. 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's remuneration policy aims to ensure 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 charity sector locally and regionally. Approximately every two to three years, the Charity commissions external expert advice relating to pay.

Attracting talented experts in some areas of the Charity team has proved difficult at times, since Cornwall has traditionally had lower salaries than in other parts of the UK. Sometimes market forces have influenced the pay the Charity has to offer to key staff, and this is not exclusive to senior staff. For example, pay for drivers of commercial vehicles is competitive, given the volume of goods traffic which transits to the county from other part of the UK.

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

## Senior Executive Pay Disclosure

The Charity acknowledges the recommendations of the Report of the Inquiry into Charity Senior Executive Pay and Guidance for Trustees on Setting Remuneration by the UK National Council for Voluntary Organisations (NCVO). The inquiry advocates greater transparency and the Charity recognises and accepts those recommendations. As a result, the Charity provides details of the number of staff whose remuneration is £60,000 or more, in salary bands of £10,000, publishes its Pay Policy and utilises ratios to help determine senior executive pay.

The requirements to ensure the Charity executive leadership is formed of the best people to lead the organisation and deliver future strategic plans is considered by the Board to be an essential ingredient of good governance.

The Charity is committed to openness and transparency on senior pay and will continue to keep this under review.

#### Data Protection

The introduction of General Data Protection Regulations (GDPR) in May 2018 led the way for us to ensure we are compliant with the law when it comes to communicating with our supporters. We implemented new policies relating to communication preferences and privacy, security measures and guidance to our staff, volunteers and supporters on how we use personal data. This work was the culmination of a Trustee led information governance committee.



## Cornwall Air Ambulance Trust (a company limited by guarantee)

## Trustees:

Mr I Brackenbury .. Vice Chair Mr S A Carr... . (appointed 13 December 2018) Dr N A W Clark. . (resigned 4 July 2018) Mr R Cowie. .. Chair of Finance Committee Mr B S Mark. . (appointed 13 December 2018) Mr H Orchard Mr C C Pomfret . Chair of Risk & Audit Committee Mrs S L Pryce.. .. Chair Mrs B Sharples. . Chair of the Appeal Board Mrs E Winser

## Company details:

Company Registered Number: ..... 07085879

Charity Registered Number: ...... 1133295

Registered Office....... Cornwall Air Ambulance Trust

Trevithick Downs

Newquay · Cornwall

TR8 4DY

Company Secretary...... Mr S Murdoch

## Senior Management team:

Paula Martin	. Chief Executive
Steve Murdoch	. Chief Operating Office
Jackie Southon,	. Fundraising Director

## Independent Auditors

Bishop Fleming LLP...... Chartered Accountants
Statutory Auditors
Chy Nyvero
Newham Road
Truro · Cornwall
TR1 2DP

## Bankers

## Legal Advisers

## Investment Managers

Quilter Cheviot	One Kingsway
	London
	WC2B 6AN
HSBC Global Asset	
Management	8 Canada Street
	London
	E14 5HQ

## Trustees' Responsibilities Statement

The Trustees (who are also directors of Cornwall Air Ambulance Trust for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Disclosure of Information to Auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

## **Auditors**

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees, on 31st July 2019 and signed on their behalf by:



# 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' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

# Matters on which we are required to report by exception

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

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

- the parent Charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Charity 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Group Strategic Report.

## Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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.

# Auditors' responsibilties for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Auditors' report.

## Use of 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, and to the charitable company's Trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Alison Oliver** FCA (Senior statutory auditor) for and on behalf of

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Chy Nyverow
Newham Road
Truro · Cornwall
TR1 2DP

Date: **31st July 2019** 

Bishop Fleming LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

24

## Cornwall Air Ambulance Trust (a company limited by guarantee)

Consolidated statement of financial activities incorporating income and expenditure account for the year ended 31 December 2018

	Note	Unrestricted funds 2018	Restricted funds 2018 £	Capital Restricted funds 2018 £	Total funds 2018 £	Total funds Restated 2017 £
Income from:						
Donations & Legacies	2	3,910,437	440,304	-	4,350,741	3,134,911
Charitable Activities	3	64,750	-	177,381	242,131	52,625
Other Trading Activities	4	966,596	-	-	966,596	1,076,884
Investments	5	91,660	-	-	91,660	59,181
Other Income	7	11,737	-	-	11,737	27,195
Total Income		5,045,180	440,304	177,381	5,662,865	4,350,796
Expenditure on:						
Raising funds:						
Voluntary income	8	1,678,596	111,686	15,672	1,805,954	1,676,088
Charitable Activities	9, 12	2,445,022	-	68,545	2,513,567	2,189,174
Total Expendito	ure	4,123,618	111,686	84,217	4,319,521	3,865,262

Note	Unrestricted funds 2018	Restricted funds 2018 £	Capital Restricted funds 2018 £	Total funds 2018 £	Total funds Restated 2017 £
Net income before investment Gains/ (Losses):	921,562	328,618	93,164	1,343,344	485,534
Net gains/(losses) on investments	(137,813)	-	-	(137,813)	215,673
Net income before transfers	783,749	328,618	93,164	1,205,531	701,207
Transfers 23 between Funds	-	(2,000)	2,000	-	-
Net income before other recognised gains and losses	783,749	326,618	95,164	1,205,531	701,207
Net movement in funds	783,749	326,618	95,164	1,205,531	701,207
Reconciliation of funds					
Total funds brought forward	8,236,557	18,655	1,215,224	9,470,436	8,769,229
Total funds carried forwards	9,020,306	345,273	1,310,388	10,675,967	9,470,436

