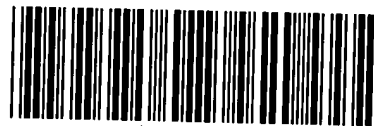


Registered number: 07085879
Charity number: 1133295

CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustees	Mr I Brackenbury (Retired 26 March 2020) Mr M M P Carne CBE, Chairman (Appointed 29 January 2020) Mr S A Carr, Chairman of Nominations and Remuneration Committee Mr R Cowie, Chairman Finance Committee Ms D Griffith Mr B S Mark, Chairman Risk and Audit Committee Mr H Orchard (Retired 26 March 2020) Mr C C Pomfret, Vice Chairman Mrs S L Pryce (Retired 21 April 2020) Mr D Scott Mrs B Sharples, Chairman New Heli Appeal Board Miss L A McKay (appointed 28 January 2021) Mr N S Lentern (appointed 28 January 2021)
New Heli Appeal Board	Mrs Barbara Sharples (Chairman) Ms Jackie Stanley Mrs Barbara Corbett Mr Jonathan McCulloch Mrs Heather Forster Mr Ali Carnegie Mr Chris Richards Mrs Kate Arter Dr Kevin O'Sullivan
Company Registered Number	07085879
Charity Registered Number	1133295
Company secretary	Mr S Murdoch
Senior Leadership Team	Mrs P Martin, Chief Executive Officer (left 28 February 2021) Mr S Murdoch, Chief Operating Officer/Interim Chief Executive (from 1 March 2021) Mrs J Southon, Director of Fundraising (left 2 October 2020)

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Bankers HSBC plc
3 Fore Street
Bodmin
Cornwall
PL31 2HU

Legal Advisers Stephens Scown
1 High Cross Street
St Austell
Cornwall
PL25 4AB

Investment Managers Quilter Cheviot
One Kingsway
London
WC2B 6AN

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

Chairs Statement

There can be no doubt that 2020 was one of the most difficult years faced by us all. The Covid-19 pandemic threw challenges at the team that none of us expected. All the Trustees are incredibly proud of the way the Cornwall Air Ambulance staff and volunteers adapted to the changing situation and delivered another year of outstanding performance, both operationally and in fundraising.

Whilst our thoughts and effort have often been dominated by Covid-19, it is important that this does not overshadow one of the most momentous occasions in the Charity's history – the completion of our New Heli Appeal and entry into service of our new AW169 helicopter on 1st April. This was only made possible with the support and guidance of the New Heli Appeal Board, led by Trustee and Appeal Board Chair Barbara Sharples together with all of the charity's supporters and the efforts of the whole charity team.

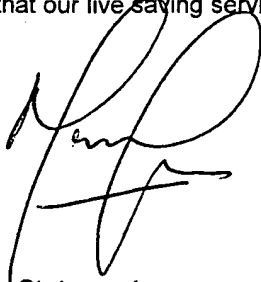
This year has also seen a number of changes in the charity team, including our long-standing CEO Paula Martin who left the charity after 12 years in February 2021. The whole charity is grateful to Paula for all of her efforts and wish her well in her future endeavours. We also welcome Tim Bunting as our new CEO. I am sure that Tim and his team will have great plans for the charity, and we all look forward to helping them succeed as they face the challenges that inevitably lie ahead.

In 2020 we have been tested - and we have triumphed. That should give everyone in Cornwall and the Isles of Scilly confidence that our live saving service is in the best possible shape for the future.

Mark Carne, CBE

Chair

Date



Interim Chief Executive's Statement

This set of accounts for the year ending 31st December 2020; summarises a challenging and eventful year for the Cornwall Air Ambulance. A year which has been dominated by the impact of Covid-19 pandemic which has challenged our life saving care and fundraising in equal measure.

During the year, I have been immensely proud of the work of our clinical and operations team, who have not only mobilised a new aircraft into service but worked under the constantly evolving challenges of Covid-19. Throughout the pandemic the team have developed new procedures to ensure that the air ambulance continues flying and treating patients – again responding to over 1000 incidents.

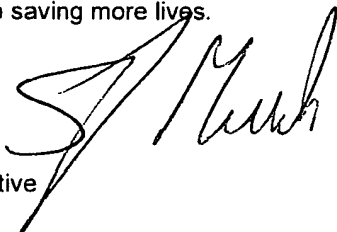
Our fundraising, marketing and retail teams have also been impacted by the pandemic with many of our events cancelled and our shops closed due to lockdown restriction. Our fundraising and marketing teams have adapted to bring many of our activities into the virtual environment and finding new ways to engage with our supporters. Our retail team have work hard to make sure our shops could open whenever possible and make them safe for our staff, volunteers and customers. I want to give thanks and pay tribute to everyone involved with charity for their dedication, creativity and flexibility without which we could not have succeeded in 2020.

Turning to the future, the Covid-19 pandemic is likely to have lasting effects throughout society and the economy and whilst restrictions are easing during 2021 there is still significant uncertainty and disruption across the charity sector. But thanks to the fantastic support for the Cornwall Air Ambulance throughout the community we are confident in the long term sustainability of the charity and by continuing to work as a team we can keep saving more lives.

Steve Murdoch

Interim Chief Executive

Date



**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

The Trustees (who are also Directors of the Charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of the Cornwall Air Ambulance Trust for the year 1 January 2020 to 31 December 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the Charity and the group qualify as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

The principal objective of the Charity is 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 Charity serves a local community of around 570,000 people, together with over 5 million visitors who come to the region every year. The Charity relies on the local community to raise sufficient funds to deliver the service without receiving regular government funding or support from the National Lottery.

The Charity's Critical Care Teams of paramedics, doctors and pilots provide enhanced emergency medical services to the most seriously ill and injured patients throughout Cornwall and the Isles of Scilly. These services are delivered in partnership with the South Western Ambulance Service NHS Foundation Trust (SWASfT) who support the delivery of the clinical services and Specialist Aviation Services Limited (SAS) who operate and maintain the Charity's helicopter.

During 2020 there has been a step change in the delivery of the services with the introduction of the new larger and more capable AW169 which replaced the old MD902 helicopters, entering service on 1st April 2020. In addition to the new helicopter, operating hours have also increased during the year and the crew are now utilising the helicopter 19 hours per day, 365 days every year to provide lifesaving care to the county's residents and visitors. The Charity also 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.

Public Benefit

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 distance to hospital. These criteria are regularly reviewed and rigorously applied. No private benefit use of the Cornwall Air Ambulance helicopter is given to anyone at any time.

The Trustees run the charity with due regard to the public benefit guidance issued by The Charity Commission and the Charity Act 2011.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

Strategic Review

Major Achievement

This year will always be remembered for the impact of the Covid-19 pandemic, but this should not be allowed to overshadow the momentous achievement of bringing our new AW169 helicopter into service on 1st April. This helicopter is the first to be owned by the Charity and is the latest generation of twin engine multi role aircraft produced by Leonardo, equipped with comprehensive avionics systems and safety features it will support Helicopter Emergency Medical Service operations in Cornwall and the Isle of Scilly for many years to come.



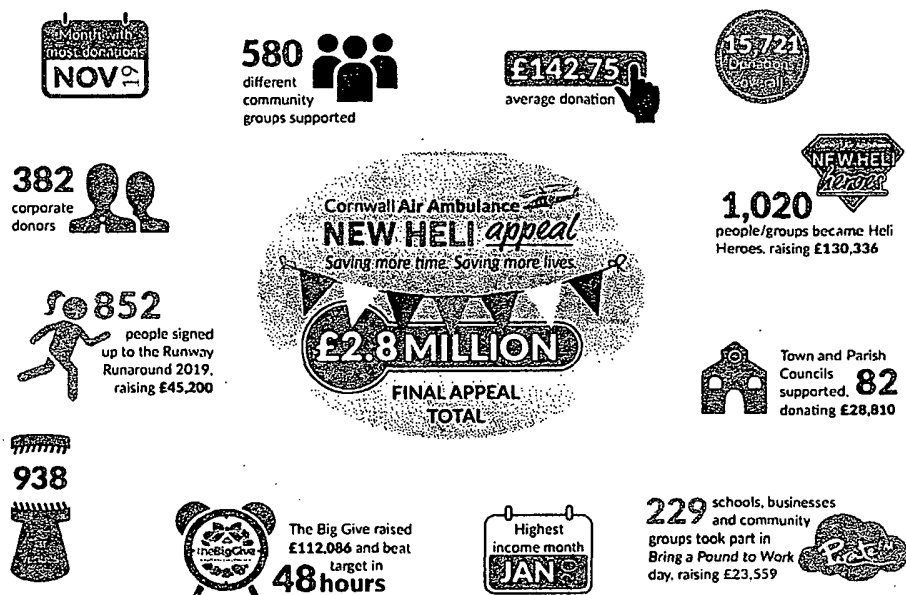
The charity was also privileged to be able to name the aircraft after our Patron 'The Duchess of Cornwall' in a ceremony and blessing in July.



