

WEST MIDLANDS AMBULANCE SERVICE NHS TRUST

MIDLANDS AIR AMBULANCE CHARITY



TRUSTEES REPORT & ANNUAL ACCOUNTS 2007/2008

Registered Charity Number 1001064

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Charity Directors report



THIS is the first time I have had the privilege of reporting on the work and financial standing of County Air Ambulance in my capacity as interim Charity Director. It is an honour to be part of this unique organisation, which is so highly regarded in communities across the region.

The Charity is seventeen years old and throughout those years the organisation has always faced difficult challenges in funding the helicopter service. At the time of writing, the Charity confronts the problem of increasing running costs, combined with a gloomy economic outlook that has the potential to have a detrimental effect on our charitable ambitions.

Despite these underlying issues and future predictions, I am pleased to report that the Charity is in good shape, with excellent prospects for the year ahead - a milestone year in which we will celebrate our 18th birthday.

From an operational perspective, the Charity has been exceptionally busy, registering a 70% increase in the number of flying missions undertaken in 2006/07. There have also been a number of changes to the way County Air Ambulance operates.

Our withdrawal from providing a service to the counties of Leicestershire, Rutland and Derbyshire, following negotiations with the East Midlands Ambulance Service, was the most significant event of last year. At the end of March 2008, we handed over responsibility to a new operator and relocated our aircraft to Staffordshire.

The Staffordshire Air Ambulance was launched in April by the Lord Lieutenant of Staffordshire. The aircraft is based temporarily at Tatenhill Airfield near Burton on Trent and is already proving very successful in serving the people of Staffordshire.

As part of a patient care improvement plan, we have extended our flying hours to 16-hours, everyday of the week. This means that the public will have longer access to the expertise of our flight crews across the Midlands and Welsh border region.

The introduction of specialist doctors on our aircraft has also been recognised as an important contribution to the delivery of clinical care to our patients. Flight doctors are trained in all aspects of trauma and life support skills and their expertise, together with our highly trained Paramedics, has significantly enhanced the treatment for patients.

County Air Ambulance would not be possible without money being raised by thousands of people who consistently take it upon themselves to fundraise on behalf of the Charity. I would like to express my sincere gratitude to all those fundraisers, Charity volunteers Charity and Operational full-time staff for their fantastic support and hard work, with the sole aim of ensuring County Air Ambulance continues to fly to save lives in our region.

Paul Leaman
Charity Director

Looking back to the future

During 2007/08, the Charity recorded income receipts of over £6million. Once again, the main sources of income were contributions from members of the public, local businesses, charitable organisations, legacies, collections and income from investments.

The Midlands Air Ambulance Charity is managed by West Midlands Ambulance Service NHS Trust. The Charity has developed with the assistance of a network of volunteers covering all parts of the region, promoting the work of the scheme and co-ordinating donations made to the fund.

The Charity is grateful for the assistance and support received from over 7,000 active donors registered with the Charity, which include 34 supporters, 45 regular givers together with 57 volunteer fundraisers and co-ordinators. Professional fundraisers are employed to enhance the fundraising effort, details of which are shown in the annual accounts. These fundraisers are monitored upon the receipts they generate.

The success of the County Air Ambulance is based on the exceptional commitment and generosity of supporters, sponsors, fundraisers and the public across the Midlands. Given that annual running costs of the three aircraft exceed £5.6 million, sustaining and developing the Charity represents a major fundraising challenge.

Looking back over the past twelve months, the Charity has successfully fulfilled the following aims as recorded in last year's Annual Report:

:

- County Air Ambulance has increased its flying hours from 14-hours to 16-hours, 7-days a week, throughout the region. Extending flying hours has increased the overall cost of the air ambulance operation and these additional costs are covered in this report.
- Placement of a doctor on board the RAF Cosford based aircraft is now a reality. Having an immediate care doctor with specialist life saving skills has significantly improved the care and treatment offered to patients. Currently, the Charity has engaged twelve part-time doctors from local hospitals and the military on air operations.
- The skill level of Flight Paramedics has been upgraded to the level of Critical Care Practitioners. This will allow flight crews to deal with many more types of injuries and work alongside doctors on more complex clinical procedures
- County Air Ambulance has now established a service in Staffordshire. The base at Tatenhill Airfield is a temporary location with further work required to address the issues of a permanent facility in the county.
- The Charity has relinquished its operation in the East Midlands and now concentrates on providing a helicopter emergency medical service to communities in Birmingham and the Black Country, Staffordshire, Shropshire, Herefordshire, Worcestershire and Gloucestershire.

