

COMPANY REGISTRATION NUMBER 2337239

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED
FINANCIAL STATEMENTS
31 MARCH 2017**



LONDON'S AIR AMBULANCE

Charity Number 801013

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017**

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**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

The Board of Trustees

Mark Vickers (Chairman) LL.B (Hons)
Samantha Walker (Deputy Chairman)
Robert (Bob) Forsyth (Treasurer) (appointed 15 February 2017)
James Charrington (appointed 5 September 2016)
Dr Gareth Davies MB ChB MRCP FCEM
Maxine Jordan
Paul Lavender FCA, CF, MABRP
Professor David Lockey MB BS FRCA FIMC RCS(Ed)
FFICM
Edmund (Ed) Owen (appointed 15 February 2017)
William Walden (appointed 27 April 2016)
Adrian Walker (appointed 15 February 2017)

Chief Executive Officer

Graham Hodgkin (until Aug '16)
Jonathan Jenkins (from Apr '17)

**Chief Operating
Officer/Deputy CEO**

Charles Newitt (Interim CEO Aug '16 to Apr '17)

Director of Development

Mark Davies (Interim Deputy CEO Aug '16 to Apr '17)

Company Secretary

Maxine Jordan

Registered Office

10 Orange Street
Haymarket
London
WC2H 7DQ

Principal Office

5th Floor
77 Mansell Street
London
E1 8AN

Auditors

Shipleys LLP
Chartered Accountants & Statutory Auditors
10 Orange Street
Haymarket
London
WC2H 7DQ

Bankers

Santander UK plc
Santander Corporate Banking
2 Triton Square
Regent's Place
London
NW1 3AN

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CHAIR'S STATEMENT

YEAR ENDED 31 MARCH 2017

London's Air Ambulance has seen another strong year, as we respond to the pressing needs of the people of London for pre-hospital trauma treatment. Yet again, we have been hugely humbled by the generosity of our supporters who have continued to provide us with the means to operate two fully equipped helicopters and our fleet of rapid response cars.

The Charity received £9.2 million of income which is an outstanding outcome, particularly taking into account that £9.4 million* was raised in 2015/16 when the Your London, Your Helicopter campaign took place. Your unfailing support has kept us operational 24 hours a day, 7 days a week – allowing us to treat 1867 patients during the financial year. Many of those treated would not be here today without your donations and we can only thank you on their behalf and on behalf of their families.

Every successful mission and operational achievement also owes much to our vital partners, Barts Health NHS Trust and the London Ambulance Service NHS Trust. We gratefully acknowledge this crucial support.

To be serving London alongside other emergency services is a privilege in itself and we were taken aback at the Pride of Britain Awards 2016 when we were awarded the honour of Emergency Service of the Year. This award is particularly meaningful to us as it is awarded by the public – the very community that we serve and whose support keeps us operational.

One of our greatest challenges continues to be that many people are still not aware that we are a charity; many believe we are completely funded by the NHS or by the Government and are surprised to learn we are a charity, in the same way as for example, the RNLI. This impacts heavily on the level of support potential donors are prepared to provide. We will continue to do our utmost to change this situation, which has long been a predicament of air ambulance services generally.

The past years have seen much comment on the fundraising activities of some charities and the practices of the sector as a whole. We continually review our governance procedures and the efficiency of our fundraising as we strive to deliver to best practice standards, in recognition of the trust and faith placed in us by our patients, donors and other stakeholders.

We look forward to another year of achievement for the world class service which is London's Air Ambulance, and reiterate our grateful thanks for your generous support.

Mark Vickers, Chairman of the Board of Trustees

* Restated (refer to Note 30)

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CHIEF EXECUTIVE OFFICER'S STATEMENT

YEAR ENDED 31 MARCH 2017

I have the honour to present the financial statements of London's Air Ambulance, although the figures on the following pages precede my tenure as a CEO. I am excited to build on the achievements of our team under my predecessor and I have no doubt that we will continue the expansion of the past few years, as well as firmly rooting it in a sustainable financial model to safeguard the charity for the future.

For any organisation, it is key to find the right balance between investing into innovation and safeguarding against risk. In our case, staying ahead of the curve is a direct prerequisite for truly delivering on our mission 'to provide our patients with the world's most innovative and effective pre-hospital care'. In my short time as a CEO of London's Air Ambulance, I have already met many people who simply wouldn't be here if it wasn't for the innovations our team introduced to pre-hospital care, including roadside open heart surgery, blood transfusion and REBOA.

At the same time, safeguarding the future of a vital service like ours must be a priority. The NHS is under ever greater strain and the recent tragic events provided a stark reminder of the need for what we always understood as our duty – to make London's emergency medical response as resilient as possible, both in an instance of a major incident and on an everyday basis.

London's Air Ambulance has been saving lives in London for the past 28 years. Yet a recent survey revealed that whilst over 80% of people in the Capital are aware of our service, two thirds do not know that we are a charity. This is one of our greatest challenges. We are determined to invert that statistic. I am convinced that if we can make two thirds of people in London aware of the need for their support, they will dig even deeper, and will ensure we provide the very best life saving services for those patients in our care. There is a great deal of good will in London and greater awareness combined with the right kind of engagement could revolutionise our fundraising.

We cannot thank our current supporters and partners enough. Every one of our donors and volunteers is enabling us to maintain our life-saving service for the 10 million people who live, work and travel in London every day. Our gratitude also goes to our partners at the Barts Health NHS Trust and the London Ambulance Service who are an integral part of the service we jointly provide and it is a privilege to be serving London alongside them and all other emergency services and healthcare providers.

Thank you all. I am genuinely excited for the future,

Jonathan Jenkins, CEO at London's Air Ambulance

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TRUSTEES ANNUAL REPORT

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The Trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the consolidated financial statements of London's Air Ambulance Limited ("the Charity", "the Company" or "LAA") for the year ended 31 March 2017.

In line with the emerging service level agreement between the Charity and Barts Health Trust and London Ambulance Service, the cost of provision of medical staff is not included within the Charity accounts this year (see Note 30).

ACHIEVEMENTS AND PERFORMANCE

Our primary purpose is to provide critically injured patients with the world's most innovative and effective pre-hospital care delivered by our advanced trauma team using a helicopter by day and rapid response cars by night and in adverse weather conditions.

The service treated 1867 patients suffering from critical injury (trauma), and some other medical emergencies in the financial year ended 31 March 2017. This number excludes the 881 patients that were treated by our Physician Response Unit (PRU), see page 6.

Figure 1 displays the number, type and location of missions carried out in the calendar year January to December 2016.

Figure 2 displays the headline numbers of patients treated by the service in the financial year 2016/17. By the very nature of our work, every one of our missions has the potential to have an enormous impact on the future of the patient, their family, and the wider community as well as having positive economic consequences.

Figure 1: 2016 Calendar Year Mission Map



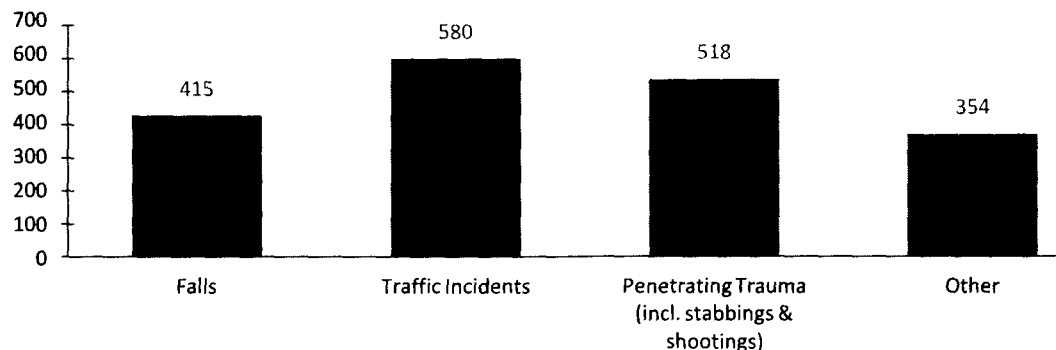
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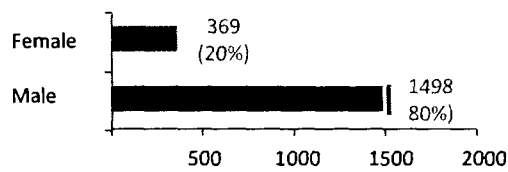
YEAR ENDED 31 MARCH 2017

Figure 2: Financial Year 2016/17 Missions Summary¹

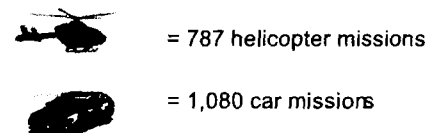
Patients treated by mechanism of injury



Patients treated by gender



Mission Breakdown



¹ Data taken from 1 April 2016 to 31 March 2017, with 1867 patients (excluding PRU) treated in total.

As a result of strict data and patient confidentiality restrictions, it is difficult to quantify the exact impact and contribution we make to the outcome of our patients. The pre-hospital care of trauma patients has been recognised as a vital component of the trauma patient pathway from incident to rehabilitation. Excellent pre-hospital care is recognised as an important contributor to the documented significant improvements in trauma mortality in the UK in the last six years. The process for mapping out and measuring patient outcomes is inherently complex. Often, following our handover to the receiving hospital, our patients undergo complex treatment and rehabilitation via a number of care providers before discharge to their home. This is due to the severity of their injuries.

Our Patient Liaison Nurse provides the critical interface between our service and our patients during their long and often difficult recoveries. Through this interface we receive unprecedented anecdotal evidence of the impact our charity has had, not only on the patients themselves but also their families, friends, colleagues, employers and wider communities. Helping a patient is an extraordinary combined effort of many including the patient's family, the public, Metropolitan Police, London's Fire Brigade and NHS staff.

Progress against Strategic Objectives

In respect of the key strategic objectives for the financial year 2016/17, the Board of Trustees is able to report on the progress and outcomes as follows:

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1. In partnership with Barts NHS Trust and London Ambulance Service, to continue the provision of a 24 hours, 7 days per week service using our helicopters and fleet of rapid response cars

In the first full year of operating our second helicopter, the operational availability in having a helicopter available during operational hours has risen from 83% to 99%, thus allowing us to reach more patients more quickly. In 2016 we reached 43% of our patients by helicopter (a 9% increase on the previous year). Our cars remain a critical part of our service when we cannot fly, and in 2016 they provided 57% of our overall mission responses in London. In total in FY 2016/17 we treated 1867 patients, excluding the PRU patients.

We have continued to train for and develop our Major Incident (MI) responses in conjunction with Barts NHS Trust and LAS, taking part in joint exercises as well as running our own. Towards the end of the year and into FY 17/18 our teams were called upon for the Westminster Bridge attack, where we deployed one team by helicopter, the London Bridge attack where we deployed 5 medical teams by car, and the Grenfell fire where we again deployed 5 teams by car. In the morning of the Grenfell fire we used the first helicopter to change teams over before it returned to daily tasking, with the second helicopter on stand-by should it be requested. Having the two helicopters available allowed us to continue our daily support to London while having one available to support the on-going MI should it have been required.

2. Delivering greater resilience through extension of our daylight flying hours

From 27 March to 2 September 2016 we operated extended daylight flying hours until sunset each night. Delivering our advanced trauma team to critically injured people during the extended hours resulted in a total of 317 additional hours, during which the helicopter was launched on 106 occasions and treated 68 critically injured patients.

3. Physician Response Unit

Operating separately to our rapid response cars, the Charity's Physician Response Unit (PRU) treated 881 patients in the community during the period 1 April 2016 to 31 March 2017.

