

COMPANY REGISTRATION NUMBER 2337239

**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED
FINANCIAL STATEMENTS
31 MARCH 2018**

Charity Number 801013



**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018**

CONTENTS	PAGES
Members of the Board and Professional Advisers	1
Chair's Statement	2
Chief Executive Officer's Statement	3
Trustees' Annual Report	4
Independent Auditors' Report	26
Consolidated Statement of Financial Activities	30
Company Statement of Financial Activities	31
Consolidated Balance Sheet	32
Company Balance Sheet	33
Consolidated and Company Statement of Cashflows	34
Notes to the Financial Statements	35

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

MEMBERS OF THE BOARD, SENIOR EXECUTIVES AND PROFESSIONAL ADVISERS

The Board of Trustees

Mark Vickers (Chairman) LLB Hons
Samantha Walker (Deputy Chairman)
Robert Forsyth (Treasurer)
Nicholas James Charrington
Dr Gareth Davies MB ChB MRCP FCEM
Maxine Jordan (resigned 23 December 2017)
Paul Lavender FCA, CF, MABRP (resigned 23 December 2017)
Professor David Lockey MB BS FRCA FIMC
RCS FFICM
Edmund Owen
William Walden
Adrian Walker

Chief Executive Officer (CEO)

Jonathan Jenkins

Chief Operating Officer / Deputy CEO

Charles Newitt

Director of Development

Mark Davies

Director of Institute of Pre-Hospital Care

Dr Gareth Grier

Director of Marketing & Communications

Louise Robertshaw (appointed 05 February 2018)

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

A look back with Mark Vickers, Chairman

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

CHAIR AND CEO'S STATEMENT YEAR ENDED 31 MARCH 2018

The past year has been one of significant development for London's Air Ambulance. We have continued to provide leading pre-hospital care to the people of London and at the same time we have strategically invested for the long-term growth, stability and success of the Charity.

In the year under review the Charity received almost £9m in income. We have been particularly pleased to see our income from individual donors grow threefold as our supporter base develops and an increasing number of people in London commit to support our cause. During the financial year 2017/18 we treated, by helicopter during the day and rapid response cars at night, a total of 1,749 patients.

Our total expenditure during 2017/18 was £7.9m. We are constantly planning ahead to generate the financing required to sustain our service. This will include, for instance, the need to replace our helicopters in the next five to seven years as they come to the end of their useful life. The Charity is therefore investing in fundraising to ensure our performance will expand to meet these financial requirements. We are implementing a strategy to increase Regular and Individual Giving, led by face-to-face fundraising, digital marketing and new campaigns.

The continued success of our service is due in no small part to our close partnerships with Barts Health NHS Trust and London Ambulance Service NHS Trust. I would particularly like to thank them for their contribution to our Charity and their role in supporting our medics. Their unswerving commitment to us is hugely valued. I must also thank the City's emergency services and trauma networks. While our teams do all that they can at the scene, we form only a part of London's emergency response and a part of a patient's treatment pathway. It is a privilege to be part of this highly dedicated and professional service community.

On behalf of the Board of Trustees and everyone involved in the Charity, I would like to express our grateful thanks to all our supporters. We would not be able to carry out our vital work without your backing and outstanding generosity. We are proud to serve this wonderful City, and are humbled to be empowered to do so by your unfailing support.

Mark Vickers, Chairman of the Board of Trustees

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

CHAIR AND CEO'S STATEMENT YEAR ENDED 31 MARCH 2018

A look forward with Jonathan Jenkins, CEO of London's Air Ambulance

This year marked my first as London's Air Ambulance's CEO. We have been working hard to develop a strategy to grow our Charity over the next five years to meet our mission of saving more lives in London through our rapid response and cutting-edge pre-hospital care.

We expect that we are going to need to double income over the next five years to meet our core operational requirements and our ambitious clinical aspirations. I'm looking forward to seeing new projects come to fruition, from growing our existing methods of fundraising, to the development of Legacy and Major Donor programmes. With the right investment over the coming years, we will be able to continue our pioneering, courageous and compassionate approach to pre-hospital care.

An ongoing challenge was confirmed in a recent survey showing that whilst most of the people of London have heard of us, two thirds are unaware that we are a charity. I have therefore been delighted to welcome Louise Robertshaw as our first Director of Marketing and Communications to help us convert the overwhelming public goodwill into long term support. Louise brings a wealth of charity communications experience, which she will use to help develop our strategy and achieve our goals over the next three years.