**CORNWALL AIR AMBULANCE TRUST
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The arrival of the new AW169 is the culmination of the **New Heli Appeal** which commenced in 2018 with the challenging objective of raising £2.5 million to support the purchase of the £7.5M helicopter. Thanks to the support and leadership from the **New Heli Appeal Board** the appeal has generated amazing support across the community and exceeded all expectations to raise over £2.8 million.

The New Heli Appeal Board, led by Appeal Chair and Trustee Barbara Sharples, helped the charity to welcome a number of key ambassadors on board, including paediatric consultant Dr Ed Abrahamson (who has subsequently agreed to become the Charity's vice president) TV presenters Richard Madeley and Judy Finnigan, celebrity chef Paul Ainsworth and his wife Emma and from the business community Rob Harris MBE and Dr Karen J Dickens. The charity will always be indebted to our ambassadors for the support and influence in helping to raise funds and the profile of the New Heli Appeal.



During the Appeal, the fundraising was supported by a wide range of events and activities focussed on raising funds for the New Heli. These events included a number of mini campaigns to support the main objective ranging from the hugely successful Heli Heroes Campaigns which raised £130K, a London art auction which raised £100K and the Big Give which beat its target in 48 hours to raise £110K.

The Appeal events culminated in January with the Charity's first London Gala Dinner Event at the London Corinthia Hotel, which would not have been possible without the support of Appeal Board member Jackie Stanley and the support of Paul Ainsworth and his team. This amazing event raised nearly £140K in just one night.

The success of the New Heli Appeal would not have been possible without the efforts of all of the Charity's trustees, staff, volunteers and crew and we offer our heartfelt thanks to everyone involved.

Sadly, the Covid-19 pandemic has curtailed any opportunity to celebrate the success of the New Heli Appeal but we hope to be able to thank all of our supporters properly during 2021.

**CORNWALL AIR AMBULANCE TRUST
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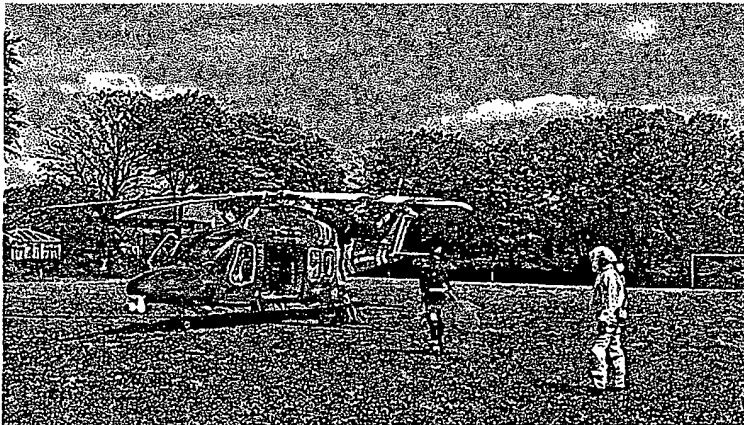
Impact – Patient Story

Paul was outside cleaning his windows at home on 2 April 2020 when he started to feel faint. He went inside to sit down when he developed chest pain and felt cold. Next the 58-year-old started to develop tingling in his arms and hands.

He said: "We were only just a week or so into the first lockdown, so I was reluctant to call the emergency services in case it was nothing, I didn't want someone coming out unnecessarily. But when the symptoms developed, I thought it might be a heart attack.

A land ambulance arrived at Paul's house in Week St Mary and confirmed what he suspected; he was having a heart attack. With his condition worsening and such a distance from the nearest hospital, Cornwall Air Ambulance was tasked.

Just a day after the new helicopter came into service, the AW169 landed in the playing field in the village. On board were critical care paramedic Kris Lethbridge, along with trainee critical care paramedics Martin Bunt and Louise Lamble.



Paul was the first patient to be airlifted in the new helicopter. He was flown to Derriford Hospital- a journey which took just 12 minutes- where he had surgery to have a stent inserted.



He said: "It all happened so quickly; it took a while to sink it. I had watched the launch of the new helicopter on the news, then a day later I was in it. Everybody involved was fantastic- worth their weight in gold. My daughter was also helped by the air ambulance when she was a baby- that's why we have to support it, you never know when you might need it."

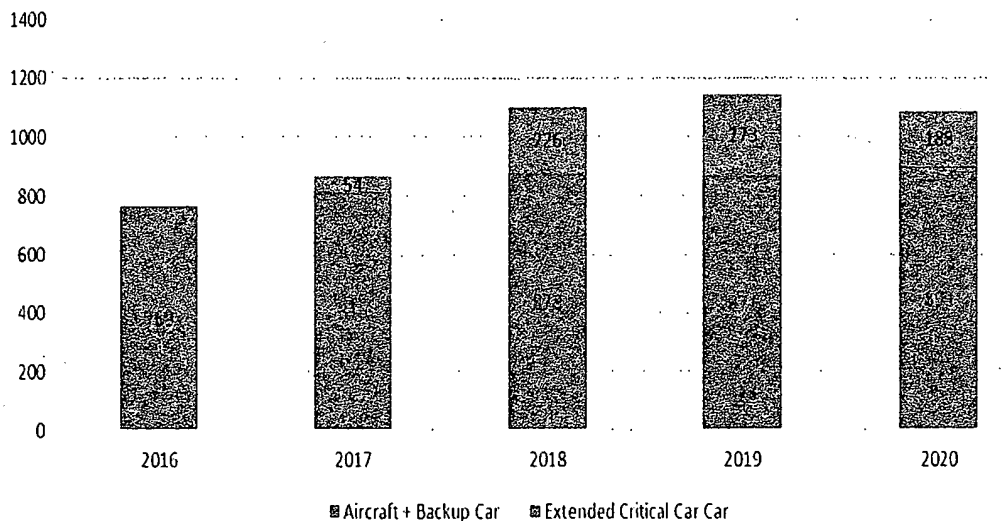
**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

Operational Performance

The operations of the air ambulance have also been challenged by the Covid-19 pandemic throughout 2020 and beyond. This has required modification to the new aircraft, additional PPE for the crew and developing new operating procedures to ensure that the crew and our patients remain safe.

Despite these challenges the crew have continued to fly and treat patients throughout the pandemic and in 2020 tasking has remained at a similarly high level when compared with previous years, with the service responding to 1,061 incidents in our aircraft and critical care cars.

Our Service responds to patients with life threatening medical conditions, traumatic injuries and a small number of patients requiring urgent, time critical transfers between hospitals for specialist treatment. The specialist care provided by our critical care paramedics and doctors, together with the clinical urgency and the complexity of the incident are the most significant factors in a patient requiring support and treatment from air ambulance crews.



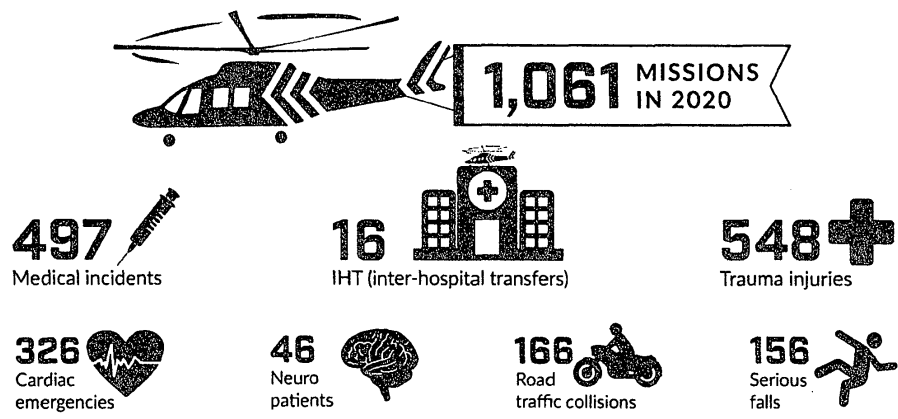
In addition to the introduction of the new AW169 helicopter on 1st April, the charity has also implemented two major strategic developments in service delivery.

The first being the extension of aircraft operating hours to 07:00-02:00 every day. Delivery of this project required the recruitment and training of new specialist paramedics to cover additional operating hours, together with training for all crew in operations of the new AW169 helicopter at night.

The second achievement has been the development to carry blood on board the aircraft and perform pre-hospital blood transfusion. This has been a significant team effort including the Fundraising team securing grant funding from the Henry Surtees Trust (including the purchase of a new BMW motorbike), partnerships with the Cornwall Blood Bikes charity and the Blood Transfusion Services at the Royal Cornwall Hospital, together with our doctors and paramedics developing operating procedures and training to manage the blood products and give blood to patients. This new service went live on 1st December.

It has been an enormous achievement to continue to deliver the high levels of care during the pandemic and to implement such significant developments of the service. This is testament of the skill and dedication of the whole team and would not be possible without the donations from the charity's supporters.