## Consolidated balance sheet as at 31 December 2018

	Note	2018 £	£	2017 £	£
Fixed assets:					
Intangible Assets	16		70,432		107,179
Tangible Assets	17		3,469,903		3,173,636
Investments	18		2,625,934		2,721,991
			6,166,269		6,002,806
Current assets:					
Stocks	19	410,618		11,848	
Debtors	20	391,600		276,186	
Investments	21	-		550,127	
Cash at bank and in hand		4,237,984		3,182,329	
		5,040,202		4,020,490	
Creditors:					
Amounts falling due within one year	22	(530,504)		(552,860)	
Net Current Assets:			4,509,698		3,467,630
Net Assets			10,675,967		9,470,436

	Note	2018 £	£	2017 £	£
Charity Funds:					
Restricted Funds	23	345,273		18,655	
Capital Restricted Funds	23	1,310,388		1,215,224	
Total Restricted Funds			1,655,661		1,233,879
Unrestricted Funds	23		9,020,306		8,236,557
Total Funds			10,675,967		9,470,436

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 31st July 2019 and signed on their behalf, by:

Mrs S L Pryce - Chairman

Mr I Brackenbury - Vice Chairman

1212.

Mr R Cowie - Trustee

The notes on pages 30 to 39 form part of these financial statements.

The notes on pages 33 to 39 form part of these financial statements.

## Cornwall Air Ambulance Trust (a company limited by guarantee)

Charity balance sheet as at 31 December 2018

	Note	2018 £	£	2017 £	£
Fixed assets:					
Intangible Assets	16		70,432		107,179
Tangible Assets	17		3,469,903		3,173,636
Investments	18		2,625,935		2,721,992
Current assets:			6,166,270		6,002,807
Current assets:					
Stocks	19	410,618		11,848	
Debtors	20	423,904		326,533	
Investments	21	-		550,127	
Cash at bank and in hand		4,194,756		3,125,349	
		5,029,278		4,013,857	
Creditors:					
Amounts falling due within one year	22	(519,581)		(546,228)	
Net Current Assets:			4,509,697		3,467,629
Net Assets			10,675,967		9,470,436

Note	2018 £ £	2017 £ £
Charity Funds:		
Restricted Funds	345,273	1,233,879
Capital Restricted Funds	1,310,388	1,215,224
Total Restricted Funds	1,655,661	2,449,103
Unrestricted Funds	9,020,306	7,021,333
Total Funds	10,675,967	9,470,436

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on **31st July 2019** and signed on their behalf, by:

Mrs S L Pryce - Chairman

Mr R Cowie - Trustee

Mr I Brackenbury - Vice Chairman

PRES

The notes on pages 33 to 60 form part of these financial statements.

# Consolidated statement of cash flows for the year eneded 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	25	994,663	770,613
Cash flows from investing activities:			
Interest and rents from investments		91,660	59,181
Proceeds from the sale of tangible fixed assets		1,000	3,100
Purchase of tangible fixed assets		(540,039)	(39,640)
Proceeds from sale of investments		459,523	2,709,881
Purchase of investments		(501,279)	(2,627,138)
Net cash (used in)/provided by investing activities:		(489,135)	105,384
Change in cash and cash equivalents in the year:		505,528	875,997
Cash and cash equivalents brought forward		3,732,456	2,856,459
Cash and cash equivalents carried forward	26	4,237,984	3,732,456

The notes on pages 33 to 60 form part of these financial statements.

# Charity cash flow statement for the year eneded 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	25	1,008,415	713,633
Cash flows from investing activities:			
Dividends, interest and rents from investments		91,660	59,181
Proceeds from the sale of tangible fixed assets		1,000	3,100
Purchase of tangible fixed assets		(540,039)	(39,640)
Proceeds from sale of investments		459,523	2,709,881
Purchase of investments		(501,279)	(2,627,138
Net cash (used in)/provided by investing activities:		(489,135)	105,384
Change in cash and cash equivalents in the year:		519,280	819,017
Cash and cash equivalents brought forward		3,675,476	2,856,459
Cash and cash equivalents carried forward	26	4,194,756	3,675,476

The notes on pages 33 to 60 form part of these financial statements.

## Cornwall Air Ambulance Trust (a company limited by guarantee)

## Notes to the financial statements for the year ended 31 December 2018

#### 1. ACCOUNTING POLICIES

#### 1a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006.

#### 1b. **COMPANY STATUS**

The Charity is a company limited by guarantee incorporated in England. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

#### 1c. GOING CONCERN

In common with many charities operating in the current economic climate Cornwall Air Ambulance is subject to potential fluctuations in income generation streams. Consequently, the fundraising team is focused on building long term relationships with the Cornish community and the donor base. The breadth of income generation across legacies, fundraising events, individual and community donations, retail shops, and the lottery provides a strong basis for the future. The Trustees are not aware of any reason why they should not continue to adopt the going concern basis of accounting.