Patients are treated for a range of emergencies thanks to the specialist drugs and equipment carried in the PRU car. Delivering such services in the community helps alleviate some of the pressure on the NHS Emergency Department by reducing the number of ambulance call-outs and number of Emergency Department visits. Of the 881 patients treated, 428 patients were left in the community (48.6%) during the period by the PRU, therefore avoiding an ambulance use and an admission to the Emergency Department.

4. Continuing the successful growth of The Institute of Pre-Hospital Care

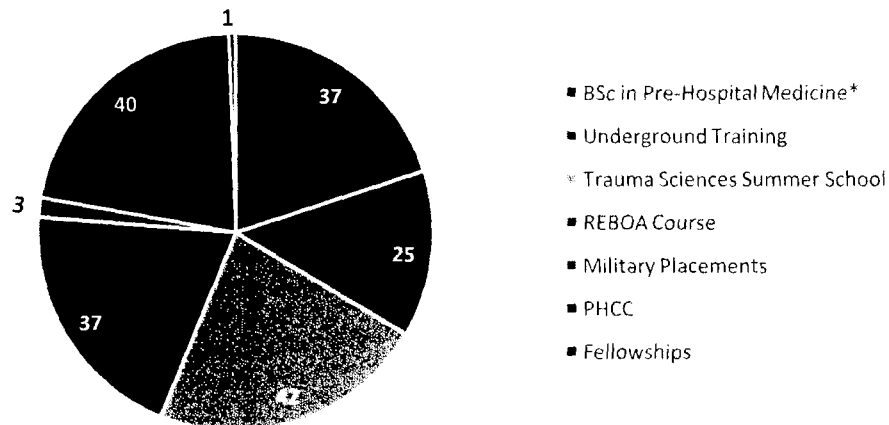
It has been another exceptional year for the Institute having trained a total of 185 doctors and paramedics through existing and new courses, and producing insightful and innovative research. Figure 3 provides a breakdown of courses and numbers trained, and is followed by a brief summary of some of the key achievements.

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Figure 3: Courses delivered and numbers trained



*Academic year runs from 1 August to 31 July, therefore BSc course numbers includes Academic Year 15/16 and 16/17

BSc in Pre-Hospital Medicine

For the academic year 2016/17, 20 students studied towards the BSc qualification, an increase of three from the previous academic year. We are confident that this cohort of students will progress well and follow the successes of previous years delivering presentations at venues including the European Society of Emergency Medicine conference (EUSEM) in Vienna; the European Resuscitation Council conference in Prague; the Mediterranean emergency medicine conference in Rome; the London Trauma Conference and Queen University in Belfast.

Pre-Hospital Care Course (PHCC)

We successfully delivered three courses over the year training 22 doctors and 18 paramedics. The courses were well attended, with a total of seven countries represented along with maintaining our relationships with the other Air Ambulances that we are affiliated within Great Britain.

The impact of delivering the course, including the key innovations and best practice that are taught, ensures we have highly trained doctors and paramedics helping to deliver the high quality of care. Furthermore, we have international doctors, who take learning from the PHCC to enhance service delivery in health systems internationally. The impact of this course is wide-reaching and aligns with our mission to drive excellence in pre-hospital care standards.

High Performance Workshop in collaboration with UK Sport

In February 2016 the Institute launched a new course, the 'High Performance Workshop' in collaboration with UK Sport, with 13 delegates from the 'Road to Rio' programme taking part.

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The course allowed us to share our experience and learning with some of the leaders in the sporting world drawing upon the parallels between the work that our operational teams do and high performance coaching, psychology and behaviours. This allowed us to forge relationships in the area of performance that are fundamental to the future of the work that our teams carry out on scene.

Following positive feedback, and given the success of the course, we plan to deliver this course at least once a year going forward.

5. Continuing Pre-Hospital Care Research

LAA has again produced more research output than any other UK pre-hospital organisation. The range of work produced has reflected previous work and more recent activities including airway management, haemorrhage control and major incident management.

Pre-hospital research is rarely productive in isolation as the pre-hospital phase is only one small part of the pathway from injury to recovery. Most major projects will involve close collaboration with in-hospital or established basic and clinical science university research programmes. To that end we are in regular discussions with researchers in London and beyond to identify opportunities to progress our pre-hospital research. The Faculty of Pre-Hospital Care at the Royal College of Surgeons of Edinburgh is also examining how the air ambulance community can better collaborate to answer pre-hospital research questions.

Key research includes: collaboration with the Norwegian Air Ambulance on papers on outcomes from hangings and the effect of pre-hospital blood on mortality in the severely injured; several papers and studies on anaesthesia in shock, techniques of preventing hypoxia during anaesthesia, quality of mechanical ventilation and the epidemiology of emergency trauma airway management.

A national consensus document on safe pre-hospital airway management was published early this year. It received endorsement from all the key organisations delivering emergency care and has already been cited and used to improve the delivery of airway care in the UK and elsewhere. Professor David Lockett, one of LAA's consultants, chaired the working group which included previous LAA members Kate Crewdson, Johnny Price, Malcolm Russell and Gareth Davies.

LAA clinicians have continued to be in high demand at regional, national and international meetings as speakers and the run of major incidents in London is likely to increase demand further. As well as lectures a number of research abstracts have been presented.

There has been considerable published work over the last year involving a variety of LAA authors and we are continuing to pursue projects that have the potential to change practice and improve outcomes for patients.

6. Continue to expand on the success of the role of the Patient Liaison Nurse

Funded by the City of London Corporation's charity, City Bridge Trust, the Patient Liaison Nurse (PLN) has continued to provide additional support to patients and their families as they embark on the long and often difficult recovery journey.

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The most successful aspect of the PLN initiative has been to bridge the gap between the pre-hospital care that the service is renowned for and the patient's ongoing recovery. To date, this has been achieved by the PLN in the following ways:

- Face to face follow up with patients to provide additional support and guidance. This included a total of 347 bedside visits during the reporting period.
- The facilitation of peer to peer support opportunities whenever appropriate. During the reporting period 17 such opportunities took place.
- Feedback to the clinical teams of the patients' recovery process.
- The introduction of a monthly support group for family members of brain injured patients in partnership with the Neuro-Surgical teams.
- The continued provision of bereavement consultations for families giving them the opportunity to meet and hear from the teams who treated their loved ones. During the reporting period 15 consultations were undertaken.
- During the year 87 patients and their families were sign-posted to other organisations that were able to provide vital and much needed support outside of the health service remit.
- The facilitation of patient and family visits to the helipad to meet the teams who looked after them. 36 such visits were organised during the reporting period.
- The involvement of patients in the training and education for both clinicians and the Pre-Hospital BSc programme to help enhance learning through the sharing of patient experiences. 3 such opportunities were provided during the reporting period.

7. Developing and Delivering an Outreach Programme

HELIMED: an interactive educational STEM app

The Charity's Learning and Outreach Programme reached a new milestone during the year with the launch of our HELIMED app - developed by Milo Creative in partnership with science education centre, Centre of the Cell. This innovative educational resource was made possible through funding received from our Trust, Foundation and Corporate supporters. The app gives participants the opportunity to assume the roles of a doctor, paramedic and pilot to complete four life-saving missions, all in a race against time, with decision-making activities linked to STEM (Science, Technology, Engineering and Mathematics) curriculum materials.

During the year the charity partnered with secondary schools in Tower Hamlets, Newham, Hackney and Lambeth, encouraging young people of all abilities to engage with technology and understand real world applications of STEM subjects, whilst raising awareness of the work of the Charity.

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8. Working closely with Barts Health and London Ambulance Service to deliver improved pre-hospital care procedures and pathways

REBOA

This technique allows us to prevent a patient from bleeding to death before they reach hospital, giving the patient the best opportunity to not only survive but to have the best possible outcome following survival. We continue to provide this ground-breaking procedure which is one of the most notable developments in pre-hospital care since we pioneered pre-hospital thoracotomy (open heart surgery) at the roadside. REBOA has already saved the lives of people in London and will go on to benefit many others through the UK and beyond as the procedure is taken up by other services.

Emeritus staff

The continuous support from the medical employees attached to us from Barts Health and London Ambulance Service and our emeritus team is invaluable to our charity. We are very fortunate to benefit from the dedication of all these individuals. Following a number of secondments and delivery of courses over the years, we have a total number of 67 on the Emeritus team. Furthermore, we delivered monthly training sessions for Major Incidents and REBOA training for our seconded and Emeritus staff. These training nights help to refresh clinical knowledge as well as reinforcing relationships.

Clinical Governance Days

Clinical Governance Days centre on an ethos of delivering care of the highest possible standard for all of our patients, at all times; which both enables and demands a high level of reflection, self-critique, learning from others, and collective memory. As a result of a relentless focus on excellence we continue to drive knowledge-sharing via this platform. We delivered in conjunction with our partners 12 Clinical Governance Days in the period, each attracting an average of 75 attendees from London's Air Ambulance, Barts Health, London Ambulance Service and the wider clinical community, including pre-hospital care professionals from around the world.

9. Expand and support our volunteer network

We greatly appreciate the hard work and dedication of our volunteers in supporting the Charity. Unpaid volunteers assist Charity employees in a range of roles, including fundraising collections, coordinating collection pots, working in our retail shop and selling merchandise at external events. Volunteers also assist with office administration and we have also recruited volunteers to represent us as speakers to inform community groups about our work.

In 2016, London's Air Ambulance became an Investing in Volunteers accredited organisation. The process enabled us to review and develop the way in which we work with and support our volunteers and puts us in a strong position to recruit and expand the work that our volunteers do in the future.

The accreditation has been proven to improve the experience of volunteers and all those who work with them. It enables people to volunteer in a positive and supportive environment with proper management systems in place. It is also designed to help with volunteer recruitment, retention and productivity. The quality standard mark will be used to promote volunteering at the Charity and be displayed on the Charity's website and publicity materials.

In 2016/17, a total of 164 volunteers (2016: 154) supported the Charity, with 65 taking part in volunteering activity on a regular basis (more than once a month). Our National Air Ambulance Week activity in 2016 included in excess of 125 volunteers taking part in charity collections across London.

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10. Investment in Development team to help drive fundraising income

Fundraising Income

It was a strong year with a number of income streams exceeding the targets set at the start of the financial year. Key strategic aims for the year were to maintain existing support; secure new sources of funding; and to diversify our income streams including increasing the number of regular givers.

Trusts, Foundations and Livery Companies

The Charity has a strong portfolio of Trust, Foundation and Livery Company supporters. The strategy was to nurture existing relationships with our supporters and establish new partnerships with the aim of soliciting donations and grants to support our core services; essential training equipment; our Patient Liaison projects; and educational outreach work. The continuation of our charity partnership with London Freemasons generated significant income during the year in support of the operation of our second helicopter.

Corporate & Events

We have continued with our strategy to develop mutually beneficial corporate partnerships that deliver sustainable income and in-kind and pro-bono support with a focus on acknowledgment and recognition. This has included creating new ways to work with partners, such as tri-partite event partnerships, and growing the team to include a specialised new business function.

We are extremely grateful for our charity partnership with Hogan Lovells LLP which ended in January 2017. Due to end in March 2016, our partnership with life and pension firm Phoenix Group has extended for a further three years, taking the collaboration through to March 2020 providing funding split equally between London's Air Ambulance and Midlands Air Ambulance Charity, thanks to the fundraising efforts of staff based at the firm's London and Wythall sites.

Our challenge event strategy focused on a portfolio of fewer events with increased numbers of participant places. This has paid off allowing more attention to be paid to individual fundraisers enhancing both participant experience and fundraising capacity.