Our Impact in 2020



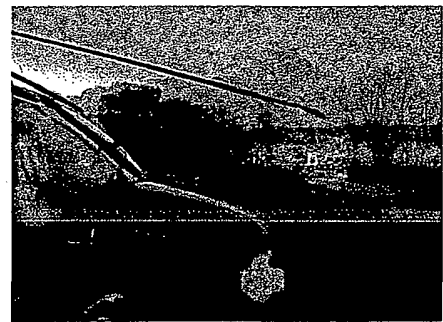
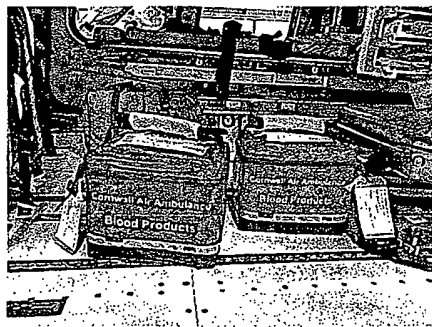
**CORNWALL AIR AMBULANCE TRUST
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Impact – Patient Story

Seventeen-year-old Zack was on his motorbike on route home when he was involved in a serious road traffic collision. He was hit by a van and thrown from the bike, sustaining multiple life-threatening injuries.

Zack's friend witnessed the incident and called 999. Within just 15 minutes of the call, the critical care team from Cornwall Air Ambulance were with Zack on the roadside.

He had lost a lot of blood and suffered serious open fractures to his legs and arms, as well as internal injuries. Zack was the first patient to benefit from a blood transfusion at the scene of an incident, a new service the charity launched just three days earlier.



Paul Maskell, Trainee Critical Care Paramedic, said: "Zack was very poorly when we arrived on scene, we knew immediately he would benefit from an emergency transfusion. We felt so grateful to be able to provide that service for him. It gave us time to stabilise him and get him transferred to Derriford for the further treatment he needed."

Zack was flown to Derriford Hospital, a journey which took just 12 minutes. He underwent a 10-hour operation that evening, where his spleen was removed. He spent a further six hours in the operating theatre to repair damage to his broken bones. He was in a coma for 11 days.

Donna Jewell, Zack's mother, said: "To see Zack lying on the road with so many people working on him was awful, he was unrecognisable. Police told me to say goodbye to him, they didn't think he would survive the journey to hospital. Without this service, I would not have a son. The care he received from everyone has been amazing."



Just six weeks later Zack was able to leave hospital and is making good progress with his recovery. He recently visited the airbase to meet the crew who helped him that day.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

Delivery of our services would not be possible without the contribution of our key 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, deployment on emergency missions from their Emergency Clinical Hub in Exeter and the clinical governance and oversight of the paramedics and doctors.

Royal Cornwall Hospitals NHS Trust (RCHT) & University Hospitals Plymouth NHS Trust (Derriford)

The Charity works with a small team of doctors to carry out the role of education support physicians for the development of specialist paramedic aircrew and to undertake clinical shifts as part of the crew bringing specialist skills (particularly the provision of Pre-Hospital Emergency Anaesthesia). Our doctors' primary roles are in RCHT and Derriford hospitals and priorities during the Covid-19 pandemic have resulted in a focus on their in-hospital work. As the pressures on the NHS have eased, our doctors have returned to support the Charity and additional doctors have been recruited bringing our total cadre of doctors to six.

The Blood Transfusion Service at RCHT also support the charity with the supply of blood product for the new service which commenced in December 2020.

Kernow Clinical Commissioning Group (CCG)

The Covid-19 pandemics as put the NHS nationally and locally under extreme pressures, as a consequence closer working relationships have been formed across the healthcare community. This has resulted in greater levels of engagement between the Charity and the CCG, supporting healthcare across the region.

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 entered into service in April 2020. This new contractual arrangement means the ownership of the helicopter has transferred to the charity, with SAS responsible for the operations and maintenance of the new helicopter.

Other key stakeholder partners include

- Air Ambulances UK (AAUK)
- Bristow (Search and Rescue)
- Cornwall Airport Newquay
- Cornwall Blood Bikes
- Cornwall Council
- Wider emergency services partners

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

MAKING IT ALL POSSIBLE

Fundraising

It is only thanks to the generosity of the communities that we serve that we are able to keep the Air Ambulance flying and saving lives. The Charity's income is based on a broad range of activities to ensure that we engage with individuals, groups and organisations. The Charity employs a professional fundraising team to manage these income streams and ensure compliance with our statutory obligations for fundraising.

During the year, the fundraising team have faced the challenges imposed by the Covid-19 pandemic. This resulted in the postponement or cancellation of the majority of our normal fundraising activities and all face-to-face fundraising resulting in a reduced level of income. However, the fundraising team quickly adapted and during the year moved many of our fundraising events and activities into the 'virtual environment' which delivered over £1M of unrestricted income, in addition to the completion of the New Heli Appeal.

Mission Maker Lottery

The long-established Mission Maker Lottery generates unrestricted income from the sale of society lottery tickets. This vital income stream contributed £1,593K, which is a 7% growth from 2019. This growth was achieved despite the cancellation of face-to-face canvassing during the year. 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) who hold the Gambling Licence. 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.

Legacies

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. During 2019 the Charity learned from Executors that it was to receive the residual proceeds of a substantial Estate bequeathed by a Cornish resident. The Estate was subject to a legal challenge by external parties which was resolved during the year releasing the residual proceeds to the Charity. The Estate comprised cash, investments, land and property with a value of £2.7M which has been recognised as income in these accounts. The Trustees are extremely grateful to have received such a generous donation and have designated these funds for future development of the charity as a lasting legacy.

Marketing and Communications

With the pandemic impacting the charity in many ways, communication and the use of innovative marketing channels proved vital in keeping existing supporters engaged and encouraging support from new audiences. At a time where fundraising events were cancelled and there was so much uncertainty in the world, communication was key.

As a result of the lockdown the Charity marketing has shifted to a greater digital presence, using new online advertising channels and by creating more interactive content, including Facebook Live's to bring the charity to the people at home. This shift in strategy proved to be highly successful, as the charity grew its audiences on social media and delivered record high numbers of visitors to the charity website. Since 2018, website visits have risen from 30,000 per year to 100,000 in 2020.

The Charity also participated in a 10-part TV series, Cornwall Air 999, filmed over the summer. This involved working closely with the production company in February to gain the commission, through to the filming itself, post-production and promoting the series as it aired. The series received fantastic viewing numbers and helped the charity reach a national audience of over half a million. The Charity also created a TV advert to run alongside each episode, that directly led to an increase in new regular givers.

The Charity continues to deliver multi-channel marketing campaigns that not only build the charity brand but also reach new audiences to support our income generation. In 2021, the team will continue to focus on the growth of its excellent digital presence, bringing new channels into its portfolio.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

Fundraising Promise

The Charity adheres to the very highest standards in donor care and fundraising compliance as set out in the Code of Fundraising Practice. We are registered with the Fundraising Regulator and 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.

Volunteers

The Charity depends on its volunteers who are fundamental in helping deliver virtually all aspects of fundraising and especially charity retail. However, the enforced lockdowns of 2020 provided a challenge for the CAAT volunteers. When the government relaxed rules and allowed non-essential shops to begin trading, volunteers were given an induction at their place of volunteering to welcome them back and to explain how Covid restrictions would operate. Many stayed away as they felt vulnerable, but those that did return were asked to read Risk Assessments and sign to say that they would adhere to the new practices. When face masks were made mandatory, again volunteers had to sign to say that they would also follow this practice. Emphasis was made on protecting themselves and everyone whom they would come into contact with, be that customers, fellow volunteers or staff. HQ and eBay volunteers also followed the practices for their environment and completed the same paperwork as the shop volunteers.

Events volunteers did not get involved in any kind of face-to-face volunteering after the initial lockdown, but many supported the charity through engaging with CAAT social media such as liking and sharing posts, making masks that were sold for the charity and promoting anything virtually that they could.

Despite the many weeks when volunteering did not take place, the charity still saved £143,762 on the more than 17,000 hours that volunteers did contribute during the year.

The volunteers usually receive a monthly newsletter, and this was continued throughout the year, ensuring that, despite having many staff on furlough, the charity maintained some communications with their team of people.

The Investing in Volunteers award that the charity achieved in 2017 expired at the end of 2020, but the charity is reapplying for that accreditation to be renewed.

Charity Retail

The global pandemic and government enforced lockdowns resulting in the closure of non-essential retail has made 2020 a challenging year for charity shops across the sector and for the Cornwall Air Ambulance. As a result of this our shops were closed for nearly six months, which significantly impacted income.

During periods of closure, the charity was able to utilise the Coronavirus Job Retention Scheme to furlough staff, received Small Business grants and rates relief for each shop. We were also able to negotiate rent payment holidays and reduction with our very supportive landlords. These measures have helped to offset the reduced income.

When we have been able to re-open shops, our retail team and volunteers have worked hard to ensure that our shops are as safe as possible for our staff, volunteers and customers, following all of the government guidelines.