The last year has seen many changes and improvements to our service, most notably the implementation of an enhanced clinical model, with the appointment of 11 consultants to deliver a three-person team to most critical missions. This heralded the end of the emeritus consultant programme, which has served us so well in previous years. I would like to express my gratitude to all who were part of the emeritus programme for their dedication, and those who aided the smooth transition to the new model. At the same time, we expanded the award winning Physician Response Unit, and introduced a new fleet of rapid response cars.

Looking ahead, the emeritus paramedic programme will be reviewed to continue this evolution of the enhanced clinical team. I am excited to see what else the next year will bring for our team, such as the planned 'Whole Blood' and 'ECMO Sub-30' trials (see Page 11).

I would also like to give my personal thanks to all our colleagues within the Charity and our partners at Barts Health NHS Trust and the London Ambulance Service. And finally, thanks to all our volunteers and donors. You play a vital role in our treatment of patients and allowing our service to save lives. For this, we are truly grateful. I am excited to see what the next few years will bring. I hope you will join us for the journey.

Jonathan Jenkins, CEO of London's Air Ambulance

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

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 2018.

ACHIEVEMENTS AND PERFORMANCE

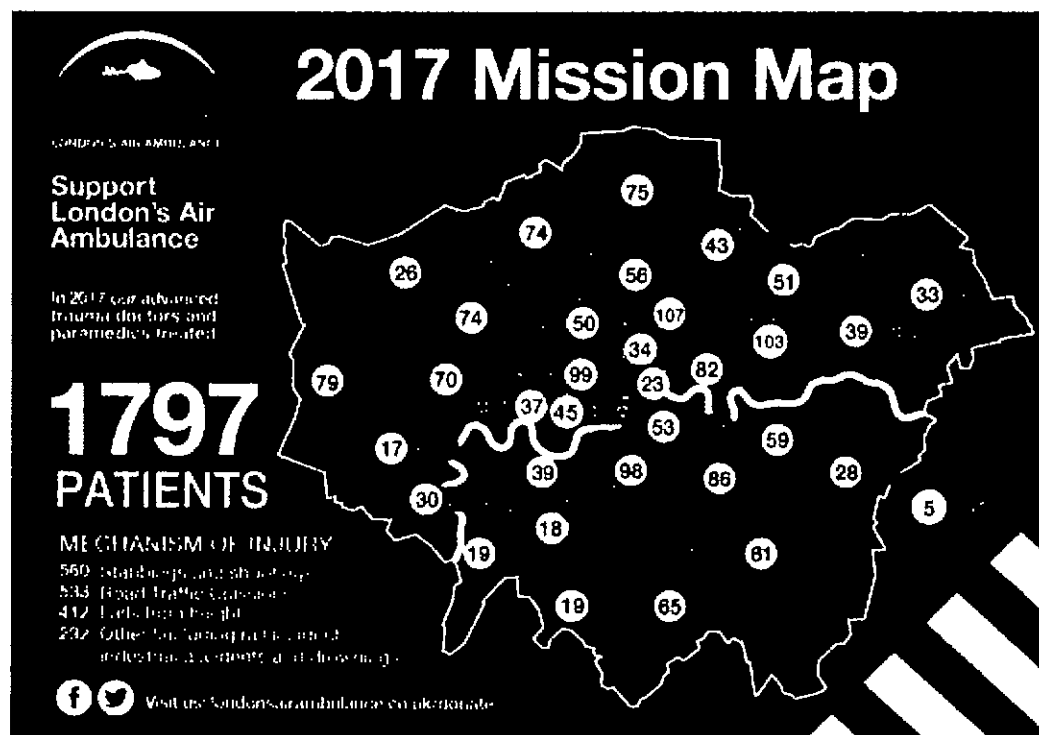
Our primary purpose is to provide critically injured patients with the world's most innovative and effective pre-hospital care delivered by our advanced trauma team using a helicopter by day and rapid response cars by night and in adverse weather conditions.

The service treated 1,749 patients suffering from critical injury (trauma), and other medical emergencies in the financial year ended 31 March 2018. This number excludes the 1524 patients that were treated by our Physician Response Unit (PRU) which saw a step change in September 2017 as we increased operating hours and became a 7 day a week service (see page 12).