Community

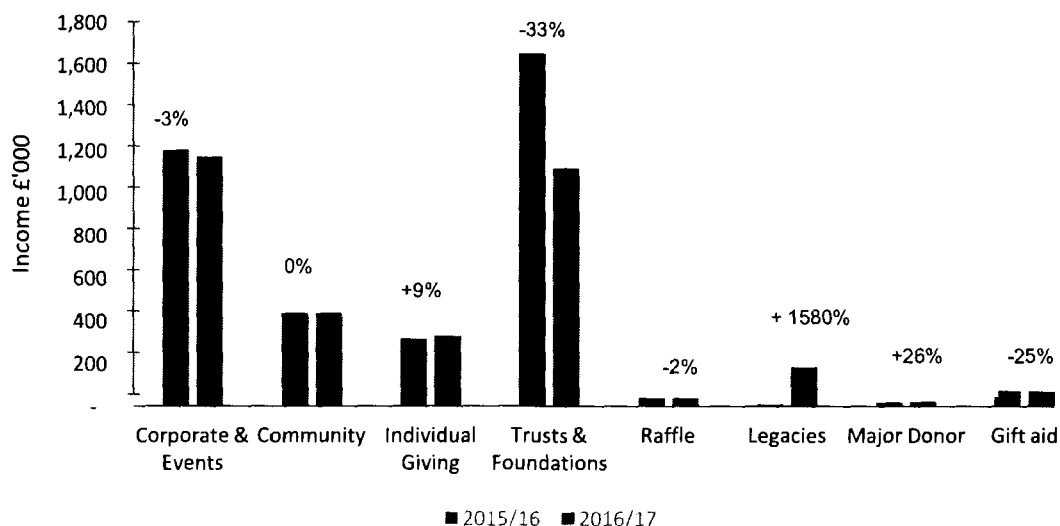
We have a strong community fundraising programme, raising funds through collection pots and buckets, at local events and from local clubs, schools, societies, businesses and supermarkets. Our aim was to maintain and expand income from local communities and businesses throughout London, ensuring that long-standing support is acknowledged and that community supporters remain engaged, informed and inspired. We delivered on this, with an increasing network of businesses holding pots at their premises and Charity of the Year partnerships secured with Sainsbury's supermarkets in Bexley Heath, Golders Green and Beckenham. We secured a partnership with the London Rotarians who are raising the funds to pay for and fit-out the London's Air Ambulance *Helivan*. The *Helivan* will be used to transport demonstration equipment to community events and schools in London to engage communities with our work and to inspire children and young people to pursue Science, Technology, Engineering and Mathematics (STEM) careers with a strong focus on paramedicine and pre-hospital care.

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Figure 6: Growth in income by income stream



Material Fundraising Activities

Our performance and successes throughout the year would not have been possible without the generosity of our supporters. Some of the material fundraising activities that took place included;

Individual Giving

Income from individual givers - cash and regular donors, raffle players and lottery members - continues to grow and is a significant part of our income. This year we invested in the recruitment of new lottery members and regular givers through face-to-face fundraising. We rolled out fundraising tablets for our face-to-face fundraisers in July 2016, enabling us to capture sign up details more securely and accurately and provide new supporters instant confirmation of their sign ups. We expanded our recruitment activity through agency partners, and in January 2017 we created a new post to oversee our face-to-face fundraising activity.

We ran two successful raffle campaigns including our first ever summer raffle, which was promoted to existing supporters as well as new supporters via a digital marketing campaign. In September 2016 we launched a small donor acquisition test via digital marketing and donated media (across digital, out of home and press advertising). Following our response to the Westminster attacks in March 2017, we saw an increase in cash donations, especially via text and online.

Lottery

The London's Air Ambulance lottery continues to grow and is a significant part of our income. At the end of March 2017 the number of chances in our lottery had increased to over 70,000. Income from the programme grew by 14% in the period and is attributable to our continuing strategy of signing up new lottery members via face-to-face fundraising.

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11. Charity Infrastructure

During the year the Charity has updated its IT infrastructure and replaced its Customer Relationship Management and Finance Accounting software to deliver a modern and secure information and data system with associated support to meet the Charity's objectives for the next 5 years.

This will help to ensure our IT system security is protected against external threats, to meet our regulatory regimes and requirements, to provide the data analysis to inform and support executive decision making, and to help deliver a more flexible and more scalable working culture.

PLANS FOR FUTURE PERIODS

Future plans for the Charity include:

- A recent survey showed that whilst eight out of ten people have heard of the London's Air Ambulance service 2/3rds of people in London are not sure or don't believe that London's Air Ambulance is a charity. Over the next two years, working towards our 30th Anniversary in 2019, our awareness campaigns intend to change this to 2/3rds know that we are a charity.
- The overall strategic aim is to secure longd term diverse sustainable income streams to enable the Charity to achieve its goals. This includes:
 - Increasing the number of corporate partnerships and sponsorships
 - Growing community fundraising
 - Securing longd term grants and donations from charitable trusts, foundations and livery companies and statutory sources
 - Launching a legacy campaign
 - Delivering major donor initiatives
 - Growing and developing individual donors to drive regular giving through our lottery and individual giving portfolio, facilitated by digital marketing and launching new campaigns
 - Expanding our retail operation
- In partnership with Barts NHS Trust and London Ambulance Service, continuing the provision of a 24 hours per day, 7 days a week service using our helicopters and fleet of rapid response cars.
- Thanks to ICAP and their fundraising Charity Day, we will be replacing our rapid response car fleet this coming year with minimal disruption to the continuity and resilience of our operational service. One of our cars will be upgraded to provide flexibility to help deliver medical pre-hospital trials.
- Continue to work with the emergency services across London to develop the lessons from major incidents over the last year and to undertake exercises to plan how London develops its responses to major incidents.

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- Working with Barts Health NHS Trust to start delivery of the new clinical model to move towards a consultant led delivered service. The service is continually innovating ways to prevent unnecessary deaths from trauma, and procedures carried out before patients reach hospital are becoming more complex and challenging. From autumn 2017, a consultant will be present on most critical missions, alongside the duty crew including doctor and paramedic, ensuring patients have the best possible care. To facilitate this, new consultants are being employed and this will likely see the cessation of the Emeritus volunteers for doctors.
- In September 2017 we re-launched the PRU with a new provision of clinical care to the community, extending hours to be operational 12 hours a day, 7 days a week, with improved mobile IT support to provide the best possible care to their patients.
- Continue to support patients and their families on their road to recovery through our Patient Liaison Nurse whilst also looking to increase the capacity of this crucial function.
- Further development of our education capability via the Institute of Pre-Hospital Care in helping prepare doctors and paramedics to deliver the highest possible standards of clinical care.
- To support Barts with two trials over the coming year in using Whole Blood and Extra Corporeal Membrane Oxygenation (ECMO) in the pre-hospital field.
- Continue to undertake Pre-Hospital Care research and produce publications driving world-class innovation and research.
- Create community fundraising groups throughout London and continue delivery of the community outreach programme.

OBJECTIVES AND ACTIVITIES

The Charitable Company's objectives are:

- "(1) The relief of sickness or physical injury by the provision of emergency medical services and equipment and in particular by the provision of a helicopter ambulance service or other emergency transportation; and
- (2) The provision of training, research and education in the field of pre-hospital medicine for the treatment and/or prevention of sickness and physical injury."

London's Air Ambulance Limited is the charity that delivers an advanced trauma team to critically injured people in London. We provide pre-hospital medical care at the scene of the incident, serving the 10 million people who live, work and travel within the M25. Our team, which at all times includes an advanced trauma doctor and paramedic, performs advanced medical interventions, normally only found in the hospital Emergency Department, in time critical, life threatening situations. Our missions commonly involve serious road traffic collisions, falls from height, industrial accidents, assaults and injuries on the rail network.

Based at The Royal London Hospital and founded in 1989, we operate 24/7, using the helicopter in daylight hours and rapid response cars at night and in adverse weather conditions. We have treated over 36,500 critically injured patients since our inception in 1989.

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We operate in partnership with both Barts Health NHS Trust ("Barts Health") and London Ambulance Service NHS Trust ("London Ambulance Service"). Barts Health employs and remunerates the registrars who are part of the joint service we provide, typically for six months, and the consultants who are permanently associated with the joint service, as well as providing direct financial support in the form of a monthly grant and the helipad facilities required for our operations. London Ambulance Service similarly provides paid paramedics as part of the joint service, typically for nine months. As part of their rota, an advanced trauma paramedic operates from the London Ambulance Service Emergency Operations Centre and is responsible for dispatching the joint team to the most critically injured people in London, 24 hours a day. Patients are treated under the governance of the NHS. The regulatory requirements of the Care Quality Commission are covered by Barts Health and London Ambulance Service for all clinicians operating as part of the joint service.

London's Air Ambulance has been involved in the emergency medical response to the majority of major incidents in London over the past 28 years. These incidents include the Westminster and London Bridge attacks and the Grenfell Tower fire in 2017. In previous years, the service has also attended the Paddington, Cannon Street and Southall train crashes, the Bishopsgate and Aldwych terrorist attacks, the Soho nail bombings, and the July 7th terrorist attacks in 2005 when we dispatched 18 medical teams and flew medical supplies to the bomb sites across London, helping to triage and treat over 700 patients.

We believe that we can enhance the quality of outcome by delivering exceptional care and by bringing new levels of care, concepts and treatments to the field of pre-hospital medicine. We work closely with other industries and high-performing trauma systems to identify potential areas for development and research and are constantly evaluating new equipment and procedures which could benefit patients in the pre-hospital environment. The service is renowned for its innovation, clinical excellence and governance and our innovations in trauma care, medical systems and training have been emulated worldwide.

The Trustees have given due regard to the Charity Commission's guidance on public benefit when reviewing the aims and objectives and in planning the future activities of the Charity

REFERENCE AND ADMINISTRATIVE DETAILS

Details regarding the trustees, registered office and auditors can be found on page 1.

The Trustees may also be referred to as the Board of Trustees or Directors (where relevant) in this Trustee Report.

Strategic Report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, matters requiring disclosure in the Strategic Report and Directors' Report are disclosed under achievements and performance and plans for future periods on pages 4 to 14 and consolidated financial review and risk management on pages 19 to 21.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Status

London's Air Ambulance Limited is a registered charity, governed by the rules and regulations of the Charities Commission. It is incorporated under the Companies Act 2006 and is a company limited by guarantee, governed by its memorandum and articles of association.

As at 31 March 2017, there were 11 members each of whom guarantee liability of £10 each in the event of the Charity winding up.

The Trustees are satisfied that these accounts comply with the current statutory requirements of the Charity's Governing Document and the Charity Statement of Recommended Practice (SORP 2015).

Organisation, Governance and Related Parties

The Board of Trustees of the Charity during the year are detailed on page 1. New members are appointed by the existing Board following public advertisement including via specialist recruitment agencies and following a rigorous interview process.

All new trustees meet with the executive directors at the Charity offices and at the helipad and are given a presentation of the operation of the air ambulance service and an induction pack containing a copy of the Charity's key documents. All new trustees are directed to the Charity Commission's website with particular reference to the sections describing trustee responsibilities.

The ongoing training needs of the trustees are reviewed regularly in line with Charity Commission guidance on recommended skills and knowledge and training is arranged where the need is identified.

The trustees agree the strategy of the Charity with operational matters delegated to the Chief Executive Officer, Jonathan Jenkins (Graham Hodgkin until August 2016).

The Board is advised on clinical matters by a Charity appointed Medical Director, Dr Gareth Davies, and he is supported by six further Medical Consultants (five funded by the NHS and a MoD military secondment) and a Lead Paramedic (funded by London Ambulance Service NHS Trust).

The Board has established an Audit and Risk Committee and agreed its terms of reference. The committee comprises of three trustees: Bob Forsyth (Chair), Adrian Walker and Ed Owen. The committee's responsibilities include review of: the annual report and financial statements, risk management, internal control and effectiveness of the external audit. The committee met for the first time in November 2017 to review the annual report and financial statements, and related matters.