## 1d. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trustees have concluded that the only significant judgement and critical accounting estimate and assumptions is the recognition of legacy income as detailed below:

#### Critical areas of judgement: Legacy Income

The Charity recognises income in line with accounting policy 1.5. The Charity recognises it must apply judgement to all but the simplest of legacies that it is notified of, to determine whether or not the recognition criteria for income have been met on a case by case basis. Issues such as complicated estate administration,

delays in clearance from HM Revenue & Customs and uncertain valuation (where the Charity has been bequeathed shares or property for instance) are considered when determining what legacies are recognised and at what value they are recognised in the accounts as accrued income.

#### 1e. INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income generated by the subsidiary is recognised in respect of goods and services supplied during the year, exclusive of trade discounts and Value Added Tax.

#### 1f. EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in the notes to the accounts. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in generating voluntary income, trading income and investment income.

Charitable activities and Governance costs are costs incurred on the provision of the air ambulance service, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1g. BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Cornwall Air Ambulance Trust and all of its subsidiary undertakings ('subsidiaries').

The Charity has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account.

#### 1h. INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following basis:

Lottery goodwill & database - over 6 years

#### 1i. TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated statement of financial activities incorporating the Income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land - no depreciation is charged

Operations facility - over 50 years

Short leasehold - over 10 years improvements

Motor vehicles - 25% per annum on the reducing

Shop fixtures - over 3 years and fittings

• Equipment over 3 or 5 years as appro

over 3 or 5 years as appropriate (including -Aircraft specialist equipment)

Assets under - not depreciated until asset is in use

construction

balance method

#### 1j. INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Consolidated statement of financial activities incorporating the Income and expenditure account.

#### Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

#### 1k. INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

#### 11. OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

#### 1m. STOCKS

Stocks consist of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slowmoving stocks.

#### 1n. DEBTORS

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

#### 1o. CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Other short term deposits are current asset investments that are readily convertible into cash at or close to their carrying amount. These are included as liquid resources in the cash flow statement.

#### 1p. LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the

provision is based on the present value of those amounts, discounted at the pretax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### 1q. FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### 1r. FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date, which the Charity deemed as £0.90 to 1 Euro.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated statement of financial activities incorporating the Income and expenditure account.

#### 1s. PENSIONS

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

#### 1t. FUND ACCOUNTING

General funds are unrestricted funds which 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 costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

#### 1u. TAXATION

The charity is exempt from tax on income and gains falling within section 478, 486 and 488 CTA 2010 and s256 TCGA 1992 to the extent that these are applied to its charitable objects. There was no UK Corporation Tax payable by Cornwall Air Ambulance Trust in 2017 or 2016.

# 1,105 TOTAL MISSIONS IN 2018



2018

2017

## Cornwall Air Ambulance Trust (a company limited by guarantee)

Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018	Restricted funds 2018	Total funds 2018	Total funds Restated 2017
Donations & fundraising	778,115	440,304	1,218,459	947,155
Grants	17,056	-	17,056	45,798
Legacies	1,751,226	-	1,751,226	946,780
Lottery donations	1,364,000	-	1,364,000	1,195,178
Total donations and legacies	3,910,437	440,304	4,350,741	3,134,911
Total 2017	3,134,911	-	3,134,911	

#### **INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2018	Restricted funds 2018	Total funds 2018	Total funds Restated 2017
Air Ambulance Service Delivery	64,750	177,381	242,131	52,625
Total 2017	50,625	2,000	52,625	

#### 4. FUNDRAISING INCOME

	Unrestricted funds 2018	Restricted funds 2018	Total funds 2018	Total funds Restated 2017
Charity shop sales & other income	902,933	-	902,933	1,002,366
Income generated by subsidiary	63,663	-	63,663	74,518
	966,596	-	966,596	1,076,884
Total 2017	1,076,884	-	1,076,884	

#### INVESTMENT INCOME

	Unrestricted funds 2018	Restricted funds 2018	Total funds 2018	Total funds Restated 2017
Investment income	91,660	-	91,660	59,181
Total 2017	59,181	-	59,181	

#### 6. ANALYSIS OF EXPENDITURE

	Activities undertaken directly 2018	Support Costs 2018	Total 2018	Total 2017
Cost of raising funds				
Donations, fundraising & events	-	538,643	538,643	436,613
Legacies	-	44,512	44,512	24,695
Lottery management & development costs	-	498,900	498,900	511,677
Retail expenses & purchases for resale	-	688,628	688,628	671,488
Investment management costs	-	14,040	14,040	8,194
Expenditure incurred by subsidiary	-	21,231	21,231	23,421
Sub Total	-	1,805,954	1,805,954	1,676,088
Charitable activities				
Air Ambulance Service	1,795,599	717,968	2,513,567	2,189,174
Total	1,795,599	2,523,922	4,319,521	3,865,262

#### 7. OTHER INCOMING RESOURCES

	Unrestricted funds 2018	Restricted funds 2018	Total funds 2018	Total funds Restated 2017
Exchange rate movements	11,737	-	11,737	27,195
Total 2017	27,195	-	27,195	

#### 8. COSTS OF RAISING FUNDS

	Unrestricted funds 2018	Restricted funds 2018	Total funds 2018	Total funds Restated 2017
Donations, fundraising & events	419,250	119,393	538,643	436,613
Legacies	43,227	1,285	44,512	24,695
Lottery management & development costs	497,615	1,285	498,900	511,677
Retail expenses & purchases for resale	683,233	5,395	688,628	671,488
Investment management costs	14,040	-	14,040	8,194
Expenditure incurred by subsidiary	21,231	-	21,231	23,421
	1,678,596	127,358	1,805,954	1,676,088
Total 2017	1,665,189	10,899	1,676,088	