At the time of publishing these accounts, the Cornwall Air Ambulance Charity shops have re-opened on 12th April 2021 and despite challenges with staffing and volunteers, trading has been strong and returning to pre-pandemic levels. We are planning to grow our retail presence on the high street and online during 2021, including the opening of a new 'flagship' store in Bodmin which will include a dedicated space for use by local community groups.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

OUR FUTURE DIRECTION

Impact of Covid-19

The Covid-19 pandemic has created a significant amount of uncertainty and disruption across the charity sector and beyond and many charities and business are likely to continue to struggle financially in the coming months and year.

Whilst the financial position of the Charity has not yet been significantly affected, the economic impacts of the pandemic have not yet taken full effect and it is therefore likely that the fundraising environment will continue to be challenging. However, the Charity is in a fortunate position with sufficient reserves and a healthy cash position to maintain operations for the foreseeable future.

As lockdown restrictions have been eased during 2021, the charity has seen a return to more normal fundraising events and the reopening of the charity's shops, these income sources together with strong legacy pipeline, and regular lottery income gives the Trustees confidence in the charity's long term sustainable income but the risk associated with the pandemic prevail.

Future Developments

The charity's 5 year strategic plan was agreed by the Board in January 2020 but as a result of the pandemic remains under review. However, a number of key activities will continue to be developed:

New Generation Helicopter

The new generation AW169 air ambulance provides the best platform to provide life-saving services for communities across Cornwall and the Isles of Scilly. Its performance and capability will enable the charity to reach more patients and save more lives. Owning the helicopter means the Charity has the freedom to make future decisions around its operating model, and identify the very best, cost effective solutions to further develop the service.

Use of Critical Care Cars

The Critical Care cars have become an integral part of the Charity's service 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 when the helicopter does not operate. During 2021 these vehicles are due to be replaced and upgraded as part of our capital investment plans.

Developing Clinical Skills

The high levels of Critical Care delivered to our patients would not be possible with the skill of the clinical team. This team of specialist paramedics and doctors need to continuous training to ensure skill are regularly practiced and new skill are developed to benefit our patients. Our future developments will include enhancing our training capabilities to develop our paramedics as Specialists in Critical Care and in further Advanced Level of clinical practice supported by an increasing team of specialist Consultants to ensure that we can continue to bring the highest levels of care to all of our patients.

Patient Liaison & Family Officer

During 2021, the Charity has employed a Patient Liaison & Family Officer (PLFO), to help strengthen the professional connections between the receiving hospitals and our clinical team, and to help them achieve high standards in clinical governance. The PLFO will also be the conduit in 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 PLFO will also connect with bereaved families, as part of the process to help them come to terms with the loss of someone close and the immediate impact on their family.

Improvements to the Operations headquarters

During 2019 the Department of Health and Social Care awarded a grant of ~£900K to the Charity. This restricted fund will be defrayed and drawn down during 2021, following construction work at the eastern end of the existing helicopter hangar. This new development will provide additional and remodelled accommodation for the substantially increased number of pilots, clinicians and engineers based at Cornwall Air Ambulance. This development will include features which enable long term strategy for clinical and operational capabilities to provide benefit to more patients and understand/improve patient outcomes and maximise the opportunity afforded by the new helicopter.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

FINANCIAL REVIEW

Key Performance Indicators

Key Financial Performance Indicators (KPI's) are a measurable value that demonstrate how effectively we are doing in achieving our key business goals.

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

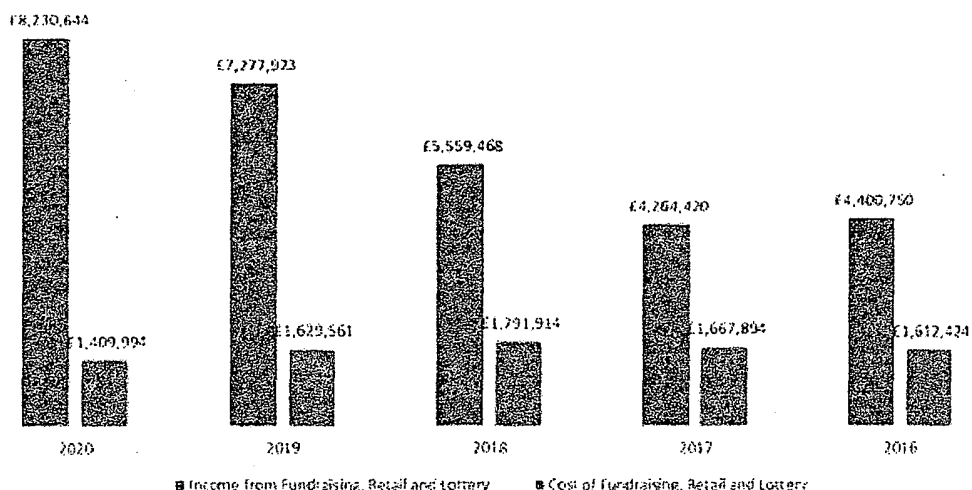
In addition, the Charity Retail Association collect and publish retail KPIs which enable the Charity Shops to be benchmarked against other similar retail Charity Shops. This information is then used to help assess how our Charity Retail Shops meet the targets and expectations of the Board in terms of 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.

Performance Review

Despite the challenges of the Covid -19 pandemic the charity has continued to grow and deliver a strong financial performance in 2020, boosted by a large legacy estate that has been realised in the year. This income growth, combined with cost saving implemented in the charity's fundraising and retail teams has resulted in continued improvements in the charity's income generating Return on Invents (ROI) to 5.8:1 which is an improvement on the 4.5:1 ROI delivered in 2019.

Income vs. Expenditure



**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

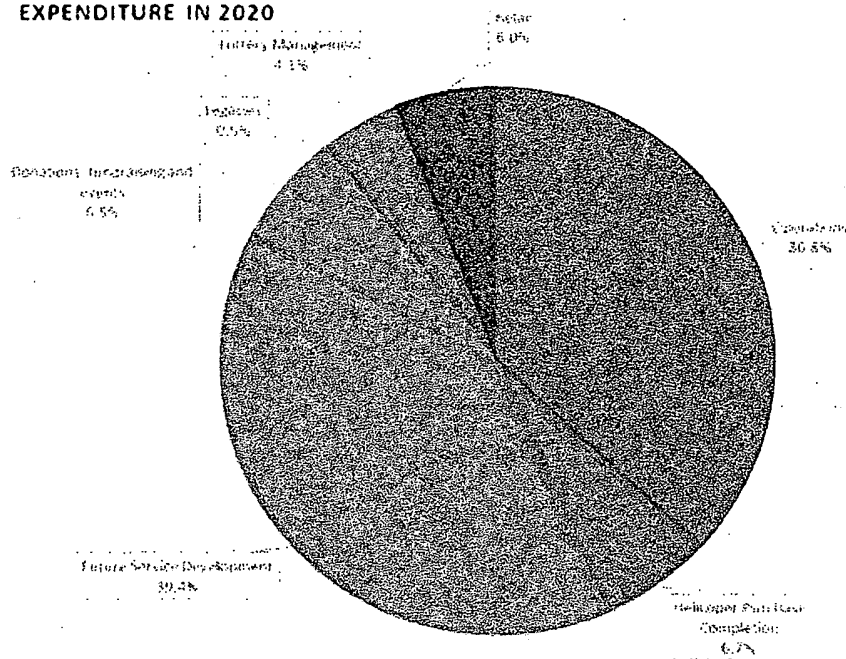
Income

The completion of the New Helicopter Appeal completed in the 1st quarter of the year and boosted fundraising income. However, as a consequence of the pandemic the charity's normal fundraising activities were curtailed resulting in a £800K (40%) reduction in donations, Charity retail was also impacted with shops closed due to lockdown restrictions resulting in £440K (40%) reduction retail income when compared with 2019. These reductions were in part offset by the use of the Government's Coronavirus Job Retention Scheme and Small Business Grants during shop closures and a grant of £520K from the Department for Health and Social Care to support air ambulance operations during the pandemic.

Expenditure

The Charity's focus on cost control during the pandemic has helped us deliver efficiencies and ensure that the majority of income is directed to deliver the Charity's objectives. To that end, over 82% (increased from 77% in 2018) of our expenditure has been used to support our aviation and clinical operations, completing the purchase of the new AW169 helicopter or set aside to support development of our operational services in the future. Our direct Operating costs for the helicopter and our clinical services were £3,029K (similar to those of 2019). These costs include saving generated through the charity's ownership of the helicopter, as opposed to leasing in previous, which are offset against increased levels of service delivery including extending operations to 19 hours/day and the recruitment of additional paramedics to support these extended hours.

EXPENDITURE IN 2020



The Charity remain grateful to many businesses which donate pro bono or discounted services each year, helping the Charity to manage its costs and focus as much as possible on the cause.

The Trustees are always mindful prudent use of charitable income for essential expenditure and procurement and how important this is to all those who give to the charity. As such, it is encouraging to see such a high proportion of the funds spent on or retained for the charitable purposes of the Charity.