Aviation matters are overseen by the Chief Pilot, Captain Neil Jeffers, and the AOC² Accountable Manager, Charles Newitt.

² AOC = Air Operator Certificate, issued by the Civil Aviation Authority

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2016

The Charity owns the whole of the issued ordinary share capital in London's Air Ambulance Trading Limited, a company registered in England and Wales with company registration number 4836606. The subsidiary is used for trading activities, namely a society lottery, the sale of charity merchandise and generation of commercial sponsorship income. The financial results of the trading subsidiary are included in Note 15 of the Charity's accounts.

The Charity also owns the whole of the issued ordinary share capital in The Institute of Pre-Hospital Care Limited ("the Institute"), a company registered in England and Wales with company registration number 06777277. The principal purpose of the subsidiary is to further promote the objectives of the Charity through its research, innovation and education activities. The financial results of the Institute subsidiary are included in Note 15 of the Charity's accounts.

The Group ("the Group") is made up of London's Air Ambulance Limited, London's Air Ambulance Trading Limited and The Institute of Pre-Hospital Care Limited.

The trustees are aware of the new Charity Governance Code and are working towards methods of measuring our compliance to the code.

Salary Policy

All trustees act on a voluntary basis and none receive remuneration for their services.

The pay of all staff, including the senior management team, is reviewed annually and the policy is designed to allow a degree of flexibility and to attract and retain a competent workforce. To deliver a fair remuneration policy and process, LAA follows the Good Pay Guidelines set by ACEVO, the charity leaders network, and we embrace its ethos that good pay, transparently set and communicated, means value for money.

Pay levels are consistently benchmarked against the social sector to ensure we receive value for money on our investment in people and that we are able to attract, retain and develop top talent.

Canvassers

New lottery members and individual givers are signed up by canvassers across certain areas of London. The canvassers visit the public at their homes (door-to-door fundraising), at shopping malls and at public events where the Charity may have presence. The canvassers are engaged with us in one of two ways:

- Directly contracted with London's Air Ambulance Trading Limited; or
- Through sub-contracts with Tower Lottery Partnership Limited and Gemini Fundraising Ltd (companies that employ canvassers to fundraise on behalf of multiple charities) and London's Air Ambulance Trading Limited.

London's Air Ambulance is a member of the Institute of Fundraising and is registered with the Fundraising Regulator and follows the Code of Fundraising Practice.

All canvassers engaged directly by the Charity are provided with and briefed on the Fundraising Code of Conduct and a guide on Social Responsibility in Gambling, both of which

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2016

they are required to agree to comply with and sign. The agencies run similar training programmes for the canvassers they employ which are closely monitored and supported by LAA.

We have protected the public by raising awareness of dementia, by ensuring that all canvassers register as 'Dementia Friends' and undertake awareness training to minimise the risk of signing up vulnerable people, also to guard against financial hardship by restricting new members to a maximum of 2 lottery chances per week.

We received 14 low level complaints during the period which were all actioned and resolved.

Partnerships

London's Air Ambulance Limited works in partnership with two other organisations to deliver clinical care to the seriously ill and injured of London:

- Barts Health NHS Trust
 - Provides the overall Care Quality Commission ("CQC") registration and clinical governance framework for the doctors and London's Air Ambulance service to deliver medical care.
 - Recruits, employs and provides the clinical governance of the doctors and consultants who provide clinical care to patients.
 - Provides the helipad on the roof of The Royal London Hospital in Whitechapel.
 - Provides a monthly grant to support London's Air Ambulance charitable operations.
 - Provides a lead clinician for the service – Professor Karim Brohi, Professor of Trauma Sciences, Queen Mary University of London, until 30 September 2017, Dr Gareth Grier was appointed into this role on 1 October 2017.
- London Ambulance Service NHS Trust
 - Provides the CQC registration and clinical governance framework for the paramedics.
 - Recruits and employs the paramedics who alongside the doctors from Barts Health provide clinical care to patients.
 - Is responsible for identifying and tasking London's Air Ambulance missions via their Emergency Operations Centre.
 - Provides the command and control during declared major incidents.

Relationships with Other Organisations and Replication

London's Air Ambulance Limited maintains a close relationship with a number of organisations and agencies:

- Metropolitan Police
 - Informally facilitate aircraft landing and occasionally provide jet fuel free of charge.
- Other local air ambulance charities: notably Kent, Surrey & Sussex, East Anglian and Essex & Herts Air Ambulances

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2016

- Some of the doctors for these charities are also recruited and employed by Barts Health NHS Trust, and are interviewed by senior London's Air Ambulance personnel.
- Intercollegiate Board for training in Pre-Hospital Emergency Medicine (ICBTPHEM)
 - London's Air Ambulance runs a training programme in Pre-Hospital Emergency Medicine recognised by The ICBTPHEM. Professor David Lockey (Charity Trustee) is Vice Chair of the ICBTPHEM and Dr Tom Hurst (LAA Consultant) is the training programme director.
- Association of Air Ambulances (AAA)
 - London's Air Ambulance Limited is a member of the Association of Air Ambulances. CEO, Graham Hodgkin, is a Director of the AAA (retired Aug 2016) and Dr Gareth Davies is Chair of its Clinical Sub-Committee.
- EMSC Limited (EMSC)
 - A company controlled by Professor David Lockey and Dr Gareth Davies (Trustees of the Charity). EMSC delivers clinical governance to Essex & Herts Air Ambulance.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

CHAIR'S STATEMENT

YEAR ENDED 31 MARCH 2017

CONSOLIDATED FINANCIAL REVIEW

The Board of Trustees is pleased to report that the total income for the year amounted to £9,193,909 (2016: £9,397,292*), a decrease of 2% year on year. Staff costs associated with generating voluntary income amounted to 7% of total income.

Principal sources of restricted and unrestricted income included: Lottery sales of £3,538,078; funding from the NHS of £1,147,590 through a service level arrangement with the Barts Health NHS Trust and donations from corporates and individuals (including £627,076 from collection pots, buckets and events) totalled £2,250,874.

Costs in the same period totalled £7,426,621 (2016: £7,367,769*) an increase of 0.8%.

The cost of charitable activities was £4,011,245 (2016: £4,615,784*). The decrease is mainly due to reduced helicopter maintenance and the leases being paid off, reducing the lease charges during the year.

Governance costs were £93,872 (2016: £76,533).

Governance costs increased in the year mainly linked to the ongoing growth of the organisation and associated additional recruitment and staff training costs.

London's Air Ambulance Trading Limited shows total income of £3,780,288, an increase in operating income of £557,890 versus 2016. This is due to ongoing growth in lottery income and sign-ups as well as expanding our sponsorship activities with corporate partners.

All profits from London's Air Ambulance Trading Limited, including merchandise sales, sponsorship income and lottery are passed up to the Charity as donations from time to time during the year leaving a sufficient margin for the trading company to operate efficiently in terms of periodic stock purchase and lottery running costs. In 2017, profits of £2,866,387 were gifted to the Charity (2016: £2,421,532).

The Institute of Pre-Hospital Care Limited generated income of £158,652 (2016: £159,594). All profits from the company are passed up to the Charity as donations at the year end. In 2017, profits of £20,337 were gifted to the Charity (2016: £15,784).

* Restated (refer to Note 30)

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2017

RESERVES POLICY

The trustees have agreed a strategy to work towards building sufficient unrestricted cash reserves to meet the cost of nine months of operation whilst balancing day to day running of the Charity, and with planned future capital expenditure and operational objectives. Based on expenditure levels at year end, it is estimated the reserve would need to be £5.6 million. At year end, sufficient unrestricted cash funds were held to fund 6.4 months of operational costs.

The unrestricted funds increased to £4,953,060 from £3,412,256. The Trustees have set aside £50,000 in a designated reserve towards the annual maintenance of helicopter G-LNDN which falls in November each year.

At the year end, the Charity has £1,387,860 (2016: £1,405,854) in free reserves available. This represents the part of total reserves available for the Charity use after removing the book value of tangible assets from the unrestricted funds.

The restricted funds increased to £2,770,855 from £2,544,262, largely in relation to the acquisition of the 2nd helicopter. Refer to Note 24 for more details on the restricted reserves.

The reserves policy is reviewed annually by the trustees to ensure that any new or changed legislation is adhered to.

Risk management covering both Charity and subsidiaries

The Board of Trustees conducts a regular review of the major risks to which the Charity is exposed and systems are in place to identify and minimise those risks. This process is managed by the DCEO and the Charity Risk Register contains the risks and mitigations identified.

Each risk is evaluated and a pre-mitigation risk score is assigned based on Impact and Probability. Mitigation strategies are implemented, documented and the residual risk assessed and scored. The risk being carried is regularly reviewed by the risk owner. Risk management has been incorporated into the Safety Management Systems approach adopted across the Charity.

There are 4 principle risk areas that are currently identified:

- **Risk:** Damage/catastrophic loss of a helicopter due to collision with a static object and damage/catastrophic loss through a single point of mechanical/electrical failure.

Mitigations: On HEMS missions we always operate with two pilots to improve crew awareness. We are engaged with local planning to ensure we are aware of new buildings and have daily briefings concerning new obstacles (cranes etc.) that will affect us. In accordance with the weather we always fly above the legal minimum height, regulated by the CAA. The aircraft are maintained in accordance with an approved maintenance schedule and any issues identified by the pilots are addressed by an appropriately qualified engineer. Insurance cover is in place for loss of or damage to the helicopters.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2017

• **Risk:** Finance/Lottery – Failure to comply with the lottery criteria set by the Gambling Commission will risk loss of Trading Co's gambling licence and subsequent income source.

Mitigations: All required licence approval posts are trained and qualified. They are very aware of the commitment required to maintain our Gambling Commission Lottery licence and ensure the necessary checks and measures are in place. Monthly reports are maintained together with a complaints log; in 2016/17 there were nine minor complaints from a weekly average of 46,000 players. We had a successful audit in July 2015 and Gambling Commission inspection in August 2015.

• **Risk:** A breach of the Data Protection Act through a security breach of our IT and data storage, inappropriate handling and mis-management of data by either LAA members, volunteers or third party agents. LAA is the data owner in all circumstances.

Mitigations: Data policy is in place and IT security has been upgraded and is reviewed on a regular basis. We are also in the process of upgrading our IT access policies and security. We have documented protocols with external agencies who support our data and monitor the contracts and training of third party data handlers. Lottery canvassers now use electronic forms to improve security and reduce risk of data breaches.

• **Risk:** Lottery canvassers (including those employed through a third party agency) or volunteers miss-sell and/or behave in an inappropriate way and are subject of a local or official complaint in breach of the Code of Fundraising.

Mitigations: London's Air Ambulance canvassers are interviewed and their performance is monitored regularly with regular update and training sessions. Third party provided canvassers are monitored and reviewed along with the agency, including a review of and input to their training programme. We now employ a full time Face to Face fundraiser to oversee training and ensure any complaint is immediately followed up. We retain a complaints register and any complaints are managed swiftly.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk and liquidity risk.

Credit Risk

The Group's principal financial assets are bank balances and trade and other debtors. The credit risk is primarily attributable to its trade receivables which are presented net of allowances for bad debts. The Group has no significant concentration of credit risk with exposure spread over a large number of parties. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Liquidity Risk

The Group prepares cash flow forecasts to monitor its ability to meet liabilities as they fall due. All long term liabilities were repaid during the year.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2017

Health and safety

London's Air Ambulance Limited is committed to maintaining a safe and healthy working environment wherever it operates; it does this through adopting safe working practises and procedures which are regularly reviewed and updated. Each individual who is engaged by or on behalf of London's Air Ambulance Limited either as an employee or as a volunteer is aware of their responsibility for meeting these requirements.

The Charity's health and safety policy is a key part of our overall strategy and provides the framework for managers to implement necessary action points such as hazard prevention, control procedures and employee training.