#### 9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2018	Restricted funds 2018	Total funds 2018	Total funds Restated 2017
Provision of air, ambulance service	2,422,891	68,545	2,491,436	2,170,884
Total 2017	2,084,471	86,413	2,170,884	

#### 10. DIRECT COSTS 12. GOVERNANCE COSTS

	Air Ambulance Service	Total 2018	Total 2017		Unrestricted funds 2018	Restricted funds 2018	Total funds 2018	Total funds Restated 2017
Service delivery costs	<b>2,058,557 2,058,557</b> 1,833,106		Auditors' remuneration	18.008	-	18,008	17,420	
Total 2017	1,833,1061	1,833,106		Other expenses	4,123	-	4,123	870
					22 131	_	22 131	18 290

#### 11. SUPPORT COSTS

	Charitable activities £	fundraising & events £	Legacies £	management & development costs £	& purchases for resale £	management costs £	Trading subsidiary £	2018 £	2017 £
Wages & Salaries	222,012	364,932	17,438	15,251	384,209	-	-	1,003,842	756,946
Lottery management company costs	-	-	-	348,380	-	-	-	348,380	375,335
Lottery development & running costs	-	-	-	79,977	-	-	-	79,9773	77,774
Charity shop premises costs	-	-	-	-	175,671	-	-	175,671	178,229
Investment management costs	-	-	-	-	-	14,040	-	14,040	8,194
Other support costs	495,956	173,711	27,074	55,292	128,748	-	21,231	902,012	635,678
Total	717,968	538,643	44,512	498,9003	688,628	14,040	21,231	2,523,922	2,032,156

Support costs have been allocated based on the proportion of time spent on the different activities by staff. Governance costs are included within other support costs, and disclosed separately within Note 11.

#### 13. **NET INCOME/(EXPENDITURE)**

This is stated after charging:	2018 £	2017 £		2018 £	2017 £
Depreciation of tangible fixed assets: owned by the charitable group	241,883	237,204	Auditors' remuneration other services	7,008	10,920
Loss / (Gain) on disposal of tangible fixed assets	889	111	Foreign exchange rate gains	11,737	27,195
Amortisation of intangible fixed assets	36,747	36,748	Operating lease rentals	124,571	126,571
Auditors' remuneration audit	11,000	7,550			

During the year, no Trustees received any remuneration (2017: £NIL). During the year, no Trustees received any benefits in kind (2017: £NIL). During the year, no Trustees (2017: one) received reimbursement of expenses totalling £Nil (2017: £86).

#### 14. AUDITORS' REMUNERATION

The Auditors' remuneration amounts to an audit fee in respect of the charity's annual accounts of £11,000 (2017 £7,550), and fees in respect of other services of £7,008 (2017 £10,920) and is included within other support costs in the support cost note. Audit fees in respect of auditing the accounts of the subsidiary of the charity amounted to £3,470 (2017: £1,050).

#### 15. **STAFF COSTS**

Staff costs were as follows:

	1 002 042	75/04/
Auditors' remuneration audit	11,000	7,550
Other pension costs	23,974	12,377
Social security costs	73,695	54,103
Wages and salaries	906,173	690,466
	£	£

Included within wages and salaries are termination payments totalling £17,394 (2017: £6,435). Of these termination payments, £15,000 was an ex gratia payment to a former employee for compensation of loss of employment following restructuring undertaken. The trustees' approved the payment on 25 January 2018.

The average number of persons employed by the Charity during the year was as follows:

	2018 No.	2017 No.
Average headcount expressed as a full time equivalent:	40	34
Marketing	3	2
Senior Leadership Team	3	3
Administration	5	4
Fundraising	9	7
Volunteer Department	1	1
Charity Shops	15	14
The number of higher paid employees was:	36 2018 No.	31 2017 No.
In the band £60,001 £70,000	0	1
In the band £70,001 £80,000	1	0

The Trust considered its key management personnel in the year to comprise the Trustees, the Chief Executive, the Fundraising Director and the Chief Operating Officer (previously Finance and Operations Director).

The total employment benefits including employer pension contributions of the key management personnel were £187,093 (2017: 188,788).

## Cornwall Air Ambulance Trust (a company limited by guarantee)

Notes to the financial statements for the year ended 31 December 2018 (continued)

#### 16. INTANGIBLE FIXED ASSETS

Group & Charity	Lottery goodwill & database £
At 1 January 2018 and 31 December 2018	220,483
Amortisation	
At 1 January 2018	113,304
Charge for the year	36,747
At 31 December 2018	150,051
Carrying Amount	
At 31 December 2018	70,432
At 31 December 2017	107,179

TANGIBLE FIXED ASSETS				
Group & Charity Cost	Operation Facility £	Short Leasehold Improvement £	Motor Vehicles £	
At 1 January 2018	3,213,207	11,873	142,264	
Additions	62,742	-	-	
Disposals	-	-	-	
At 31 December 2018	3,275,949	11,873	142,264	
Depreciation				
At 1 January 2018	399,894	6,848	75,841	
Charge for the year	58,830	1,567	16,606	
On disposals	-	-	-	
At 31 December 2018	458,724	8,415	92,447	

Group & Charity Net Book Value	Operation Facility £	Short Leasehold Improvement £	Motor Vehicles £
At 31 December 2018	2,817,225	3,458	49,817
At 31 December 2017	2,813,313	5,025	66,423