Trading Subsidiary

The Charity's trading subsidiary continued its activities in 2020 focussed on non-primary purpose activities primarily the commercial sponsorship activities undertaken by the charity. The trading company delivered an Operating profit of £28K which was donated to the Charity.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

FINANCIAL POLICIES

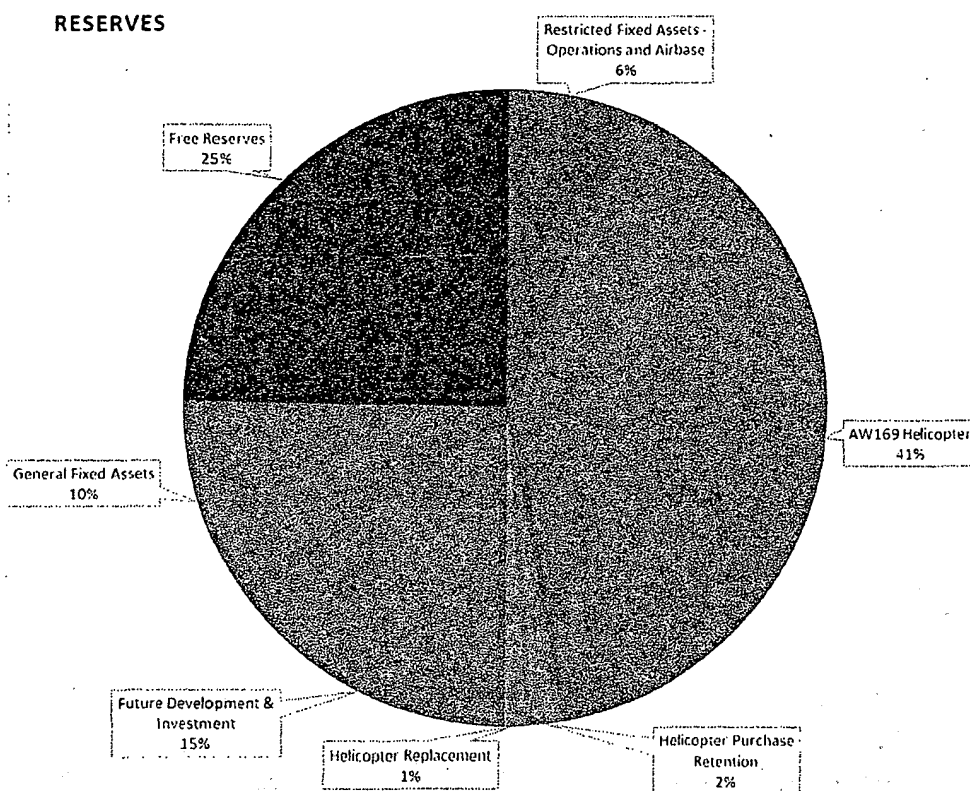
Reserves Policy

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

The reserves policy was reviewed at the July 2019 board meeting and having taken account of the risk analysis, primarily financial and operational, the probability of loss/reduction of income generation, the extent of the contractual commitments for the outsourced helicopter services and the need to meet the challenges associated with the procurement of the new helicopter, the Trustees concluded that a minimum of £2 million free reserves should be maintained. This reserves policy will be subject to further review during 2021.

At the end of 2020, the Charity's total funds were nearly £18M (increased from £13.7M in 2019), which were made up as follows:



The resultant free reserves of £4,440k is above the level required in the agreed reserves policy.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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 the Finance subcommittee, 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 on 31 December 2020 with a market value of £3,259K (2019: £3,018K). This reflects a net unrealised gain in the portfolio value of £236K.

The investments are held as part of the Charity's free reserves. Income from the portfolio is paid into the Charity's bank account on a quarterly basis. In 2020 the total income generated was impacted by the pandemic and was reduced to £62K from last year's income of £102K.

In July 2019, Trustees decided to move the investment portfolio into a new Global Income & Growth Fund for Charities, managed by Quilter Cheviot. This funds investment objectives are identical to those of the Charity be with reduced investment management fees. The transfer to the new fund was completed in January 2020. Whilst the first half of 2020 had seen high levels of market volatility particularly as a result of the pandemic, the new investment fund has demonstrated a high degree of resilience to the market fluctuations.

The Charity also holds deposits of £2.57M which are held at UK regulated banks and other cash and investment accounts. These deposits include €400K (Euros) as a retention against the purchase for the new AW169 helicopter pending completion of the installation of Retractable Slump Pads (part of the original aircraft specification) which will be undertaken in 2022.

FINANCIAL HEALTH/GOING CONCERN

The Covid-19 pandemic has brought significant uncertainty to the world's economy which will inevitably have consequences for the charity. The Charity has strong reserves position, has taken steps mitigate risk and is adapting its strategy to the changing market conditions. As a result, 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.

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.

The Charity and the group is constituted under a Memorandum & Articles of Association dated 24 November 2009 and is a registered charity number 1133295.

Board and Committees

The Trustees exercise governance by meeting as a Board quarterly throughout the year to review strategy and performance, oversee risks and ensure that the charity complies with all legal and regulatory requirements.

The Board is supported by three non-executive led committees.

- Finance
- Risk and Audit
- Nominations and Remuneration

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

Methods of appointment or 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. In 2018, 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.

Mr Mark Carne was appointed as a Trustee on 29 January 2020 and elected as the new Chair of the Board on 21st April 2020 when Mrs Sarah Pryce retired from the Board. A further two Directors, Mr Ian Brackenbury and Mr Henry Orchard, retired from the Board on 26 March 2020. Two new directors, Ms Laura MacKay and Mr Neil Lentern were appointed to the Board on 28 January 2021.

The Trustees would also like to recognise the support received from Mrs Ellen Winsor who retired from the Board in July 2019 but has remained a co-opted member of the Finance Committee until July 2021.

Policies adopted for the induction and training of Trustees

The Charity provides a full induction programme for new Trustees. This includes providing Trustees with an organisation email 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.

Organisational Structure

During 2020, the Charity implemented a restructuring of the charity team. This streamlined the senior leadership team to only comprise the Chief Executive Officer and Chief Operating Officer, removing the role of Director of Fundraising together with a small number of changes in the Fundraising and Retail teams.

Following the changes to the senior leadership team, the structure of the charity team was reviewed to ensure that all staff remained appropriately managed and accountable.

At the end February 2021, Paula Martin stepped down as Chief Executive after 12 years. The Trustees would like to recognise and thank Paula for her effort and achievements during her tenure as Chief Executive.

Chief Operating Officer, Steve Murdoch stepped up to the role of Interim Chief Executive whilst the Trustees recruited a new substantive Chief Executive Officer, Tim Bunting, who is expected to join the Charity in September 2021.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

Trading Subsidiary

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 the Chief Executive Officer, 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.

Scheme of Delegation

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.

Regulation

The charity is regulated by the Charity Commission as a registered charity and by the Gambling Commission for its lottery and raffle activities. The charity has also paid its voluntary levy to the Fundraising Regulator.

The Charity is also registered with the Information Commissioners Office and complies with the Data Protection Act 2018.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 to 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:

Nature of risk

Financial sustainability of the helicopter operator could impact the level of service delivered and potentially costs.

Mitigation

Near term performance is to extent mitigated by the taut service contract. The charities ownership of the AW169 helicopter also provides flexibility to explore alternative operating arrangement which are being reviewed.

Poor availability of the new AW169 once it goes into service due to it being unexpectedly unserviceable.

Latest generation of AW169 includes upgrades to address problems experienced by earlier AW169s and based engineer to help resolve issues more quickly if they arise. The Charity are also exploring alternative backup helicopter options.

Failure to recruit or retain key staff required to deliver the charity's strategic goals. Key skills may be in high demand (increasing salary costs or leading to higher staff turnover.

Recommendation of external salary benchmarking report implemented in January 2020. Review team structures and roles to maximise efficiency and improve resilience. Review Trustee recruitment requirement to ensure continuity and appropriate skill mix.

Continued economic uncertainty following Covid-19, Brexit and wider economic factors, resulting in a downturn in one of more fundraising income streams and impact on the charities investment portfolio.

Current financial stability and diversified income streams provides some mitigation. Budget planning includes stress testing of income stream and continues to show that charity is in a strong financial position.

Uncertainty over future of high street trading operations exposes charity to risk of revenue reductions and cost increases. Consideration required the context of Covid-19 to understand impact on retail operations.

Development of a strategy and plans to support sustainable retail operation.

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.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

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 parts of the UK.

During 2019 an independent review of remuneration packages for all staff was conducted to benchmark against similar organisations. The recommendations were reviewed by the Senior Leadership Team and Remuneration 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 Charity is committed to openness and transparency on senior pay and will continue to keep this under review.

Funds held as custodian

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

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Charity 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity 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 reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mr M M P Carne CBE
Chairman

5/8/21



**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNWALL AIR AMBULANCE TRUST

Opinion

We have audited the financial statements of Cornwall Air Ambulance Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNWALL AIR AMBULANCE TRUST
(CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' 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 Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company 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 charitable company 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 Strategic Report.