Our approach to Health & Safety includes a Safety Management System (SMS) which has been approved and audited by the Civil Aviation Authority (CAA). SMS represents an organisational approach to Health & Safety and Risk Management, and is further supplemented at the helipad by quarterly Safety Review Board meetings. These meetings are minuted, the reports are retained on a database and hardcopies are available in an incident book that is kept on site.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2017

TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of London's Air Ambulance Limited 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), including Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charitable Company and the Group and of the income and expenditure of the Charitable Group for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue its activities.

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

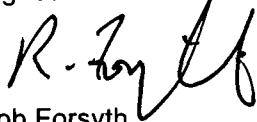
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditors are unaware; and
- The Trustees have taken all the steps that they ought to have taken in order to make them aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Registered office:
10 Orange Street
Haymarket
London
WC2H 7DQ

Signed on behalf of the trustees


Bob Forsyth
Member of the Board of Trustees

Approved by Bob Forsyth on behalf of the trustees on 28th November, 2017

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
LONDON'S AIR AMBULANCE LIMITED**

YEAR ENDED 31 MARCH 2017

We have audited the financial statements of London's Air Ambulance Limited for the year ended 31 March 2017, which comprise the consolidated and parent Statement of Financial Activities, Income and Expenditure Accounts, Balance Sheets, Statement of Cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including "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)" (Charities SORP FRS 102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITOR

As explained more fully in the Trustees' Responsibilities Statement on page 23, 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.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company and group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
LONDON'S AIR AMBULANCE LIMITED (continued)**

YEAR ENDED 31 MARCH 2017

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017, 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 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

10 Orange Street
Haymarket
London
WC2H 7DQ



SIMON ROBINSON (Senior
Statutory Auditor)
For and on behalf of
SHIPLEYS LLP
Chartered Accountants
& Statutory Auditors

28th November, 2017

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 31 MARCH 2017

		Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £	<i>Restated</i> Total Funds 2016 £
	Note				
INCOME					
Donations and legacies	2	1,150,918	2,486,219	3,637,137	4,362,013
Income from trading activities	3	29,174	4,204,261	4,233,435	3,706,869
Income from Charitable activities	4	-	1,306,313	1,306,313	1,310,574
Investment income		-	17,024	17,024	17,836
TOTAL INCOME		<u>1,180,092</u>	<u>8,013,817</u>	<u>9,193,909</u>	<u>9,397,292</u>
EXPENDITURE					
Costs of raising funds	5	32,286	3,383,090	3,415,376	2,751,985
Costs of Charitable activities	6	921,213	3,090,032	4,011,245	4,615,784
TOTAL EXPENDITURE	9	<u>953,499</u>	<u>6,473,122</u>	<u>7,426,621</u>	<u>7,367,769</u>
NET INCOME BEFORE NET GAIN ON INVESTMENTS					
		226,593	1,540,695	1,767,288	2,029,523
Net gain on investments	15	-	109	109	96
NET INCOME FOR THE YEAR	11	<u>226,593</u>	<u>1,540,804</u>	<u>1,767,397</u>	<u>2,029,619</u>
Balances brought forward		<u>2,544,262</u>	<u>3,412,256</u>	<u>5,956,518</u>	<u>3,926,899</u>
Balances carried forward		<u><u>2,770,855</u></u>	<u><u>4,953,060</u></u>	<u><u>7,723,915</u></u>	<u><u>5,956,518</u></u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

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

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

**COMPANY STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 31 MARCH 2017

		Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £	<i>Restated</i> Total Funds 2016 £
	Note				
INCOME					
Donations and legacies	2	1,150,918	5,372,943	6,523,861	6,799,330
Income from trading activities	3	29,174	491,476	520,650	482,683
Income from Charitable activities	4	-	1,147,590	1,147,590	1,150,914
Investment income		-	17,024	17,024	17,836
TOTAL INCOME		<u>1,180,092</u>	<u>7,029,033</u>	<u>8,209,125</u>	<u>8,450,763</u>
EXPENDITURE					
Cost of raising funds	5	32,286	2,536,693	2,568,979	1,949,331
Costs of Charitable activities	6	921,213	2,951,645	3,872,858	4,471,909
TOTAL EXPENDITURE	9	<u>953,499</u>	<u>5,488,338</u>	<u>6,441,837</u>	<u>6,421,240</u>
NET INCOME BEFORE NET GAIN ON INVESTMENTS					
		226,593	1,540,695	1,767,288	2,029,523
Net gain on investments	15	-	109	109	96
NET INCOME FOR THE YEAR	11	<u>226,593</u>	<u>1,540,804</u>	<u>1,767,397</u>	<u>2,029,619</u>
Balances brought forward		2,544,262	3,412,256	5,956,518	3,926,899
Balances carried forward		<u>2,770,855</u>	<u>4,953,060</u>	<u>7,723,915</u>	<u>5,956,518</u>

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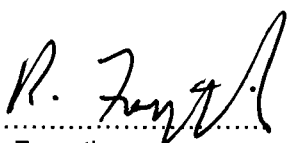
**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	14	3,515,200	3,960,548
Investments	15	2,552	2,443
		<u>3,517,752</u>	<u>3,962,991</u>
CURRENT ASSETS			
Stock		18,935	17,625
Debtors	16	517,022	970,934
Cash held in security deposit fund	17	-	75,000
Cash at bank		4,660,172	4,604,206
		<u>5,196,129</u>	<u>5,667,765</u>
CREDITORS: Amounts falling due within one year	18	<u>(989,966)</u>	<u>(1,724,725)</u>
NET CURRENT ASSETS		4,206,163	3,943,040
TOTAL ASSETS LESS CURRENT LIABILITIES		7,723,915	7,906,031
CREDITORS: Amounts falling due after more than one year	19	-	(1,949,513)
NET ASSETS		<u>7,723,915</u>	<u>5,956,518</u>
FUNDS			
Restricted	23	2,770,855	2,544,262
Unrestricted:			
General Funds	23	4,903,060	2,969,019
Designated Funds	23	50,000	443,237
TOTAL FUNDS		<u>7,723,915</u>	<u>5,956,518</u>

These financial statements were approved by Bob Forsyth on behalf of the trustees on 28th November, 2017 and are signed on their behalf by:



 Bob Forsyth
 Member of the Board of Trustees

Company registration number: 2337239

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

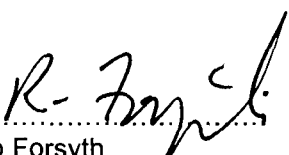
**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

COMPANY BALANCE SHEET

AT 31 MARCH 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	14	3,493,622	3,946,622
Investments	15	2,654	2,545
		<u>3,496,276</u>	<u>3,949,167</u>
CURRENT ASSETS			
Debtors	16	561,926	1,060,775
Cash held in security deposit fund	17	-	75,000
Cash at bank		4,028,258	3,935,012
		<u>4,590,184</u>	<u>5,070,787</u>
CREDITORS: Amounts falling due within one year	18	<u>(362,545)</u>	<u>(1,113,923)</u>
NET CURRENT ASSETS		4,227,639	3,956,864
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,723,915</u>	<u>7,906,031</u>
CREDITORS: Amounts falling due after more than one year	19	-	(1,949,513)
NET ASSETS		<u>7,723,915</u>	<u>5,956,518</u>
FUNDS			
Restricted		2,770,855	2,544,262
Unrestricted			
General Funds		4,903,060	2,969,019
Designated Funds		50,000	443,237
TOTAL FUNDS		<u>7,723,915</u>	<u>5,956,518</u>

These financial statements were approved by Bob Forsyth on behalf of the trustees on 28th November, 2017 and are signed on their behalf by:



 Bob Forsyth
 Member of the Board of Trustees

Company registration number: 2337239

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

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

CONSOLIDATED AND COMPANY STATEMENT OF CASHFLOWS

AT 31 MARCH 2017

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Cash flows from operating activities				
Net income	1,767,397	2,029,619	1,767,397	2,029,619
<i>Adjustments for:</i>				
Depreciation charge	597,529	608,764	590,924	603,953
(Gains) / losses on investments	(109)	(96)	(109)	(96)
(Gain) / loss on disposal of fixed assets	12,213	-	12,213	-
Dividends and interest from investments	(17,024)	(17,836)	(17,024)	(17,836)
Finance charges	57,839	93,830	57,839	93,830
Decrease / (increase) in stock	(1,310)	3,977	-	-
(Increase) / decrease in debtors	453,912	(391,937)	498,849	(488,919)
Increase / (Decrease) in creditors	(284,446)	448,851	(301,065)	435,980
Net cash provided by / (used in) operating activities	2,586,001	2,775,172	2,609,024	2,656,531
Cash flows from investing activities				
Dividends and interest from investments	17,024	17,836	17,024	17,836
Purchase of property, plant & equipment	(164,394)	(3,098,052)	(150,137)	(3,094,402)
Purchase of investments	-	(2,347)	-	(2,347)
Net cash provided by / (used in) investing activities	(147,370)	(3,082,563)	(133,113)	(3,078,913)
Cash flows from financing activities				
Cash inflow from/repayment of borrowings	(2,399,826)	1,343,901	(2,399,826)	1,343,901
Finance charges	(57,839)	(93,830)	(57,839)	(93,830)
Net cash provided by / (used in) financing activities	(2,457,665)	1,250,071	(2,457,665)	1,250,071
Change in cash and cash equivalents in the year	(19,034)	942,680	18,264	827,689
Cash and cash equivalents at the beginning of the year	4,679,206	3,736,526	4,010,012	3,182,323
Cash and cash equivalents at the end of the year	4,660,172	4,679,206	4,028,258	4,010,012

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

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

General information

London's Air Ambulance Limited is a private company limited by guarantee incorporated in the United Kingdom under the Companies Act. The address of the registered office is 10 Orange Street, Haymarket, London, WC2H 7DQ. The objectives of the Charity are set out on page 14.

Basis of accounting

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

London's Air Ambulance Limited 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 note.

The functional currency of the Charity is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates. The financial statements are also presented in pounds sterling.

The amounts in the financial statements are presented to the nearest £, unless otherwise stated.

Basis of consolidation

These financial statements consolidate the results of the Charity and its wholly owned trading subsidiaries, London's Air Ambulance Trading Limited and The Institute of Pre-Hospital Care Limited, on a line-by-line basis.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES - *continued*

Preparation of the accounts on a going concern basis

The accounts of the Charity have been prepared on a going concern basis. The directors confirm that going concern basis remains appropriate for the preparation of these accounts as:

- The Trustees have considered a period of at least twelve months from approval of the accounts and have prepared budgets and cash flow forecasts for that period supporting the going concern assumption.
- Sufficient unrestricted cash is available to pay the Charity's debts as they fall due in the foreseeable future; and
- The value of the Charity's assets is higher than its liabilities.

Restatement

Income statement amounts have been restated for a change in the treatment of certain income and costs. See Note 30.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity.

Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purpose.

Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from donations and gifts are recognised when the Charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the Trust that a distribution will be made, or when a

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES - *continued*

Income (*continued*)

distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

In accordance with the Charities SORP (FRS 102), the contribution of volunteers is not recognised in the accounts.

Income for the provision of training, research and education in pre-hospital medical care is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax. Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the weekly lottery is recognised when the significant risks and rewards of ownership of the goods have transferred to the member, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably. Income received in advance of a lottery draw is recognised as deferred income on the balance sheet.

Revenue from commercial sponsorship is recognised based over the period the service is provided.

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

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES - *continued*

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs associated with attracting donations and the costs of commercial trading including the retail shop and weekly lottery.
- Expenditure on charitable activities comprises those costs incurred by the Charity in the delivery of its activities and service for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, staff costs, depreciation and governance costs. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in Note 10.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Fixed assets and depreciation

Tangible fixed assets are initially recorded at cost.