At 31 December 2018		2,817,225	3,458	49,817
At 31 December 2017		2,813,313	5,025	66,423
Group & Charity Cost	Shop Fixtures & Fittings £	Equipment £	Assets Under Construction £	
At 1 January 2018	77,079	827,424	-	4,271,847
Additions		95,691	381,606	540,039
<b>(3),198)</b> als		(34,929)	-	(40,122)
At 31 December 2018	71,886	888,186	381,606	4,771,764
Depreciation				
At 1 January 2018	76,446	539,182	-	1,098,211
Charge for the year	294	164,586	-	241,883
<b>(3</b> 1 <b>193</b> )posals		(33,040)	-	(38,233)
At 31 December 2018	71,547	670,728	-	1,301,861
Net Book Value				
At 31 December 2018	339	217,458	381,606	3,469,903
At 31 December 2017	633	288,242	-	3,173,636

which is not depreciated.

Assets under construction relate wholly to the Helicopter which is being built and that the Charity expects to take delivery of in 2020.

#### 18. FIXED ASSET INVESTMENTS

At 1 January 2018	:	2,721,991
Additions	:	501,279
Disposals	(	(459,523)
Revaluations	(	(137,813)
At 31 December 2018	:	2,625,934
Historical Costs	:	2,628,535
Group Material Investments	31 December 2018 £	31 December 2017 £
JP Morgan American Investment	-	135,404
Allianz Global Investors UK Gilt	135,662	
Alianz Global Investors on Gill		135 //0/
For the purposes of the above note, only invest.	135,662 ments above 5% of total	135,404 investments a
For the purposes of the above note, only invest. market value have been considered material for Charity	135,662 ments above 5% of total	
For the purposes of the above note, only invest market value have been considered material for Charity Market Value	135,662 ments above 5% of total disclosure.  Investments £	Sub total carried forward £
For the purposes of the above note, only invest. market value have been considered material for Charity	135,662 ments above 5% of total disclosure.	investments a  Sub total  carried  forward
For the purposes of the above note, only invest. market value have been considered material for Charity Market Value At 1 January 2018	135,662 ments above 5% of total disclosure.  Investments £  2,721,991	Sub total carried forward £
For the purposes of the above note, only invests market value have been considered material for Charity  Market Value  At 1 January 2018  Additions	135,662 ments above 5% of total disclosure.  Investments £  2,721,991  501,279	Sub total carried forward £  2,721,991 501,279
For the purposes of the above note, only invests market value have been considered material for Charity  Market Value  At 1 January 2018  Additions  Disposals	135,662 ments above 5% of total disclosure.  Investments £  2,721,991  501,279  (459,523)	Sub total carried forward £  2,721,991  501,279  (459,523)

#### 18. FIXED ASSET INVESTMENTS (continued)

Charity	brought forward £	in group undertakings £	Total £
Market Value			
At 1 January 2018	2,721,991	1	2,721,992
Additions	501,279	-	501,279
Disposals	(459,523)	-	(459,523)
Revaluations	(137,813)	-	(137,813)
At 31 December 2018	2,625,934	1	2,625,935
Historical Costs	2,628,535	1	2,628,536

Sub total Shares

At the balance sheet of date net losses of £137,813 have been recorded in relation to investments held by the Charity. This reflected the volatility of the markets, and the Trustees note that since the yearend the performance of investments have improved. The Trustees take all reasonable measures to safeguard the assets of the Charity, which includes using Investment Managers to implement the Charity's investment policy, taking into account the Charity's tolerance for risk.

Investments at Market Value Comprise:	2018 £	2017 £
UK Investments		
UK listed equity investments	757,531	989,622
UK fixed interest	271,924	163,454
UK property fund	169,757	159,250
Total UK Investments	1,199,212	(137,813)
Overseas Investments		
Overseas listed equity investments	999,474	1,017,470
Overseas fixed interest	130,926	139,348
Alternative overseas investments	296,322	252,847
Total overseas investments	1,426,722	1,409,665

2,625,934 2,721,991

Total investments at 31 December 2017

Summary statement of comprehensive income for the year ended 31 December 2018

Cornwall Air Ambulance Trust owns 100% of the share capital of CAAT Trading Limited, a company registered in England and Wales (Company No. 10227352). The principal activity of CAAT Trading Limited is to enter into commercial arrangement to raise funds for its parent charity.

2018

2017

CAAT Trading Limited	£	£
Turnover	63,663	74,518
Gross Profit	63,663	74,518
Administrative expenses	(31,231)	(23,421)
Operating profit/(loss)	32,432	51,097
Profit/(loss) after tax	32,432	51,097
Retained earnings at the beginning of the year	-	(750)
Donation to Cornwall Air Ambulance Trust	(32,432)	(50,347)
Retained earnings at the end of the year	-	-

#### Statement of financial position as at 31 December 2018

Current assets	43,356	56,980
Creditors: amounts falling due within one year	(43,355)	(56,979)
Net assets/(liabilities)	1	1
Capital and reserves		

#### Called up share capital

Profit and loss account  Total	1	1	_
STOCKS			_

#### 19. STOCKS

	GROUP		CHARITY	
	2018 £	2017 £	2018 £	2017 £
Property held for sale	400,000	-	400,000	-
Finished goods and goods for resale	10,618	11,848	10,618	11,848
	410,618	11,848	410,618	11,848