Responsibilities of trustees

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

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

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNWALL AIR AMBULANCE TRUST
(CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The procedures undertaken in order to identify and assess risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, are as follows:

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of our enquiries of management and the the Board about their own identification and assessment of the risk of irregularities;
- For any matters identified we have obtained and reviewed the parent charitable company's documentation of their policies and procedures relating to;
 - Identifying, evaluating and complying with laws and regulations whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected or alleged fraud; and
 - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team, including internal tax specialists regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charitable Group and Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities SORP (FRS 102) - Accounting and Reporting by Charities and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charitable Group and Company's ability to operate or to avoid a material penalty. These include data protection regulations, health and safety regulations, aviation law, lottery regulations, fundraising laws and employment legislation.

Audit response to risks identified

As a result of performing the above procedures, we have completeness and cut-off of revenue recognition as a key audit matter related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- Documenting and validating the control environment for income and debtors and carrying out walkthrough testing;
- Undertaking substantive sample-based testing or proof in total calculations on all material revenue

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORNWALL AIR AMBULANCE TRUST
(CONTINUED)**

- streams to ensure revenue has been recognised appropriately and accurately;
- Considering manual income journals as part of our work on fraud risks documented above;
- Reviewing the financial statement disclosures and testing to supporting documentation;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement;
- Reading minutes of meetings of those charged with governance; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

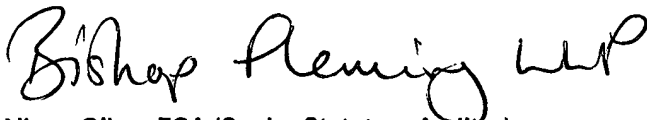
We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, 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: 28/9/2021

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 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	6,995,983	461,791	7,457,774	6,346,425
Charitable activities	4	12,750	3,648	16,398	63,225
Other trading activities	5	574,648	119,605	694,253	1,136,535
Investments	6	62,219	-	62,219	101,699
Total income		7,645,600	585,044	8,230,644	7,647,884
Expenditure on:					
Raising funds	7	1,406,917	7,713	1,414,630	1,646,195
Charitable activities	8	2,761,396	268,177	3,029,573	3,078,827
Total expenditure		4,168,313	275,890	4,444,203	4,725,022
Net income before net gains on investments		3,477,287	309,154	3,786,441	2,922,862
Unrealised net gains on investments		241,220	-	241,220	372,144
Net income		3,718,507	309,154	4,027,661	3,295,006
Transfers between funds	19	366,372	(366,372)	-	-
Net movement in funds		4,084,879	(57,218)	4,027,661	3,295,006
Reconciliation of funds:					
Total funds brought forward		11,356,565	2,614,408	13,970,973	10,675,967
Net movement in funds		4,084,879	(57,218)	4,027,661	3,295,006
Total funds carried forward		15,441,444	2,557,190	17,998,634	13,970,973

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

The notes on pages 34 to 57 form part of these financial statements.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07085879**

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	-	33,685
Tangible assets	14	10,315,099	10,336,482
Investments	15	3,258,900	3,017,973
		<u>13,573,999</u>	<u>13,388,140</u>
Current assets			
Stocks	16	7,581	5,512
Debtors	17	2,770,682	603,169
Cash at bank and in hand		2,570,640	1,048,310
		<u>5,348,903</u>	<u>1,656,991</u>
Creditors: amounts falling due within one year	18	(924,268)	(1,074,158)
Net current assets		<u>4,424,635</u>	<u>582,833</u>
Total assets less current liabilities		<u>17,998,634</u>	<u>13,970,973</u>
Net assets excluding pension asset		<u>17,998,634</u>	<u>13,970,973</u>
Total net assets		<u>17,998,634</u>	<u>13,970,973</u>
Charity funds			
Restricted funds:			
Restricted funds	19	3,850	-
Restricted fixed assets funds	19	2,553,340	2,614,408
Total restricted funds	19	<u>2,557,190</u>	<u>2,614,408</u>
Unrestricted funds	19	15,441,444	11,356,565
Total funds		<u>17,998,634</u>	<u>13,970,973</u>

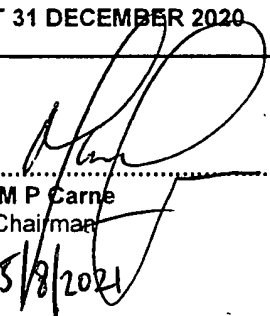
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07085879

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020


.....
Mr M M P Carne
CBE Chairman

Date: 5/8/2021


.....
Mr R Cowie
Trustee

The notes on pages 34 to 57 form part of these financial statements.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07085879**

**CHARITY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	-	33,685
Tangible assets	14	10,315,099	10,336,482
Investments	15	3,258,901	3,017,974
		<u>13,574,000</u>	<u>13,388,141</u>
Current assets			
Stocks	16	7,581	5,512
Debtors	17	2,801,092	608,748
Cash at bank and in hand		2,527,487	1,027,730
		<u>5,336,160</u>	<u>1,641,990</u>
Creditors: amounts falling due within one year	18	(911,526)	(1,059,158)
Net current assets		<u>4,424,634</u>	<u>582,832</u>
Total assets less current liabilities		<u>17,998,634</u>	<u>13,970,973</u>
Net assets excluding pension asset		<u>17,998,634</u>	<u>13,970,973</u>
Total net assets		<u>17,998,634</u>	<u>13,970,973</u>
Charity funds			
Restricted funds	19	2,726,127	2,614,408
Unrestricted funds	19	15,272,507	11,356,565
Total funds		<u>17,998,634</u>	<u>13,970,973</u>

The Charity's net movement in funds for the year was £4,027,661 (2019 - £3,295,006).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07085879

CHARITY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020


.....
Mr M M P Carne
CBE Chairman

Date: 5/2/2021


.....
Mr R Cowie
Trustee

The notes on pages 34 to 57 form part of these financial statements.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	1,809,055	3,845,788
Cash flows from investing activities		
Dividends, interests and rents from investments	62,219	101,699
Proceeds from the sale of tangible fixed assets	3,000	-
Purchase of tangible fixed assets	(347,265)	(7,117,267)
Proceeds from sale of investments	3,028,970	269,581
Purchase of investments	(3,033,649)	(289,475)
Net cash used in investing activities	(286,725)	(7,035,462)
Change in cash and cash equivalents in the year	1,522,330	(3,189,674)
Cash and cash equivalents at the beginning of the year	1,048,310	4,237,984
Cash and cash equivalents at the end of the year	2,570,640	1,048,310

The notes on pages 34 to 57 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 2020**

1. General information

The charity is incorporated as a company limited by guarantee and does not have share capital. In the event of the company being wound up each member is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the company and the costs, charges and expenses of winding up. The company is incorporated in England and Wales. The registered number and office is as stated on page 1.

2. Accounting policies

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), 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 Consolidated Statement of Financial Activities (SOFA) and Consolidated 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.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 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.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.4 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Lottery goodwill & database	-	% over 6 years
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2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION (CONTINUED)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold land	- no depreciation is charged
Operations facility	- over 50 years
Short leasehold improvements	- over 10 years
Motor vehicles	- 25% per annum on the reducing balance method
Shop fixtures and fittings	- over 3 years
Equipment (including Aircraft specialist equipment)	- over 3 or 5 years as appropriate
Helicopter	- over 20 years to 30% of residual value
Assets under construction	- not depreciated until asset is in use

2.7 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 the 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 presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

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

2.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 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.

2.10 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.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.11 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 pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.12 FINANCIAL INSTRUMENTS

The Group 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.

2.13 PENSIONS

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

2.14 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 Group 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 Group 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.

CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	1,009,760	223,943	1,233,703	2,026,211
Legacies	3,672,852	13,730	3,686,582	1,158,702
Grants	720,053	224,118	944,171	1,676,374
Lottery	1,593,318	-	1,593,318	1,485,138
	<u>6,995,983</u>	<u>461,791</u>	<u>7,457,774</u>	<u>4,966,697</u>
TOTAL 2019	<u>3,815,372</u>	<u>1,151,325</u>	<u>4,966,697</u>	

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Air Ambulance service	12,750	3,648	16,398	63,225
	<u>63,225</u>	<u>-</u>	<u>63,225</u>	
TOTAL 2019	<u>63,225</u>	<u>-</u>	<u>63,225</u>	

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Charity shop sales & other income	548,440	119,605	668,045	1,107,768
Income generated by subsidiary	26,208	-	26,208	28,767
TOTAL 2020	<u>574,648</u>	<u>119,605</u>	<u>694,253</u>	<u>1,136,535</u>
TOTAL 2019	<u>1,081,836</u>	<u>54,699</u>	<u>1,136,535</u>	

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income - other local unlisted	61,734	61,734	95,990
Investment income - local cash	485	485	5,709
	<u>62,219</u>	<u>62,219</u>	<u>101,699</u>
TOTAL 2019	<u>101,699</u>	<u>101,699</u>	

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Expenditure on raising funds