Figure 1 displays the number, type and location of missions carried out in the calendar year January to December 2017.

Figure 2 displays the headline numbers of patients treated by the service in the financial year 2017/18. 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: 2017 calendar year - Mission Map



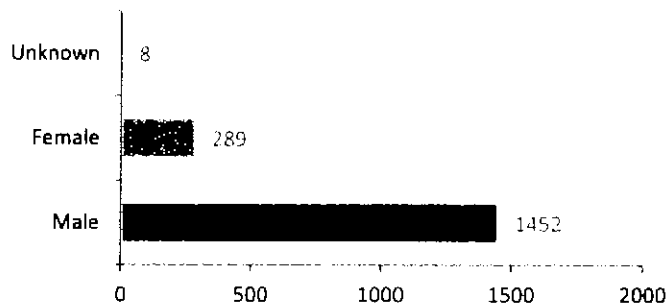
LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

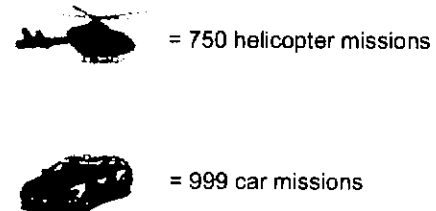
YEAR ENDED 31 MARCH 2018

Figure 2: Financial Year 2017/18 missions summary

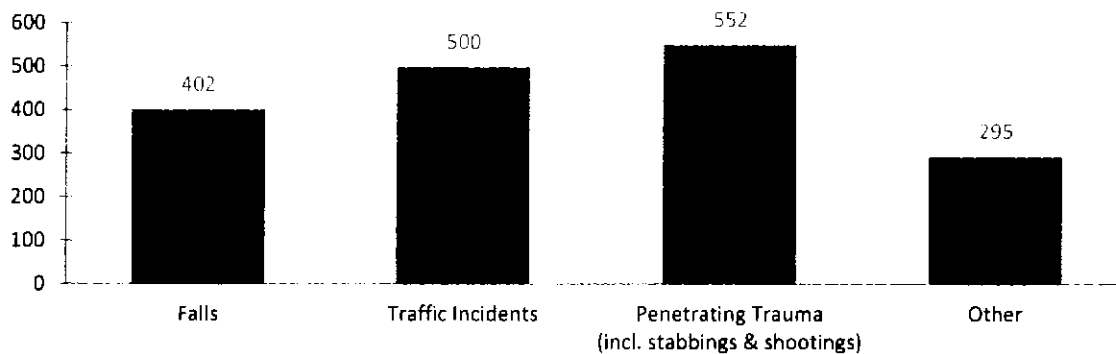
Patients treated by gender



Mission Breakdown



Patients treated by mechanism of injury



Data taken from 1 April 2017 to 31 March 2018, with 1749 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 seven 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.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

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.

The PRU launched a 12 hours a day, 7 days a week service in September 2017 and, together with a more targeted group of patients, has increased the number of patients visited by 130%. Of these, the percentage treated and left in the community instead of being conveyed via ambulance to an A&E rose from 50% to 68% in the remodelled service's first six months, thus saving significant costs to the NHS.

Progress against Strategic Objectives

In respect of the key strategic objectives for the financial year 2017/18, the Board of Trustees is able to report on the progress and outcomes as follows:

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

The operational availability in having a second helicopter available during operational hours has provided in excess of 99% availability, thus allowing us to reach more patients more quickly. In 2017 we reached 41% of our patients by helicopter. Our cars remain a critical part of our service when we cannot fly, and in 2017 59% of our overall mission responses in London were reached by car. In total in financial year 2017/18 we treated 1,749 patients, excluding PRU patients.

We have continued to train for and develop our Major Incident (MI) responses in conjunction with Barts Health and LAS, taking part in joint exercises as well as running our own. Towards the end of last year, we were called upon to respond to the Westminster Bridge attack, where we deployed one team by helicopter. In financial year 2017/18 we deployed 5 medical teams by car to the London Bridge attack, and shortly afterwards again deployed 5 teams by car to the Grenfell Tower fire. At Grenfell, emergency teams were deployed for an extended period. In the morning we used the first helicopter to change teams over before it returned to daily tasking, while the second helicopter was held 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 ongoing MI.