Looking back to the future – continued

County Air Ambulance Flying Missions

| | 2006-07 | | 2007-08 | |
|------------------------------|---------------|------------|---------------|------------|
| Ambulance Service | Number | % | Number | % |
| West Midlands | 409 | 15.8 | 1023 | 29.5 |
| Staffordshire | 272 | 10.5 | 304 | 8.8 |
| Hereford & Worcester | 437 | 16.9 | 560 | 16.2 |
| Shropshire | 396 | 15.3 | 481 | 13.9 |
| Warwickshire | 8 | 0.3 | 31 | 0.9 |
| Powys | 43 | 1.7 | 19 | 0.5 |
| Gloucestershire | 348 | 13.4 | 352 | 10.2 |
| East Midlands | 668 | 25.8 | 671 | 19.4 |
| Others | 7 | 0.3 | 24 | 0.7 |
| TOTAL | 2588 | 100 | 3465 | 100 |
| Average Monthly Total | 216 | | 289 | |

The future

The Charity will pursue a programme of improvements to the Charity in 2008/2009. The key aims for the year ahead are outlined as follows:

- The Charity will undertake a wholesale business review of the organisation, its staffing and its policy and procedures with recommendations for improvement to ensure the Charity maintains its current place as one of the leading Air Ambulance charities in the country.
- A permanent base for the Staffordshire Air Ambulance will be approved by the Trustees and work will commence on hanger and staff facilities, together with a visitor centre on site.
- Consolidate the work of the Charity with three aircraft flying 16-hours every day across our region. Undertake a review of our service and the potential for new business, specifically inter-hospital transfers by aircraft.
- The Charity fundraising target of £5.6 million annually will continue into 2008/2009.
- Work with other agencies to introduce a 'Green Policy' for the Charity, which will monitor and offset our carbon emissions.
- The Charity is looking to encouraging over 100 new volunteers to assist the Charity in its work to raise the necessary funds for the helicopter service.

Charity Contacts

West Midlands Ambulance Service NHS Trust General Charity

| | |
|--------------------------|---|
| Address | Ambulance Headquarters Millennium Point Waterfront Business Park Waterfront Way Brierley Hill West Midlands DY5 1LX |
| Independent Examiners | Audit Commission 2 nd Floor, No. 1 Friarsgate 1011 Stratford Road Solihull West Midlands B90 4EB |
| Bankers | National Westminster Bank Corporate Office 1st Floor, St John's House Church Street Bromsgrove B61 8DN |
| Investment Managers | C.C.L.A. Investment Management Ltd 80 Cheapside London EC2V 6DZ |
| Legal Advisors | Mills and Reeve 54 Hagley Road Edgbaston Birmingham B16 8PE |

TRUSTEES REPORT (Year ending 31st March 2008)

Introduction

Funds held on trust are invested and accounted for separately from other income received by West Midlands Ambulance Service NHS Trust for the provision of health care. This is in accordance with the requirements of the 1993 Charities Act. Members of the West Midlands Ambulance Service NHS Trust Board are jointly the Corporate Trustee of the funds. The Corporate Trustee is responsible for the administration of the funds and required to maintain separate accounts and provide information to the Charity Commissioners. Day to day administration is managed through policies and procedures contained within Standing Financial Instructions and operated by the Director of Finance.

Background

The Midlands Air Ambulance Appeal Fund was established by Deed of Trust on 6 December 1990 and registered with the Charity Commission by West Midlands Regional Health Authority who was responsible for management and accounting of the funds. Operational responsibility was with West Midlands Ambulance Service NHS Trust with co-operation of the other Ambulance Services in the Region. The title of **County Air Ambulance** was adopted in respect of the operation of the Service in March 1993.

In 1995/96 West Midlands Ambulance Service NHS Trust (WMAS) took over as "Corporate Trustee" with responsibility for management and accounting of funds. This was authorised by Statutory Instrument No:2434 coming into force on 13 October 1995.