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

Helicopters	- over its useful life to 2021
Medical Equipment	- 33% reducing balance basis
Office Improvements	- over the life of the lease
Plant and Equipment	- over 3 years straight line basis
Computer Equipment	- 33% reducing balance basis
Office Equipment	- over 3 years straight line basis
Motor Vehicle Equipment	- over the period of the vehicle lease

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES - *continued*

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Subsidiary undertakings

The subsidiary undertakings have been included at cost.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Debtors

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

Cash at bank and in hand

Cash at bank and cash 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.

Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES - *continued*

Hire purchase agreements

Assets held under hire purchase agreements are capitalised as tangible fixed assets at the lower of fair value of the leased asset, or the present value of the minimum lease payments as determined at the inception of the lease, and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Statement of Financial Activities over the period of the leases using the effective interest rate method.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Pension costs

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments on the balance sheet.

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

2. INCOME FROM DONATIONS AND LEGACIES

	Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £	<i>Restated</i> Total Funds 2016 £
GROUP				
Donations:				
Grant income from Association of Air Ambulances	-	-	-	241,000
Corporate and Individuals	274,524	1,349,274	1,623,798	1,613,040
Foundations	876,394	238,489	1,114,883	1,654,851
Collections – pots and buckets	-	106,426	106,426	115,266
Gifts in kind	-	792,030	792,030	737,856
	<u>1,150,918</u>	<u>2,486,219</u>	<u>3,637,137</u>	<u>4,362,013</u>
CHARITY				
Grant income from Association of Air Ambulances	-	-	-	241,000
Corporate and Individuals	274,524	1,349,274	1,623,798	1,613,040
Foundations	876,394	238,489	1,114,883	1,654,851
Collections – pots and buckets	-	106,426	106,426	115,266
Gifts in kind	-	792,030	792,030	737,856
Gift Aid from subsidiary undertakings	-	2,886,724	2,886,724	2,437,317
	<u>1,150,918</u>	<u>5,372,943</u>	<u>6,523,861</u>	<u>6,799,330</u>

During the year, the company received gifts in kind in the form of office rental at a value of £nil (2016: £74,045), legal services of £12,439 (2016: £157,701), helicopter landing fees of £134,800 (2016: £144,150), fundraising costs of £5,800 (2016: £45,849), IT equipment of £10,428 (2016: £35,497), helicopter related costs of £6,363 (2016: £15,764), room hire of £nil (2016: £2,250) and marketing of £622,200 (2016: £262,600). Further to a decision not to include the cost of medical staff this year, prior year figures have been adjusted to remove the costs that were included last year to show a true comparison (see note 30).

The Trust benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in the trustees report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3. INCOME FROM TRADING ACTIVITIES

	Restricted Funds 2017	Unrestricted Funds 2017	Total Funds 2017	Total Funds 2016
	£	£	£	£
GROUP				
Lottery, corporate sponsorships and retail shop	-	3,712,785	3,712,785	3,224,186
Events	29,174	491,476	520,650	482,683
	<u>29,174</u>	<u>4,204,261</u>	<u>4,233,435</u>	<u>3,706,869</u>
 CHARITY				
Events	<u>29,174</u>	<u>491,476</u>	<u>520,650</u>	<u>482,683</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Restricted Funds 2017	Unrestricted Funds 2017	Total Funds 2017	Total Funds 2016
	£	£	£	£
GROUP				
Institute of Pre-Hospital Care	-	158,723	158,723	159,660
Grant income from Barts Health				
NHS Trust	-	1,147,590	1,147,590	1,147,710
Grant income from Department of Health	-	-	-	3,204
	<u>-</u>	<u>1,306,313</u>	<u>1,306,313</u>	<u>1,310,574</u>
 CHARITY				
Grant income from Barts Health				
NHS Trust	-	1,147,590	1,147,590	1,147,710
Grant income from Department of Health	-	-	-	3,204
	<u>-</u>	<u>1,147,590</u>	<u>1,147,590</u>	<u>1,150,914</u>

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

5. COSTS OF RAISING FUNDS

	Restricted Funds 2017	Unrestricted Funds 2017	Total Funds 2017	Total Funds 2016
	£	£	£	£
GROUP				
Direct Staff & related costs	-	644,760	644,760	588,761
Appeals costs	32,286	596,826	629,112	435,043
Support costs	-	1,226,040	1,226,040	925,527
Total fundraising activities	32,286	2,467,626	2,499,912	1,949,331
Lottery, corporate sponsorships and retail shop	-	915,464	915,464	802,654
Total fundraising activities	<u>32,286</u>	<u>3,383,090</u>	<u>3,415,376</u>	<u>2,751,985</u>
CHARITY				
Direct Staff & related costs	-	713,827	713,827	588,761
Appeals costs	32,286	596,826	629,112	435,043
Support costs	-	1,226,040	1,226,040	925,527
	<u>32,286</u>	<u>2,536,693</u>	<u>2,568,979</u>	<u>1,949,331</u>

6. CHARITABLE ACTIVITIES

	Restricted Funds 2017	Unrestricted Funds 2017	Total Funds 2017	Restated Total Funds 2016
	£	£	£	£
Charitable Activities:				
GROUP				
Helicopter hire purchase interest	14,914	42,925	57,839	91,487
Helicopter maintenance	244,422	722,063	966,485	1,589,340
Direct helicopter costs	479,084	866,566	1,345,650	1,340,634
Fire-fighters costs	20,746	197,759	218,505	209,489
Vehicle leasing	8,170	28,252	36,422	43,848
Direct vehicle costs	1,200	82,755	83,955	85,585
Consultancy fees	4,599	70,602	75,201	89,983
Institute costs	41,885	138,387	180,272	179,999
Other related costs	106,193	74,799	180,992	359,752
Support costs	-	865,924	865,924	625,667
	<u>921,213</u>	<u>3,090,032</u>	<u>4,011,245</u>	<u>4,615,784</u>

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

6. CHARITABLE ACTIVITIES *(continued)*

Analysis of charitable activities:

GROUP

	Staff & related costs £	Finance costs £	Depreciation £	Other costs £	Total 2017 £
Helicopter hire purchase interest	-	57,839	-	-	57,839
Helicopter maintenance	-	-	-	966,485	966,485
Direct helicopter costs	611,149	-	474,717	259,784	1,345,650
Fire-fighters costs	218,505	-	-	-	218,505
Vehicle leasing	-	-	-	36,422	36,422
Direct vehicle costs	61,089	-	-	22,866	83,955
Consultancy fees	-	-	-	75,201	75,201
Institute costs	107,275	283	1,016	71,698	180,272
Other related costs	98,165	-	39,478	43,349	180,992
Support costs	245,685	3,941	22,134	594,164	865,924
	<u>1,341,868</u>	<u>62,063</u>	<u>537,345</u>	<u>2,069,969</u>	<u>4,011,245</u>

	Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £	Restated Total Funds 2016 £
Charitable Activities:				
CHARITY				
Helicopter hire purchase interest	14,914	42,925	57,839	91,487
Helicopter maintenance	244,422	722,063	966,485	1,589,340
Direct helicopter costs	479,084	866,566	1,345,650	1,340,634
Fire-fighters costs	20,746	197,759	218,505	209,489
Vehicle leasing	8,170	28,252	36,422	43,848
Direct vehicle costs	1,200	82,755	83,955	85,585
Consultancy fees	4,599	70,602	75,201	89,983
Institute costs	41,885	-	41,885	36,123
Other related costs	106,193	74,799	180,992	359,753
Support costs	-	865,924	865,924	625,667
	<u>921,213</u>	<u>2,951,645</u>	<u>3,872,858</u>	<u>4,471,909</u>

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

6. CHARITABLE ACTIVITIES *(continued)*

**Analysis of charitable activities:
CHARITY**

	Staff & related costs £	Finance costs £	Depreciation £	Other costs £	Total 2017 £
Helicopter hire					
purchase interest	-	57,839	-	-	57,839
Helicopter maintenance	-	-	-	966,485	966,485
Direct helicopter costs	611,149	-	474,717	259,784	1,345,650
Fire-fighters costs	218,505	-	-	-	218,505
Vehicle leasing	-	-	-	36,422	36,422
Direct vehicle costs	61,089	-	-	22,866	83,955
Consultancy fees	-	-	-	75,201	75,201
Institute costs	-	5	-	41,880	41,885
Other related costs	98,165	-	39,478	43,349	180,992
Support costs	245,685	3,941	22,134	594,164	865,924
	<u>1,234,593</u>	<u>61,785</u>	<u>536,329</u>	<u>2,040,151</u>	<u>3,872,858</u>

7. SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

The cost of the two main charitable activities and the sources of income directly to support those activities is summarised below:

	Emergency Medical Service £	Educational Activities £	Total £
Grant income	1,147,590	-	1,147,590
Institute income	-	158,723	158,723
Total charitable income	<u>1,147,590</u>	<u>158,723</u>	<u>1,306,313</u>
Costs	<u>(3,830,973)</u>	<u>(180,272)</u>	<u>(4,011,245)</u>
Net cost funded from other income	<u>(2,683,383)</u>	<u>(21,549)</u>	<u>(2,704,932)</u>

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

8. GOVERNANCE COSTS

	Restricted Funds 2017	Unrestricted Funds 2017	Total Funds 2017	Total Funds 2016
	£	£	£	£
GROUP AND CHARITY				
Salary costs	-	47,210	47,210	48,048
Office costs	-	10,480	10,480	11,429
IT costs	-	1,213	1,213	794
Audit fees	-	8,500	8,500	9,720
Computer equipment depreciation	-	957	957	1,349
Legal fees	-	1,173	1,173	3,098
Recruitment costs	-	24,247	24,247	1,695
Interest payable and similar charges	-	92	92	400
	-	<u>93,872</u>	<u>93,872</u>	<u>76,533</u>

9. TOTAL EXPENDITURE

GROUP

	Staff & related costs £	Finance costs £	Depreciation £	Other costs £	Total Funds 2017 £
Costs of raising funds					
Fundraising activities	1,010,681	16,346	54,602	1,418,283	2,499,912
Lottery and retail shop	154,706	2,403	5,588	752,767	915,464
Charitable Activities	1,341,868	62,063	537,345	2,069,969	4,011,245
	<u>2,507,255</u>	<u>80,812</u>	<u>597,535</u>	<u>4,241,019</u>	<u>7,426,621</u>

CHARITY

	Staff & related costs £	Finance costs £	Depreciation £	Other costs £	Total Funds 2017 £
Costs of raising funds	1,079,747	16,346	54,602	1,418,284	2,568,979
Charitable Activities	1,234,593	61,785	536,329	2,040,151	3,872,858
	<u>2,314,340</u>	<u>78,131</u>	<u>590,931</u>	<u>3,458,435</u>	<u>6,441,837</u>

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

10. SUPPORT COSTS

When allocating support costs the Charity follows the below process;

- The costs of all support functions are identified and allocated;
- The costs directly associated with the governance function, e.g. audit fees, are allocated;
- The remaining support costs together with the governance costs are apportioned between Charitable Activities and Fundraising Activities using the below apportionment bases.