#### 20. **DEBTORS**

	Citoti		Cindini	
	2018 £	2017 €	2018 £	2017 £
Trade debtors	13,926	725	13,926	725
Amounts owed by group undertakings	-	-	32,432	50,347
Other debtors	24,399	18,552	24,399	18,552
Prepayments & accrued income	353,275	256,909	353,147	256,909
	391,600	276,186	423,904	326,533

#### 21. CURRENT ASSET INVESTMENTS

	GROUP		CHARITY		
	2018 £	2017 £	2018 £	2017 £	
Unlisted investments (liquid)	-	550,127	-	550,127	

#### 22. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2018 £	2017 £	2018 £	2017 £
ments eived on ount	170,129	158,065	170,129	158,065
de creditors	197,779	245,107	197,779	245,107
ner taxation ocial security	19,278	16,913	19,278	16,913
ner creditors	122	2,982	122	2,982
ruals & erred income	143,196	129,793	132,273	123,161
	530,504	552,860	519,581	546,228

#### 23. **STATEMENT OF FUNDS**

#### Statement of funds Current Year

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2018 £
<b>Designated Funds</b> Break clause contingency fund	184,624	_	_	(92,312)	_	92,312
Helicopter replacement fund	3,486,000			712,000		4,198,000
Capital fund	-			2,159,515		2,159,515
Capital runu	3,670,624	-		2,779,203		6,449,827
General Funds	3,670,624	-	-	2,777,203	-	0,447,627
General funds	4,565,933	5,045,180	(4,123,618)	(2,779,203)	(137,813)	2,570,479
Total Unrestricted funds	8,236,557	5,045,180	(4,123,618)	-	(137,813)	9,020,306
Restricted Funds						
Heli Appeal	-	440,304	(111,686)	-	-	328,618
Portable ultrasound	14,800	-	-	-	-	14,800
Chest compression system	1,855	-	-	-	-	1,855
Flying suits	2,000	-	-	(2,000)	-	-
	18,655	440,304	(111,686)	(2,000)	-	345,273
Capital Restricted Funds						
SWRDAERDF grant	877,391	-	(20,890)	-	-	856,501
Mannequin appeal	525	-	(450)	-	-	75
Night flying technology	97,026	-	(50,200)	-	-	46,826
Heart monitor appeal	2,397	-	(2,397)	-	-	-
Capnograph appeal	396	-	(396)	-	-	-
Chest compression appeal	2,699	-	(1,542)	-	-	1,157
Big Lottery Awards for All	2,665	-	(1,878)	-	-	787
Laryngoscope appeal	1,625	-	(921)	-	-	704
Annexe	230,500	-	(4,801)	-	-	225,699
Flying suits	-	-	(667)	2,000	-	1,333
Department for Culture, Media & Sport Helicopter	-	162,500	-	-	-	162,500
Department for Culture, Media & Sport Welfare & pastoral	-	14,881	(75)	-	-	14,806
	1,215,224	177,381	(84,217)	2,000	-	1,310,388
Total restricted funds	1,233,879	617,685	(195,903)	-	-	1,655,661
Total of funds	9,470,436	5,662,865	(4,319,521)	-	(137,813)	10,675,967

#### Statement of funds Prior Year

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2017 £
Designated Funds						
Break clause contingency fund	276,935	-	-	(92,311)	-	184,624
Helicopter replacement fund	2,474,000	-	-	1,012,000	-	3,486,000
General Funds	4,689,103	4,348,796	(3,767,950)	(919,689)	215,673	4,565,933
Restricted Funds						
Portable ultrasound	14,800	-	-	-	-	14,800
Chest compression system	1,855	-	-	-	-	1,855
Flying suits	-	2,000	-	-	-	2,000
	16,655	2,000	-	-	-	18,655
Capital Restricted Funds						
SWRDAERDF grant	898,281	-	(20,890)	-	-	877,391
Mannequin appeal	975	-	(450)	-	-	525
Night flying technology	147,226	-	(50,200)	-	-	97,026
Heart monitor appeal	17,031	-	(14,634)	-	-	2,397
Capnograph appeal	822	-	(426)	-	-	396
Chest compression appeal	4,241	-	(1,542)	-	-	2,699
Big Lottery Awards for All	4,543	-	(1,878)	-	-	2665
Flying suits appeal	1,570	-	(1,570)	-	-	-
Laryngoscope appeal	2,546	-	(921)	-	-	1,625
Annexe	235,301	-	(4,801)	-	-	230,500
	1,312,536	-	(97,312)	-	-	1,215,224
Total restricted funds	1,329,191	2,000	(97,312)	-	-	1,233,879
Total of funds	8,769,229	4,350,796	(3,865,262)	-	215,673	9,470,436

#### 23. STATEMENT OF FUNDS (continued)

#### Restricted Funds

Designated funds

General funds

Restricted funds

Capital Restricted funds

The SWRDAERDF grant represents money given by South West Regional Development Agency towards the cost of construction of the new operations facility and head office.

The Mannequin appeal represents monies given towards the cost of a mannequin.

The Night flying technology fund represents monies given towards the cost of night flying technology equipment.

The Heart monitor appeal represents monies given towards the cost of two heart monitors for the helicopters.

The Capnograph appeal represents grants given towards the cost of a capnograph.

The Chest compression appeals represent monies given towards the cost of chest compression equipment.