COSTS OF RAISING VOLUNTARY INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations, fundraising & events	529,169	7,713	536,882	576,309
Legacies	42,875	-	42,875	43,583
Lottery management & development costs	333,659	-	333,659	475,730
Retail expenses & purchases for resale	493,640	-	493,640	533,499
Investment management costs	4,636	-	4,636	16,634
Expenditure incurred by subsidiary	2,938	-	2,938	440
	<u>1,406,917</u>	<u>7,713</u>	<u>1,414,630</u>	<u>1,646,195</u>
TOTAL 2019	<u>1,426,872</u>	<u>219,323</u>	<u>1,646,195</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Provision of air ambulance service	2,761,396	268,177	3,029,573	3,078,827
TOTAL 2019	<u>3,003,119</u>	<u>75,708</u>	<u>3,078,827</u>	

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Provision of air ambulance service	2,174,978	854,595	3,029,573	3,078,827
TOTAL 2019	2,246,958	831,869	3,078,827	

Analysis of support costs

	Provision of air ambulance 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	317,117	317,117	225,482
Marketing	155,306	155,306	179,893
Insurance	38,380	38,380	28,742
Property Costs	109,299	109,299	112,879
Repairs & Maintenance	39,615	39,615	45,631
Staff Expenses	58,191	58,191	125,321
Office Expenses	39,064	39,064	32,762
Bank Fees	40,068	40,068	41,765
Legal & Professional	58,002	58,002	39,394
Profit on disposal of assets	(447)	(447)	-
TOTAL 2020	854,595	854,595	831,869
TOTAL 2019	831,869	831,869	

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	16,000	11,000
Fees payable to the Charity's auditor in respect of:		
All taxation advisory services not included above	750	1,100
All non-audit services not included above	-	570
	<u> </u>	<u> </u>

11. Staff costs

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Wages and salaries	1,026,163	967,202	1,026,163	967,202
Social security costs	89,378	81,620	89,378	81,620
Other pension costs	54,314	36,699	54,314	36,699
	<u>1,169,855</u>	<u>1,085,521</u>	<u>1,169,855</u>	<u>1,085,521</u>

The total amounts of redundancy payments in the year was £17,178, with no balances due at the year end.

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

	Group 2020 No.	Group 2019 No.	Charity 2020 No.	Charity 2019 No.
Average headcount number of staff employed	39.0	41.0	39.0	41.0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The average headcount expressed as full time equivalent was:

	Group 2020	Group 2019	Charity 2020	Charity 2019
Administration	4	3	4	3
Charity shops	16	17	16	17
Fundraising	10	11	10	11
Marketing	3	3	3	3
Senior leadership team	3	3	3	3
Volunteer department	1	2	1	2
	<u>37</u>	<u>39</u>	<u>37</u>	<u>39</u>

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020	Group 2019
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1

The Charity considered its key management personnel in the year to comprise the Trustees, the Chief Executive Officer, the Director of Fundraising and the Chief Operating Officer.

The total employment benefits including employer pension contributions of the key management personnel were £222,587 (2019: £215,397).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, expenses totalling £NIL were reimbursed or paid directly to no Trustees (2019 - £331 to 3 Trustees).

13. Intangible assets

GROUP AND CHARITY

	Lottery goodwill & database £
COST	
At 1 January 2020	220,483
At 31 December 2020	<u>220,483</u>
AMORTISATION	
At 1 January 2020	186,798
Charge for the year	33,685
At 31 December 2020	<u>220,483</u>
NET BOOK VALUE	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>33,685</u>

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Tangible fixed assets

GROUP AND CHARITY

	Freehold property £	Short-term leasehold property £	Air Ambulance helicopter £	Motor vehicles £	Fixtures and fittings £	Equipment £	Assets under construc- tion £	Total £
COST OR VALUATION								
At 1 January 2020	3,285,852	30,376	-	188,447	71,886	946,788	7,365,682	11,889,031
Additions	36,159	-	208,585	-	19,393	83,128	-	347,265
Disposals	-	-	-	-	-	(3,854)	-	(3,854)
Transfers between classes	-	-	7,365,682	-	-	-	(7,365,682)	-
At 31 December 2020	3,322,011	30,376	7,574,267	188,447	91,279	1,026,062	-	12,232,442
DEPRECIATION								
At 1 January 2020	518,760	14,246	-	114,524	71,838	833,181	-	1,552,549
Charge for the year	65,737	7,734	198,824	18,481	5,774	68,925	-	365,475
On disposals	-	-	-	-	-	(681)	-	(681)
At 31 December 2020	584,497	21,980	198,824	133,005	77,612	901,425	-	1,917,343

CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Tangible fixed assets (continued)

GROUP AND CHARITY (continued)

	Freehold property £	Short-term leasehold property £	Air Ambulance helicopter £	Motor vehicles £	Fixtures and fittings £	Equipment £	Assets under construc- tion £	Total £
NET BOOK VALUE								
At 31 December 2020	<u>2,737,514</u>	<u>8,396</u>	<u>7,375,443</u>	<u>55,442</u>	<u>13,667</u>	<u>124,637</u>	<u>-</u>	<u>10,315,099</u>
At 31 December 2019	<u>2,767,092</u>	<u>16,130</u>	<u>-</u>	<u>73,923</u>	<u>48</u>	<u>113,607</u>	<u>7,365,682</u>	<u>10,336,482</u>

Included in land and buildings is freehold land at cost of £268,540 (2019: £268,540) which is not depreciated.

Assets under construction relate wholly to the Helicopter which was being built and that the Charity had delivery of in 2020.

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Fixed asset investments

GROUP AND CHARITY	Listed investments £	Cash held with investment manager £	Total £
COST OR VALUATION			
At 1 January 2020	2,213,880	804,093	3,017,973
Additions	3,033,649	-	3,033,649
Disposals	(2,224,877)	-	(2,224,877)
Revaluations	236,248	-	236,248
Transfers between classes	-	(804,093)	(804,093)
At 31 December 2020	<u>3,258,900</u>	<u>-</u>	<u>3,258,900</u>
NET BOOK VALUE			
At 31 December 2020	<u>3,258,900</u>	<u>-</u>	<u>3,258,900</u>
AT 31 DECEMBER 2019	<u>2,213,880</u>	<u>804,093</u>	<u>3,017,973</u>

The cash held with the investment manager is due to cash proceeds from disposal of investments prior to the year end which was re-invested post year end. As the cash held with the investment manager is not readily liquid and has only arisen to timing differences on reinvestment, it has been recognised as part of the investment balance as at year end.

CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15. Fixed asset investments (continued)

Principal subsidiary

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding	Included in consolidation
CAAT Trading Limited	10227352	Cornwall Air Ambulance Trust, Trevithick Downs, Newquay, Cornwall, TR8 4DY	To enter into commercial arrangements to raise funds for its parent charity.	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year before gift aid to parent £	Net assets £
CAAT Trading Limited	28,767	440	28,327	1

**CORNWALL AIR AMBULANCE TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Stocks

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Finished goods and goods for resale	7,581	5,512	7,581	5,512

17. Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
DUE WITHIN ONE YEAR				
Trade debtors	14,451	84,652	14,451	84,652
Amounts owed by group undertakings	-	-	33,028	5,758
Other debtors	26,462	27,747	23,972	27,747
Prepayments and accrued income	2,729,769	490,770	2,729,641	490,591
	2,770,682	603,169	2,801,092	608,748

18. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Payments received on account	185,772	184,371	185,772	184,371
Trade creditors	493,238	645,697	493,238	645,697
Other taxation and social security	26,362	21,286	26,362	21,286
Other creditors	6,039	122	6,039	122
Accruals and deferred income	212,857	222,682	200,115	207,682
	924,268	1,074,158	911,526	1,059,158

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Helicopter replacement	-	-	-	198,824	-	198,824
Helicopter purchase retention	510,500	-	-	(170,220)	-	340,280
NBV of unrestricted funded assets	7,755,683	-	(167,015)	(5,741,800)	-	1,846,868
NBV of Air Ambulance (unrestricted element)	-	-	(159,449)	6,074,267	-	5,914,818
Future Development & Investments	-	-	-	2,700,000	-	2,700,000
	<u>8,266,183</u>	<u>-</u>	<u>(326,464)</u>	<u>3,061,071</u>	<u>-</u>	<u>11,000,790</u>
GENERAL FUNDS						
General Funds - all funds	<u>3,090,382</u>	<u>7,645,600</u>	<u>(3,841,849)</u>	<u>(2,694,699)</u>	<u>241,220</u>	<u>4,440,654</u>
TOTAL UNRESTRICTED FUNDS	<u>11,356,565</u>	<u>7,645,600</u>	<u>(4,168,313)</u>	<u>366,372</u>	<u>241,220</u>	<u>15,441,444</u>
RESTRICTED FUNDS						
Heli Appeal	-	431,353	(53,831)	(377,522)	-	-
Other restricted funds	-	3,850	-	-	-	3,850
CJRS grants	-	146,193	(146,193)	-	-	-
	<u>-</u>	<u>581,396</u>	<u>(200,024)</u>	<u>(377,522)</u>	<u>-</u>	<u>3,850</u>
Capital Restricted funds						
Helicopter AW169 - DCMS (LIBOR)	1,000,000	-	(26,250)	-	-	973,750
Helicopter AW169 - (DHSC)	500,000	-	(13,125)	-	-	486,875