	Raising funds £	Charitable activities £	Total 2017 £	Basis of apportionment
Staff & related costs	365,921	198,475	564,396	Estimated time spent
Finance costs	16,346	3,849	20,195	Estimated time spent
Depreciation	25,269	21,176	46,445	Estimated time spent
Office costs	818,504	548,552	1,367,056	Estimated time spent
Governance costs	-	93,872	93,872	Estimated time spent
	<u>1,226,040</u>	<u>865,924</u>	<u>2,091,964</u>	

11. NET INCOME

Net income is stated after charging:

	2017 £	2016 £
Staff pension contributions	100,737	91,120
Finance charges on Hire Purchase Agreements	57,839	93,830
Operating lease costs – building	164,380	145,107
Operating lease costs - other	36,422	43,848
Loss on disposal of fixed assets	12,213	-
Depreciation		
- on owned assets	273,835	381,825
- on hire purchase assets	<u>323,694</u>	<u>226,939</u>
Auditors' remuneration		
- as auditors	19,200	20,520
- for other services	<u>16,194</u>	<u>6,150</u>

12. TAXATION

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

13. STAFF COSTS

	2017 £	2016 £
Wages and salaries	2,186,223	1,983,388
Social security costs	209,821	199,074
Pension costs	100,737	91,120
	<u>2,496,781</u>	<u>2,273,582</u>

Pension costs are allocated to activities in proportion to the related staffing costs.

The number of employees whose emoluments for the year fell within the following bands was:

	Number of employees 2017	Number of employees 2016
£60,000 to £69,999	3	-
£70,000 to £79,999	4	5
£80,000 to £89,999	2	1
£90,000 to £99,999	-	1
£100,000 to £109,999	1	-
£140,000 to £149,999	-	1

There were pension contributions of £39,316 paid to higher paid staff during the year. (2016: £37,606). The number of higher paid employees accruing benefits under defined contribution pension schemes were 9 (2016: 7).

The trustees have not received any remuneration during the year (2016: £nil). No out of pocket expenses were reimbursed to trustees during the year (2016: £34 to one trustee for postage). One of the Trustees, made his private vehicle available for Charity use as a rapid response vehicle during the prior year, and therefore the Charity paid for the insurance of £nil on this car (2016: £688). No Charity Trustee received payment for professional or other services supplied to the Charity (2016: £nil).

The key management personnel of the parent Charity and Group comprise the trustees, the chief executive officer, the chief operating officer and the director of development. The total employee benefits of the key management personnel of the parent Charity and Group were £263,029 (2016: £312,600).

The aggregate ex-gratia redundancy payments during the year totalled £nil (2016: £10,567).

Particulars of employees:

The average number of staff employed by the Group during the year amounted to:

	2017 No	2016 No
Fire fighters	4	4
Pilots	5	5
Operational	16	13
Fundraising	16	15
	<u>41</u>	<u>37</u>

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

**14. TANGIBLE FIXED ASSETS
GROUP**

	Helicopters £	Medical Equipment £	Office Improve- ments £	Plant, Office & Computer Equipment £	Motor Vehicle Equipment £	Total £
COST						
At 1 April 2016	4,655,613	117,456	319,335	404,503	1,114	5,498,021
Additions	85,995	-	4,677	73,722	-	164,394
Disposals	-	-	(85,325)	(64,682)	(1,114)	(151,121)
At 31 March 2017	4,741,608	117,456	238,687	413,543	-	5,511,294
DEPRECIATION						
At 1 April 2016	1,088,183	73,038	99,627	275,511	1,114	1,537,473
Charge for the year	474,717	14,776	47,551	60,485	-	597,529
Disposals	-	-	(85,225)	(52,569)	(1,114)	(138,908)
At 31 March 2017	1,562,900	87,814	61,953	283,427	-	1,996,094
NET BOOK VALUE						
At 31 March 2017	3,178,708	29,642	176,734	130,116	-	3,515,200
At 31 March 2016	3,567,430	44,418	219,708	128,992	-	3,960,548

At 31 March 2017 there were no assets that had been pledged to secure the borrowings of the Charity. At 31 March 2016, both the helicopters with carrying amounts totalling £3,549,700 had been pledged to secure borrowings of the Charity. The borrowings were repaid in full by the Charity during the current year.

Hire purchase agreements

During the year ended 31 March 2017, the Charity repaid the amounts due under the hire purchase agreements for the two helicopters, G-EHMS and G-LNDN and exercised the options to purchase the leased assets.

Included within the net book value of the Helicopters of £3,178,708 is £nil (2016: £3,549,700) relating to G-EHMS and G-LNDN which were held under a hire purchase agreement. The depreciation charged to the accounts in the period in respect of these asset while under these agreements amounted to £317,473 (2016: £459,081).

Included within the net book value of the Plant, Office & Computer Equipment of £130,116 is £12,474 (2016: £18,695) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the period in respect of such assets amounted to £6,221 (2016: £29,079). The accumulated depreciation at 31 March 2017 in respect of such assets amounted to £105,119 (2016: £98,898).

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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14. TANGIBLE FIXED ASSETS *(continued)*

CHARITY

	Helicopters £	Medical Equipment £	Office Improve- ments £	Plant, Office & Computer Equipment £	Motor Vehicle Equipment £	Total £
COST						
At 1 April 2016	4,655,613	113,816	319,335	386,677	1,114	5,476,555
Additions	85,995	-	4,677	59,465	-	150,137
Disposals	-	-	(85,325)	(64,682)	(1,114)	(151,121)
At 31 March 2017	4,741,608	113,816	238,687	381,460	-	5,475,571
DEPRECIATION						
At 1 April 2016	1,088,183	71,787	99,627	269,222	1,114	1,529,933
Charge for the year	474,717	13,987	47,551	54,669	-	590,924
Disposals	-	-	(85,225)	(52,569)	(1,114)	(138,908)
At 31 March 2017	1,562,900	85,774	61,953	271,322	-	1,981,949
NET BOOK VALUE						
At 31 March 2017	3,178,708	28,042	176,734	110,138	-	3,493,622
At 31 March 2016	3,567,430	42,029	219,708	117,455	-	3,946,622

At 31 March 2017 there were no assets that had been pledged to secure the borrowings of the Charity. At 31 March 2016, both the helicopters with carrying amounts totalling £3,549,700 had been pledged to secure borrowings of the Charity. The borrowings were repaid in full by the Charity during the current year.

Hire purchase agreements

During the year ended 31 March 2017, the Charity repaid the amounts due under the hire purchase agreements for the two helicopters, G-EHMS and G-LNDN and exercised the options to purchase the leased assets taking full ownership of the helicopters.

Included within the net book value of the Helicopters of £3,178,708 is £nil (2016: £3,549,700) relating to G-EHMS and G-LNDN which were held under a hire purchase agreement. The depreciation charged to the accounts in the period in respect of these asset while under these agreements amounted to £317,473 (2016: £459,081).

Included within the net book value of the Plant, Office & Computer Equipment of £110,138 is £12,474 (2016: £18,695) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the period in respect of such assets amounted to £6,221 (2016: £29,079). The accumulated depreciation at 31 March 2017 in respect of such assets amounted to £105,119 (2016: £98,898).

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

15. INVESTMENTS

	Unrestricted Group 2017	Group 2016	Unrestricted Charity 2017	Charity 2016
	£	£	£	£
Market value at 1 April 2016	2,443	-	2,545	102
Additions at cost	-	2,347	-	2,347
Net gain on revaluation	109	96	109	96
Market value at 31 March 2017	<u>2,552</u>	<u>2,443</u>	<u>2,654</u>	<u>2,545</u>

Analysis of investments at 31 March 2017:

	£	£	£	£
Unlisted UK subsidiary undertakings	-	-	102	102
Listed UK Equities	2,552	2,443	2,552	2,443
	<u>2,552</u>	<u>2,443</u>	<u>2,654</u>	<u>2,545</u>

All investments are carried at their fair value. Investment in equities are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost.

The following investments were material in the context of the investment portfolio:

National Grid - £1,555 (2016: £1,441)

London's Air Ambulance Trading Limited

At 31 March 2017, the Charity owned all of the ordinary share capital in London's Air Ambulance Trading Limited (registered number 4836606), a private company limited by shares registered in the UK. The registered office is 10 Orange Street, Haymarket, London, WC2H 7DQ. The subsidiary, which is not itself a charity, is used for the purpose of trading, which in the year was the selling of charity merchandise, sourcing of corporate sponsorships and the running of a weekly lottery. All profits of London's Air Ambulance Trading Limited are gifted to the Charity.

The summary financial performance of the subsidiary alone is:

	2017	2016
	£	£
Turnover	3,780,288	3,222,398
Cost of sales	(685,279)	(710,780)
Administrative expenses	(230,114)	(91,875)
Interest receivable	1,564	1,789
Interest payable	(21)	-
Taxation	(51)	-
Net profit	<u>2,866,387</u>	<u>2,421,532</u>
Amount gift aided to the Charity	<u>(2,866,387)</u>	<u>(2,421,532)</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

15. INVESTMENTS *(continued)*

The assets and liabilities of the subsidiary were:

	2017	2016
	£	£
Fixed assets	19,523	10,855
Current assets	618,488	636,925
Current liabilities	(638,009)	(647,778)
Total net assets	<u>2</u>	<u>2</u>
Aggregate share capital and reserves	<u>2</u>	<u>2</u>

The Institute of Pre-Hospital Care Limited

At 31 March 2017, the Charity owned all of the ordinary share capital of The Institute of Pre-Hospital Care Limited (registered number 06777277), a private company limited by shares registered in the UK. The registered office is 10 Orange Street, Haymarket, London, WC2H 7DQ. The subsidiary, which is not itself a charity, is used for the provision of training, research and education in pre-hospital medical care. The subsidiary is a not-for-profit organisation and furthers the charitable objectives of the charity. All profits of The Institute of Pre-Hospital Care Limited are gifted to the Charity.

The summary financial performance of the subsidiary alone is:

	2017	2016
	£	£
Turnover	158,652	159,594
Cost of sales	(16,798)	(38,308)
Administrative expenses	(121,310)	(105,049)
Interest receivable	71	66
Interest payable	(278)	(519)
Net profit	20,337	15,784
Amount gift aided to the Charity	(20,337)	(15,784)
Retained in subsidiary	<u>-</u>	<u>-</u>

The assets and liabilities of the subsidiary were:

	2017	2016
	£	£
Fixed assets	2,055	3,071
Current assets	108,560	119,659
Current liabilities	(110,515)	(122,630)
Total net assets	<u>100</u>	<u>100</u>
Aggregate share capital and reserves	<u>100</u>	<u>100</u>

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

16. DEBTORS

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Trade debtors	25,292	50,439	6,440	34,025
Other debtors	32,095	73,647	45,881	32,633
Prepayments and accrued income	459,635	846,848	402,287	844,372
Amounts owed by Group undertakings	-	-	107,318	149,745
	<u>517,022</u>	<u>970,934</u>	<u>561,926</u>	<u>1,060,775</u>

17. CASH AT BANK – ASSIGNED

Group and Charity	2017 £	2016 £
Cash held in security deposit fund	-	75,000

In the prior year, London's Air Ambulance Limited had assigned all monies held in the maintenance reserve bank account to Santander Asset Finance Plc. The hire purchase agreements with Santander Asset Finance Plc were repaid in full during the year.

18. CREDITORS: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Hire purchase creditor (note 20)	-	450,313	-	450,313
Trade creditors	211,605	474,033	171,843	455,814
Taxation and social security	67,075	58,713	59,102	54,241
Sundry Creditors	122,882	104,437	103,512	101,690
Accruals and deferred income	588,404	637,229	28,088	51,865
	<u>989,966</u>	<u>1,724,725</u>	<u>362,545</u>	<u>1,113,923</u>

19. CREDITORS: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Hire purchase creditor (note 20)	-	1,949,513	-	1,949,513

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

20. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Amounts payable within 1 year	-	548,607	-	548,607
Amounts payable within 2 to 5 years	-	2,106,374	-	2,106,374
Less: future finance charges	-	(255,155)	-	(255,155)
	<u>-</u>	<u>2,399,826</u>	<u>-</u>	<u>2,399,826</u>

Hire purchase contracts are analysed as follows:

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Current Obligations	-	450,313	-	450,313
Non-current Obligations	-	1,949,513	-	1,949,513
	<u>-</u>	<u>2,399,826</u>	<u>-</u>	<u>2,399,826</u>

On 26 July 2016, the Charity repaid in full the hire purchase facility provided by Santander Asset Finance Plc to finance the acquisition and conversion of the second helicopter, G-LNDN. This early settlement was made possible by the generous restricted donations from the Charity's supporters.