The Big Lottery for All fund represents a grant given by the Big Lottery Fund (which is funded by the National Lottery) towards the cost of a chest compression system.

> 1 January 2018

3,670,624

4,565,933

8,236,557

18,655

1,215,224

9,470,436

5,045,180

5,045,180

5,662,865

(4,123,618)

(4,319,521)

(111,686) (2,000)

(84,217) 2,000

The Flying suits appeal represents a grant given towards the cost of the flying suits for the paramedics.

The Laryngoscope appeal represents monies given towards the cost of the laryngoscope which was purchased in 2015.

The annexe fund represents monies received from HM Treasury from LIBOR bank fines. The money was given to build an annexe to develop the airbase facilities.

The portable ultrasound fund represents monies given towards the cost of portable ultrasound equipment.

The Department for Culture, Media & Sport funds represent funding giving towards the cost of the replacement aircraft (total funding of £1m has been offered towards this) and Welfare & pastoral facilities for the Heli crew. The Helicopter funding of £162,500 received in the year has been used towards the deposit on the Helicopter which is currently under construction, as detailed in Note 16.

#### Designated funds

#### Break clause contingency fund

The Charity entered into a contract with Medical Air Services Ltd (MAS) in 2014 for the provision of an air ambulance helicopter and standby unit. The contract has an initial term of five years with an option to extend the term for a further two years. The contract includes a break clause which requires payment to be made by the

Charity in the event of terminating the contract before the end of the initial term. The value of the break clause is phased down over the life of the contract and the balance of £92,312 represents the balance payable as at 31 December 2018.

Financial Review

#### Helicopter replacement fund

A designated fund has been established by the trustees to hold funds for the replacement of the helicopter when the current contract comes to an end in 2019. In addition to considering another full service contract, the trustees also wish to explore the option of the Charity purchasing the next helicopter. In preparation for this, surplus funds in excess of the minimum free reserves required by the Charity's Reserves Policy have been transferred to this designated fund accordingly. The balance in the Helicopter Replacement Fund at 31 December 2018 was £4,198,000 after making a further additional transfer during the year from General Reserves of £712,000.

#### Capital fund

A designated fund has been established by the trustees to recognise the net book value of fixed assets held by the charity funded by unrestricted funds and that consequently cannot be converted easily into cash.

#### Statement of funds Current Year

(4,123,618) (2,779,203) (137,813) 2,570,479

31 December

6,449,827

345,273

1,310,388

(137,813) 9,020,306

(137,813) 10,675,967

Capital Restricted funds	1,312,330					
	1,312,536	_	(97,312)	-	-	1,215,224
Restricted funds	16,655	2,000	-	-	-	18,655
	7,440,038	4,348,796	(3,767,950)	-	215,673	8,236,557
General funds	4,689,103	4,348,796	(3,767,950)	(919,689)	215,673	4,565,933
Designated funds	2,750,935	-	-	919,689	-	3,670,624
	1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 Decemb 2017 £

#### Statement of funds - Prior Year

 	Cornwall Air Ambulance Annual Report <b>2018</b>

## Cornwall Air Ambulance Trust (a company limited by guarantee)

Notes to the financial statements for the year ended 31 December 2018 (continued)

## 24. ANALYSIS OF NET ASSETS BETWEEN FUNDS Analysis of net assets between funds Current Year

	9.020.306	345.273	1.310.388	10.675.967
Creditors due within one year	(530,504)	-	-	(530,504)
Current assets	4,694,929	345,273	-	5,040,202
Fixed asset investments	2,625,934	-	-	2,625,934
Tangible fixed assets	2,159,515	-	1,310,388	3,469,903
Intangible fixed assets	70,432	-	-	70,432
	Unrestricted funds 2018	Restricted funds 2018	Capital Restricted funds 2018	Total funds 2018

#### Analysis of net assets between funds Prior Year

	8,236,557	18,655	1,215,224	9,470,436
Creditors due within one year	(552,860)	-	-	(552,860)
Current assets	4,001,835	18,655	-	4,020,490
Fixed asset investments	2,721,991	-	-	2,721,991
Tangible fixed assets	1,958,412	-	1,215,224	3,173,636
Intangible fixed assets	107,179	-	-	107,179
	Unrestricted funds 2017	Restricted funds 2017	Capital Restricted funds 2017	Total funds 2017

# 25. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	GROUP		CHARITY		
	2018 £	2017 €	2018 £	2017 £	
Net income for the year (as per Statement of Financial Activities)	1,205,531	701,207	1,205,531	700,457	

Depreciation charges	241,883	237,204	241,883	237,204
Losses/(Gains) on investments	137,813	(215,673)	137,813	(215,673
Interest and rents from investments	(91,660)	(59,181)	(91,660)	(59,181)
Loss on the sale	990	111	990	111

Net cash provided by operating	994,663	770,613	1,008,415	713,633
Donated fixed assets	(400,000)	(12,000)	(400,000)	(12,000)
Amortisation of intangible assets	36,747	36,748	36,747	36,748
Decrease in creditors	(22,356)	(58,167)	(26,647)	(52,159)
(Increase)/ decrease in debtors	(115,414)	138,219	(97,371)	75,981
Decrease in stocks	1,230	2,145	1,230	2,145
Loss on the sale of fixed assets	889	111	889	111
from investments	(91,660)	(59,181)	(91,660)	(59,181)

#### 26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	GROUP		CHARITY	
	2018 £	2017 £	2018 £	2017 £
Cash at bank and in hand	4,237,984	3,182,329	4,194,756	3,125,349
Bank term deposits	-	550,127	-	550,127
Total	4,237,984	3,732,456	4,194,756	3,675,476

#### 27. CONTINGENT ASSETS

At the year end the Charity had been notified of additional legacies not recognised in the accounts totalling £329,000 (2017: £258,466).