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19. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Airbase construction (SWRDA)	839,367	-	(18,963)	-	-	820,404
Annex (LIBOR)	220,898	-	(5,360)	-	-	215,538
Welfare & Pastoral Facilities - (DCMS)	39,976	-	(3,968)	-	-	36,008
Other restricted funds	14,167	3,648	(8,200)	11,150	-	20,765
	<u>2,614,408</u>	<u>3,648</u>	<u>(75,866)</u>	<u>11,150</u>	<u>-</u>	<u>2,553,340</u>
TOTAL RESTRICTED FUNDS	<u>2,614,408</u>	<u>585,044</u>	<u>(275,890)</u>	<u>(366,372)</u>	<u>-</u>	<u>2,557,190</u>
TOTAL OF FUNDS	<u>13,970,973</u>	<u>8,230,644</u>	<u>(4,444,203)</u>	<u>-</u>	<u>241,220</u>	<u>17,998,634</u>

CORNWALL AIR AMBULANCE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Helicopter replacement	92,312	-	-	(92,312)	-	-
Helicopter purchase retention	4,198,000	-	-	(3,687,500)	-	510,500
NBV of unrestricted funded assets	2,159,515	-	(213,151)	5,809,319	-	7,755,683
	<u>6,449,827</u>	<u>-</u>	<u>(213,151)</u>	<u>2,029,507</u>	<u>-</u>	<u>8,266,183</u>
	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
GENERAL FUNDS						
General funds	2,570,479	5,062,132	(4,216,840)	(697,533)	372,144	3,090,382
TOTAL UNRESTRICTED FUNDS	<u>9,020,306</u>	<u>-</u>	<u>(4,429,991)</u>	<u>1,331,974</u>	<u>372,144</u>	<u>11,356,565</u>
	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
RESTRICTED FUNDS						
Heli Appeal	328,618	1,206,024	(219,323)	(1,315,319)	-	-
Portable ultrasound	14,800	-	-	(14,800)	-	-
Chest compression system	1,855	-	-	(1,855)	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

19. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
	345,273	1,206,024	(219,323)	(1,331,974)	-	-
Capital Restricted funds						
Helicopter AW169 - DCMS (LIBOR)	162,500	837,500	-	-	-	1,000,000
Helicopter AW169 - (DHSC)	-	500,000	-	-	-	500,000
Airbase construction (SWRDA)	856,501	-	(17,134)	-	-	839,367
Annex (LIBOR)	225,699	-	(4,801)	-	-	220,898
Welfare & Pastoral Facilities - (DCMS)	14,806	25,468	(298)	-	-	39,976
Other restricted funds	1,157	-	(1,157)	-	-	-
Big Lottery awards for All	787	-	(787)	-	-	-
Laryngoscope appeal	704	-	(704)	-	-	-
Mannequin appeal	75	-	(75)	-	-	-
Flying suits	1,333	-	(667)	-	-	666
Equipment - Duchy Health Charity	-	16,760	(3,259)	-	-	13,501
Night flying technology	46,826	-	(46,826)	-	-	-
	1,310,388	1,379,728	(75,708)	-	-	2,614,408
TOTAL RESTRICTED FUNDS	1,655,661	2,585,752	(295,031)	(1,331,974)	-	2,614,408
TOTAL OF FUNDS	10,675,967	2,585,752	(4,725,022)	-	372,144	13,970,973

**CORNWALL AIR AMBULANCE TRUST
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20. Transfer between funds

The transfers between funds during the year were as follows:

The completion of the new Helicopter Purchase in April 2020 has resulted in the transfer to Designated Funds from the Helicopter Purchase Retention and Net Book Value of Unrestricted Funded assets, together with the transfer of Restricted Funds from the Heli Appeal to create a new designated fund for the 'Air Ambulance (unrestricted element)'.

The Trustees have agreed that the depreciation costs of the new Helicopter would be transferred in to a new Helicopter Replacement fund.

In addition, the Trustees have agreed to designate the income from the Bailey Estate legacy transferring a value of £2,700,000 into the Future Developments and Investments Designated Fund.

21. Designated funds

Helicopter Replacement Fund

This is a new fund established to hold funds for the replacement of the air ambulance helicopter. The Trustees have agreed to transfer the depreciation of the helicopter into this fund annually. Noting that the new helicopter is expected to be in operation for the next 20 years.

Helicopter Purchase Retention

This fund hold the remaining balance of the Helicopter Purchase, £340,280 (€400,000 at an exchange rate of 0.85070). This is held pending completion of the installation of Retractable Slump Pads (part of the original aircraft specification) which will be undertaken in 2022.

Net Book Value of Air Ambulance (Unrestricted Element)

This fund has been established to recognise the net book value of the unrestricted element of the new AW169 helicopter as a fixed asset held by the charity funded by unrestricted funds and from fund whose restriction ended upon the acquisition of the asset.

Net Book Value of Unrestricted Funded Assets

This fund recognises the net book value of fixed assets held by the charity (excluding the AW169 helicopter) funded by unrestricted funds or from funds whose restriction end upon the acquisition of the asset, and that consequently cannot be easily converted into cash.

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22. Restricted funds

Heli Appeal

All funds from the Heli Appeal have been transferred to complete the purchase of the new AW169 Helicopter.

Helicopter AW169 – DCMS (LIBOR)

This Helicopter fund of £1M made up of £162,500 of funding received during 2018 and a further £837,500 received in 2019 from the Department for Culture, Media & Sport, towards the cost of the new helicopter purchase.

Helicopter AW169 - DHSC

This fund reflect the £500,000 received in 2019 from the Department of Health and Care towards the new helicopter purchase.

Airbase Contraction (SWRDA)

This fund represents grant awarded given by South West Regional Development Agency towards the cost of construction of the air ambulance operations facility and head office.

Annexe (LIBOR)

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.

Welfare & Pastoral Facilities (DCMS)

The fund represents the grant funding using to develop facilities to support the welfare of the air ambulance crews.

Other restricted funds

Other restricted funds represent grants and restricted donations predominantly for the purchase of medical and operational equipment.

CJRS Grants

CJRS grants relates to the government furlough support scheme. These funds could only be used on staff costs.

23. Summary of funds

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds	8,266,183	-	(326,464)	3,061,071	-	11,000,790
General funds	3,090,382	7,645,600	(3,841,849)	(2,694,699)	241,220	4,440,654
Restricted funds	-	581,396	(200,024)	(377,522)	-	3,850
Restricted funds - Class II	2,614,408	3,648	(75,866)	11,150	-	2,553,340
	13,970,973	8,230,644	(4,444,203)	-	241,220	17,998,634

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23. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds	6,449,827	-	(213,151)	2,029,507	-	8,266,183
General funds	2,570,479	5,062,132	(4,216,840)	(697,533)	372,144	3,090,382
Restricted funds	345,273	1,206,024	(219,323)	(1,331,974)	-	-
Restricted funds - Class II	1,310,388	1,379,728	(75,708)	-	-	2,614,408
	<u>10,675,967</u>	<u>7,647,884</u>	<u>(4,725,022)</u>	<u>-</u>	<u>372,144</u>	<u>13,970,973</u>

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted Fixed Assets funds 2020 £	Total funds 2020 £
Tangible fixed assets	7,761,759	-	2,553,340	10,315,099
Fixed asset investments	3,258,900	-	-	3,258,900
Current assets	5,345,053	3,850	-	5,348,903
Creditors due within one year	(924,268)	-	-	(924,268)
TOTAL	<u>15,441,444</u>	<u>3,850</u>	<u>2,553,340</u>	<u>17,998,634</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted Fixed Assets funds 2019 £	Total funds 2019 £
Tangible fixed assets	7,722,074	2,614,408	10,336,482
Intangible fixed assets	33,685	-	33,685
Fixed asset investments	3,017,973	-	3,017,973
Current assets	1,146,491	510,500	1,656,991
Creditors due within one year	(563,658)	(510,500)	(1,074,158)
TOTAL	11,356,565	2,614,408	13,970,973

25. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £54,314 (2019: £36,699). £5,917 (2019 - £nil) was payable to the fund at the balance sheet date.

26. Operating lease commitments

At 31 December 2020 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Not later than 1 year	127,000	124,300	127,000	124,300
Later than 1 year and not later than 5 years	195,000	314,000	195,000	314,000
Later than 5 years	7,375	7,375	7,375	7,375
	329,375	445,675	329,375	445,675

27. Other financial commitments

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.

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28. 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.

29. Related party transactions

During the year the charity received donations of £4,716 (2019: £6,606) from First Air Ambulance Service Trust, a trust controlled by the same trustees. At the year end, a balance of £nil was receivable from First Air Ambulance Service Trust (2019: £nil).

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.