Establishment

The Directors of West Midlands Ambulance Service NHS Trust collectively constitute the Corporate Trustee of the Midlands Air Ambulance Charity.

| | | |
|------------------------------|---|------------------------------------|
| <i>Mr Anthony Arrowsmith</i> | <i>Non-Executive Director</i> | <i>Appointed: October 2006</i> |
| <i>Mrs Gill Bennett</i> | <i>Director of Nursing</i> | <i>June 2008</i> |
| <i>Dr Roger Cooke</i> | <i>Medical Director</i> | <i>June 2008</i> |
| <i>Mrs Stella Earnshaw</i> | <i>Non-Executive Director</i> | <i>February 2007</i> |
| <i>Sir Graham Meldrum</i> | <i>Chairman</i> | <i>July 2006</i> |
| <i>Mrs Diane Lee</i> | <i>Director of Corporate Services</i> | <i>July 2006</i> |
| <i>Mr John Lancaster</i> | <i>Non-Executive Director</i> | <i>July 2006</i> |
| <i>Mr Anthony Marsh</i> | <i>Chief Executive</i> | <i>October 2006</i> |
| <i>Mr Anthony Murrell</i> | <i>Non-Executive Director</i> | <i>October 2006</i> |
| <i>Miss Kim Nurse</i> | <i>Director of Human Resources and Organisational Development</i> | <i>July 2006</i> |
| <i>Mr Barry Thurston</i> | <i>Director of Information Management and Technology</i> | <i>July 2006</i> |
| <i>Mr Keith Wood</i> | <i>Director of Finance, Planning and Performance Management</i> | <i>July 2008 July 2006</i> |
| <i>Dr Matthew Wyse</i> | <i>Director of Clinical Performance</i> | <i>July 2006- June 2008</i> |
| <i>Mr Anthony Yeaman</i> | <i>Non-Executive Director</i> | <i>October 2006</i> |

TRUSTEES REPORT - Continued

Non-executive Directors of the Trust are appointed by the NHS Appointments Commission and Executive Directors are appointed by the NHS Trust Board.

The Charity operates under the title of **County Air Ambulance**. The object of the Charity is to apply the income for any purpose relating to the National Health Service wholly or mainly for the services provided by the County Air Ambulance. The income to achieve this object is, in the main, donations from numerous benefactors and many support groups locally who provide assistance. This work is co-ordinated by the Charity Headquarters at Unit 16, Enterprise Trading Estate, Pedmore Road, Brierley Hill, West Midlands, DY5 1TX.

Grant Making Policy

The Charity makes a grant to West Midlands Ambulance Service NHS Trust, which amounted to £4,146,000 in 2007-08 for supply of goods and services incurred in pursuit of the Charity's objectives by providing the County Air Ambulance service.

Investment Policy

Surplus funds that are available over that required to meet any immediate needs of the Charity are invested to earn interest.

Funds for the longer term are invested with advice of the investment managers, ensuring a diversification of investment equity and non-equity to reduce risk while preserving capital value and producing returns consistent with prudent investment.

The capital value of investments showed a decrease of 2.2% and investment income increased by 20%, reflecting higher interest rates in 2007/08 compared with 2006/07. The Corporate Trustee set up no formal investment return target in 2007/08.

We rely upon our investment advisers CCLA Investment Management Ltd for an ethical investment policy.

Reserves Policy

The Trustee does not intend to create or retain significant reserves. There are no significant ongoing commitments which require the retention of specific funds. Delay between receipt and identification of suitable purposes has resulted in some accumulation of reserves. The developments for the year ahead mean that funds will be more fully utilised. The Charity recognises the risk that income can fluctuate significantly overtime and therefore seeks to retain a level of resource that can assure the continued operation of the helicopter in the event that income is reduced in the short term.

Risk Management

The Trustee has reviewed the risks facing the Charity and concludes that it has no operational areas, so no risk exists in that respect. There is a risk that the value of investments held will fluctuate.

TRUSTEES REPORT – Continued

Variation of Income

In the event of significant reductions being experienced, the Charity is protected by terms of contract with the helicopter operator. These terms allow reduction in service provision to be implemented subject to a three month period of notice, following a demonstrable fall in receipts.