On 13 October 2016, the Charity repaid in full the hire purchase facility provided by Santander Asset Finance Plc for the first helicopter, G-EHMS. The Charity used its existing designated reserves to fund the balloon payment due on this loan as well as unrestricted reserves to fund the early repayment.

In the prior year, the hire purchase creditor was secured on helicopters with a carrying value of £2,644,700.

21. DEFERRED INCOME

	Group £	Charity £
Balance at 1 April 2016	570,739	9,097
Amount released to income	(570,739)	(9,097)
Amount deferred in the year	534,344	-
Balance at 31 March 2017	<u>534,344</u>	<u>-</u>

Deferred income comprises lottery receipts, funding and course income received in advance.

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

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YEAR ENDED 31 MARCH 2017

22. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2017 the Charity had total minimum lease payments under non-cancellable operating leases as set out below.

Group and Charity

Operating leases which expire:

	2017		2016	
	Land and buildings	Other	Land and buildings	Other
Within 1 year	180,339	9,434	165,310	47,115
Between 1 and 5 years	465,875	838	646,213	10,308
	<u>646,214</u>	<u>10,272</u>	<u>811,523</u>	<u>57,423</u>

23. ANALYSIS OF NET ASSETS IN FUNDS

Fund balances at 31 March 2017 are represented by:

	Tangible fixed assets and Investments £	Cash at bank £	Other net liabilities £	Long term liabilities £	Total £
Restricted funds	2,393,401	307,601	69,853	-	2,770,855
Unrestricted funds					
General funds	1,124,351	4,302,571	(523,862)	-	4,903,060
Designated funds	-	50,000	-	-	50,000
	<u>3,517,752</u>	<u>4,660,172</u>	<u>(454,009)</u>	<u>-</u>	<u>7,723,915</u>

Fund balances at 31 March 2016 are represented by:

	Tangible fixed assets and Investments £	Cash at bank £	Other net liabilities £	Long term liabilities £	Total £
Restricted funds	2,765,941	1,171,509	(21,101)	(1,372,087)	2,544,262
Unrestricted funds					
General funds	1,197,050	2,989,460	(640,065)	(577,426)	2,969,019
Designated funds	-	443,237	-	-	443,237
	<u>3,962,991</u>	<u>4,604,206</u>	<u>(661,166)</u>	<u>(1,949,513)</u>	<u>5,956,518</u>

**LONDON'S AIR AMBULANCE LIMITED
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24. RESTRICTED INCOME FUNDS

	Balance at 1 April 2016	Income	Expenditure	Balance at 31 Mar 2017
	£	£	£	£
Helicopter fund	2,210,833	685,049	(770,223)	2,125,659
Manikins fund	8,499	10,710	(2,526)	16,683
Response car fund	9,532	208,555	(8,170)	209,917
Patient liaison nurse fund	31,500	134,000	(63,188)	102,312
Ultra sounds	18,614	-	(6,194)	12,420
Thomas packs	1,300	-	-	1,300
EAGLE Trainee Fund	2,953	-	(2,953)	-
BSc scholarships	18,180	20,000	(21,555)	16,625
Office move	226,203	-	(47,636)	178,567
HELMED app	10,448	9,806	(15,809)	4,445
Car trackers	2,200	-	(1,200)	1,000
Presentation & Outreach equipment	4,000	-	(753)	3,247
Helipad Ops	-	10,350	(8,770)	1,580
Fellowship Fund	-	56,622	(4,522)	52,100
Patient Support	-	7,000	-	7,000
REBOA Research	-	20,000	-	20,000
PRU	-	18,000	-	18,000
Restricted funds	<u>2,544,262</u>	<u>1,180,092</u>	<u>(953,499)</u>	<u>2,770,855</u>

Name of fund	Description, nature & purpose of fund
Helicopter fund	To purchase an additional helicopter and fund its ongoing operations as well as extended daylight hours for 5 years.
Manikins fund	To purchase medical manikins for training purposes.
Response car fund	To fund the lease of a Patient Response Unit vehicle.
Patient liaison nurse fund	To fund the patient liaison nurse.
Ultra sounds	To purchase portable ultrasound equipment used in roadside medical interventions.
Thomas packs	To purchase portable medical equipment bags.
EAGLE Trainee Fund	To fund an East London Business Alliance EAGLE for a 6 month work placement at the Charity
BSc Scholarships	To fund the student fees and medical conference fees for two students a year studying towards the Intercolated BSc in Pre-Hospital Care provided by Queen Mary University and The Institute of Pre-Hospital Care Ltd.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

24. RESTRICTED INCOME FUNDS (*continued*)

Office move	To fund the Charity office move from 7/8 Philpot Lane to 77 Mansell Street.
HELIMED app	To fund the development of a free app available on Android and Apple devices which incorporates key parts of the Science, Technology, Engineering and Mathematics school curriculum for 11-14 year olds.
Car trackers	To fund the purchase of an advanced vehicle tracking system for the Charity's repaid response cars.
Presentation & Outreach equipment	To fund the purchase of laptops, tablets and other equipment to support our educational and outreach programmes.
Helipad Ops	To purchase Thomas packs and other medical carry bags for use on the helicopter during HEMS operations.
Fellowship Fund	To pay for a three year fellowship for assistance with clinical research and co-ordination, particularly research into the causes of death during trauma.
Patient Support	To pay for the 'patient survivor' booklet and a patient area of the charity's website.
REBOA Research	To fund a REBOA research fellowship.
PRU	To contribute to the leasing costs of the PRU.

25. UNRESTRICTED INCOME FUNDS

	Balance at 1 April 2016 £	Income £	Expenditure £	Net gain on investment	Transfers £	Balance at 31 March 2017 £
General funds	2,969,019	8,013,817	(6,429,885)	109	350,000	4,903,060
Designated – G-EHMS	400,000	-	-	-	(400,000)	-
Designated – G-LNDN	43,237	-	(43,237)	-	50,000	50,000
	<u>3,412,256</u>	<u>8,013,817</u>	<u>(6,473,122)</u>	<u>109</u>	<u>-</u>	<u>4,953,060</u>

The G-EHMS designated reserve was established to cover the balloon payment due on the finance of one of the helicopters (registration number G-EHMS). This balloon payment was made during the year and the designated fund was released.

The trustees have also designated £50,000 towards the annual maintenance of the newer helicopter (registration number G-LNDN).

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

26. RELATED PARTY TRANSACTIONS

London's Air Ambulance Trading Limited, a wholly owned trading subsidiary, made a payment of £2,866,387 to the Charity during the year under the Gift Aid Scheme (2016: £2,421,532). At the balance sheet date, the amount owing was £86,981 to the Charity, which is included within debtors (2016: £98,960). This is an inter-company account between the Charity and its wholly owned subsidiary. No interest is charged on the amount and regular repayments are made by the subsidiary.

The Institute of Pre-hospital Care Limited, a wholly owned trading subsidiary, made a payment of £20,337 under the Gift Aid Scheme (2016: £15,784). At the balance sheet date, the amount owing was £20,337, which is included within debtors (2016: £50,784). This is an inter-company account between the Charity and its wholly owned subsidiary. No interest is charged on the amount and regular repayments are made by the subsidiary.

During the year, one of the Trustees, Gareth Davies, made his personal car available for use as a rapid response vehicle, and, therefore, the Charity paid £nil (2016: £687) towards the insurance on the car. This arrangement ceased on 31 August 2016.

Out of pocket expenses of £nil were refunded to another trustee, Maxine Barnes in respect of postage (2016: £34).

27. COMPANY LIMITED BY GUARANTEE

The Charitable Company is limited by guarantee and, as such, has no share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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28. FINANCIAL INSTRUMENTS

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Financial assets measured at fair value through statement of financial activities:				
Investments	2,552	2,443	2,552	2,443
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	25,292	50,439	6,440	34,025
Amounts due from Group undertakings	-	-	107,318	149,745
Cash at bank	4,660,172	4,604,206	4,028,258	3,935,012
Financial liabilities measured at amortised cost:				
Trade creditors	(211,605)	(474,033)	(171,843)	(455,814)
Hire purchase creditor	-	(2,399,826)	-	(2,399,826)
The income, expense, gains and losses in respect of financial assets are summarised below:				
Net gains on investments	109	96	109	96
Investment income	17,024	17,836	17,024	17,836
Hire purchase interest	57,839	93,830	57,839	93,830
Bad debt expense	332	(57)	232	(97)

**LONDON'S AIR AMBULANCE LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

29. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

The full consolidated statement of financial activities for the year ended 31 March 2016 is presented below:

CONSOLIDATED	Restricted Funds 2016 £	Unrestricted Funds 2016 £	Restated Total Funds 2016 £
INCOME			
Donations and legacies	2,055,124	2,306,889	4,362,013
Income from trading activities	55,319	3,651,550	3,706,869
Income from charitable activities	3,204	1,307,370	1,310,574
Investment income	-	17,836	17,836
TOTAL INCOME	2,113,647	7,283,645	9,397,292
EXPENDITURE			
Costs of raising funds	29,564	2,722,421	2,751,985
Costs of Charitable activities	1,565,388	3,050,396	4,615,784
TOTAL EXPENDITURE	1,594,952	5,772,817	7,367,769
Net income before net gain on investments	518,695	1,510,828	2,029,523
Net gain on investments	-	96	96
NET INCOME FOR THE YEAR	518,695	1,510,924	2,029,619
Total funds brought forward	2,025,567	1,901,332	3,926,899
TOTAL FUNDS CARRIED FORWARD	2,544,262	3,412,256	5,956,518

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

29. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES *(continued)*

The full charity statement of financial activities for the year ended 31 March 2016 is presented below:

CHARITY	Restricted Funds 2016 £	Unrestricted Funds 2016 £	Restated Total Funds 2016 £
INCOME			
Donations and legacies	2,055,124	4,744,206	6,799,330
Income from trading activities	55,319	427,364	482,683
Income from charitable activities	3,204	1,147,710	1,150,914
Investment income	-	17,836	17,836
TOTAL INCOME	<u>2,113,647</u>	<u>6,337,116</u>	<u>8,450,763</u>
EXPENDITURE			
Costs of raising funds	29,564	1,919,767	1,949,331
Costs of Charitable activities	1,565,388	2,906,521	4,471,909
TOTAL EXPENDITURE	<u>1,594,952</u>	<u>4,826,288</u>	<u>6,421,240</u>
Net income before net gain on investments	518,695	1,510,828	2,029,523
Net gain on investments	-	96	96
	<u>518,695</u>	<u>1,510,924</u>	<u>2,029,619</u>
Total funds brought forward	2,025,567	1,901,332	3,926,899
TOTAL FUNDS CARRIED FORWARD	<u>2,544,262</u>	<u>3,412,256</u>	<u>5,956,518</u>

30. PRIOR YEAR ADJUSTMENT

The Trustees have re-assessed the previous accounting treatment whereby services provided by Barts Health Trust (for doctors) and the London Ambulance Service (for paramedics) were treated as donations to and services of the Charity. The process for the development of a draft service level agreement for the joint provision of an emergency trauma response service across London has clarified that the Barts and LAS services are provided directly to the patients we all serve in this joint three-way arrangement. As a consequence, the financial statements have been restated to exclude such services from income and costs, reducing these by £1,217,271 in the period (2016: £1,334,440), with no impact on the Charity's net income, net assets or reserves.

The cost in prior year figures has been removed from the Donations and legacies income (note 2) and from the Costs of Charitable activities, where it was included as a gift-in-kind (note 6).