As at 31 December 2018, the Charity had an interest in 7 estates that are subject to a life interest (2017: 7).

#### 28. CAPITAL COMMITMENTS

At 31 December 2018 the group and Charity had capital commitments as follows:

	GROUP		CHARITY	
	2018 £	2017 £	2018 £	2017 £
ontracted for ut not provided these financial atements	7,294,192	701,207	7,294,192	-

Included in the above disclosure is the commitment in respect of the new Air Ambulance that the Charity expects to take delivery of in 2020.

The total contracted price for the Air Ambulance is largely payable by Euros. The total contract price as translated at the balance sheet date from Euros to sterling is £7,633,892. A year end exchange rate of £0.90/1 Euro has been used. After deducting deposits paid to the balance sheet date an amount of £7,246,954 (the capital commitment) is payable at the year end. A forward purchase agreement is in place to mitigate the currency risk associated with the purchase, the Charity has also been building up foreign currency reserves in the run up to the purchase.

#### 29. PENSION COSTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £23,974 (2017: £12,377). Contributions totalling £Nil (2017: £2,847) were payable to the fund at the balance sheet date and are included in other creditors.

#### 30. OPERATING LEASE COMMITMENTS

At 31 December 2018 the total of the group's future minimum lease payments under noncancellable operating leases was:

After more than 5 years  Total	196.458	14,500 309,778
Between 1 and 5 years	123,333	170,708
Within 1 year	73,125	124,570
Amounts Payable:		
Group & Charity	2018 £	2017 £

#### 31. OTHER FINANCIAL COMMITMENTS

The Charity has a financial commitment under a contract for the provision of helicopter services from Specialist Aviation Services Limited which commenced in 2014 for an initial term of 5 years which has been extended for a further year. The minimum amount payable during the next 12 months under the term of this contract is £1,146,494.

During the year the Charity has also entered into a financial commitment under a contract for the provision of helicopter services from Specialist Aviation Services Limited which is due to commence once the Charity has taken delivery of the new Air Ambulance for a term of 10 years. The annual commitment taken on in respect of this contract is £689,184.

#### 32. MEMBERS' LIABILITY

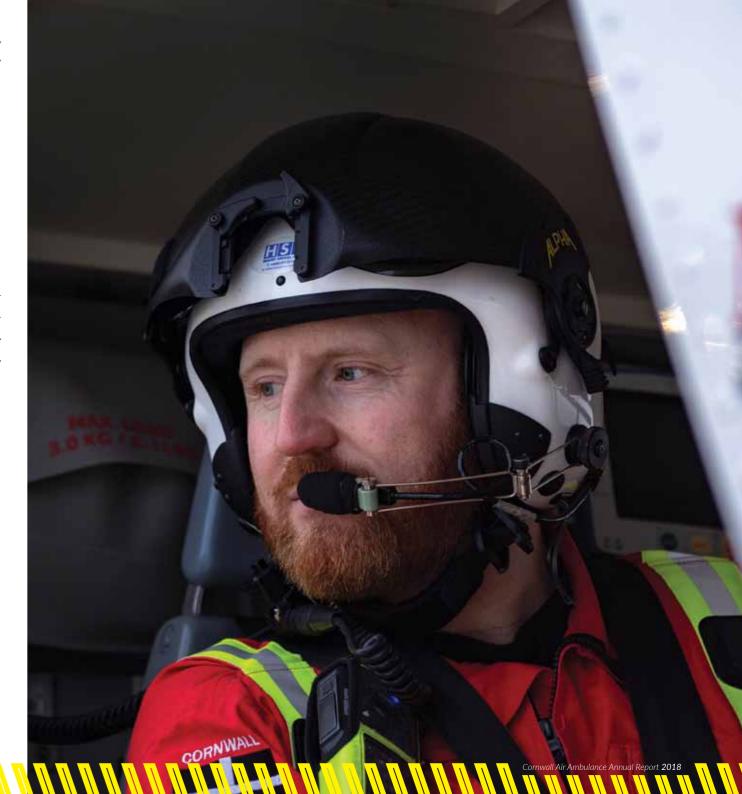
Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

#### 33. RELATED PARTY TRANSACTIONS

During the year the Charity received donations of £6,606 (2017: £6,617) from First Air Ambulance Service Trust, a Trust controlled by the same Trustees. At the year end, a balance of £606 was receivable from First Air Ambulance Service Trust (2017: £960).

During the year Trustees made donations to the Charity totalling £5,000 which were free from conditions.

The consolidated financial statements of Cornwall Air Ambulance Trust have taken advantage of the exemption in Financial Reporting Standard 102 Section 33.1A in not disclosing intra group transactions with 100% owned subsidiaries.







Saving time. Saving lives

tel: 01637 889926 · email: enquiries@cornwallairambulancetrust.org

Registered Office: Cornwall Air Ambulance Trust · Trevithick Downs · Newquay · Cornwall · TR8 4DY Company Registered Number: 07085879 · Charity Registered Number: 1133295