The Charity has also sought to achieve a comprehensive range of different sources of income, including voluntary donations, legacies, sponsorship and managed activities to ensure that the loss of a single source of income would not present any threat to the liability of the operation.

Summary Statement of Financial Activities

Control of Expenditure

All expenditure made on behalf of the Charity is subject to the processes and procedures defined within the Standing Orders and Standing Financial Instructions of West Midlands Ambulance Service NHS Trust.

Fluctuation in Value of Investments

The Charity's investments are regularly reviewed for their performance and returns. Financial reserves are invested in order to achieve a balanced spread of risk in consultation with investment advisors.

Balancing Risks

The three helicopters used are operated under lease with a recognised helicopter operator. As such, the operator is responsible for all aviation risks and holds the appropriate insurance cover following compliance with the regulations of the Civil Aviation Authority.

Financial Performance and Summary

These accounts have been prepared in accordance with current statutory requirements, the requirements of the Charity's governing document and the requirements of Statement of Recommended Practice – Accounting and Reporting by Charities issued March 2005 (SORP 2005).

Summary Statement of Financial Activities – Continued

| Summary Statement of Financial Activities for year ending 31 March 2008 | 2007-08 £000 | 2006-07 £000 |
|--|-------------------------|-------------------------|
| Incoming Resources | | |
| Donations | 4407 | 4034 |
| Legacies | 1397 | 1108 |
| Other income | 0 | 0 |
| Investment Income | 418 | 347 |
| Total Incoming Resources | <u>6222</u> | <u>5489</u> |
| Resources expended | | |
| Cost of generating funds | 1007 | 972 |
| Grants payable | 4146 | 2962 |
| Patient Welfare | 504 | 401 |
| Governance Costs | 42 | 39 |
| Total Resources Expended | <u>5699</u> | <u>4374</u> |

| | | |
|--|--------------------|--------------------|
| Net incoming resources | 523 | 1115 |
| Gains on revaluation and disposal of investment assets | (357) | 200 |
| Net movements in funds | 166 | 1316 |
| Balances at 1 April | 8162 | 6846 |
| Fund balances at 31 March | <u>8328</u> | <u>8162</u> |

Summary Statement of Financial Activities - continued

Donations increased by £373,000 in 2007-08 with donations by individuals increasing by £250,000 and donations from managed fundraising by £107,000. The increase in grants payable by £1,184,000 reflects the operational cost of flying three aircraft.

| Balance Sheet as at 31 March 2008 | 31 March 2008 £000 | 31 March 2007 £000 |
|--|-----------------------------------|-----------------------------------|
| Fixed Assets | | |
| Tangible Assets | 98 | 13 |
| Investments | 5454 | 5578 |
| Total Fixed Assets | <u>5552</u> | <u>5591</u> |
| Net Current Assets/(Liabilities) | 2776 | 2571 |
| Total Assets less Current Liabilities | <u>8328</u> | <u>8162</u> |
| Provision for liabilities and charges | 0 | 0 |
| Total Net Assets | <u>8362</u> | <u>8162</u> |
| Funds of the Charity Income Funds | 2007-08 £000 | 2006-07 £000 |
| | | |
| Restricted | <u>8328</u> | <u>8162</u> |

Summary Statement of Financial Activities - continued

Provisions for liabilities and charges as detailed above represent the amount which would be payable if the required 3 months notice to terminate the contract for the provision of aircraft in the event of the Air Ambulance not having sufficient funds to cover the potential cost of operation.

The major element of current assets is short term investments and deposits £3,695,000 at 31 March 2008. These are held as part of the Charity's Reserves Policy, whilst earning interest.

The above is a summary of the main statutory financial statements, which have been subject to independent audit. Anyone wishing to receive a full set of these accounts should apply to:

Mr K Wood
Director of Finance, Planning and Performance Management
West Midlands Ambulance Service NHS Trust
Millennium Point
Waterfront Business Park
Waterfront Way
Brierley Hill
West Midlands
DY5 1LX

Looking for your help: If you are interested in assisting the work of County Air Ambulance why not give them a call at:

County Air Ambulance
Unit 16 Enterprise Trading Estate
Pedmore Road
Brierley Hill
West Midlands
01384 24 11 33
Fax 01384 239694
Email: info@countyairambulance.org

Website: www.countyairambulance.com