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

From 26 March to 2 September 2017 we operated extended daylight flying hours until sunset each night to deliver our advanced trauma team to critically injured people. The helicopter was thus available for an additional 318 additional hours, during which it was launched on 83 occasions and treated 65 critically injured patients.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

3. Physician Response Unit

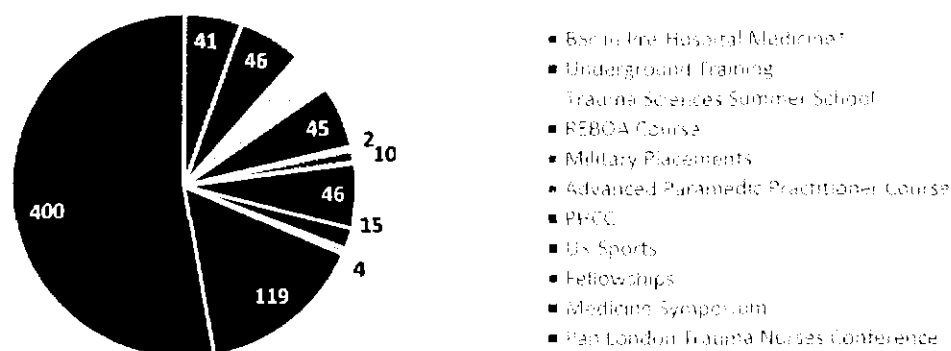
Operating separately to our rapid response cars, the Charity's Physician Response Unit (PRU) treated 1,524 patients in the community during the financial year 2017/18. In September 2017 the delivery model moved from a 09:00–17:00, 5 days a week service to 08:00–20:00, 7 days a week, thanks to funding from Tower Hamlets Together.

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 NHS Emergency Departments by reducing the number of ambulance call-outs and number of Emergency Department visits. Of the 1,524 patients treated in financial year 2017/18, 974 patients were left in the community (64%), therefore avoiding use of an ambulance and an admission to the Emergency Department.

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

The Institute of Pre-Hospital Care ("The Institute") trained a total of 757 doctors and paramedics through existing and new courses during financial year 2017/18, and produced insightful and innovative research in the field of pre-hospital medicine. Figure 3 provides a breakdown of courses and numbers trained and is followed by a brief summary of some of The Institute's key achievements.

Figure 3: Courses delivered and numbers trained



*Academic year runs from 1 August to 31 July, therefore BSc course numbers includes Academic Year 16/17 and 17/18

BSc in Pre-Hospital Medicine

For the academic year 2017/18, 21 students studied towards the BSc qualification, an increase of one 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's University in Belfast.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

Pre-Hospital Care Course (PHCC)

We successfully delivered three PHCC courses during 2017/18, training 34 doctors and 12 paramedics. The courses were well attended, with nine countries represented alongside other Air Ambulances that we are affiliated with in Great Britain.

The impact of delivering the course, including the key innovations and best practices that are taught, ensures that we have highly trained doctors and paramedics delivering a high quality of care. The impact of this course is wide-reaching and attended by international doctors, who take learning from the PHCC to enhance service delivery in health systems worldwide.

The London Performance Psychology in Medicine Symposium

In June 2017 the Institute launched a new symposium, 'The London Performance Psychology in Medicine Symposium'. This was built on the foundations of the 'High Performance Workshop' that was launched in collaboration with UK Sport in 2016.

This symposium was a meeting for clinicians, cognitive and sports psychologists, safety experts, elite performers and educationalists that were interested in improving the ability to deliver complex patient-care under pressure. 119 delegates attended the symposium.

The symposium allowed us to explore how to best equip clinicians to perform in challenging situations. Pre-hospital and critical care services have a long history of learning from non-medical high-performance organisations. We took the opportunity to invite this global community of practice to meet together along with expert speakers from across the performance world, to discuss how best to understand and study this important field.

Pan London Trauma Nurses Conference

The Pan London Trauma Nurses Conference saw a group of 400 trauma nurses gather from across London. It was the first conference entirely aimed at trauma nurses. The day explored the challenges of nursing the trauma patient, a complex patient group, and allowed those attending to network and engage in shared learning.

5. Continuing pre-hospital care research

LAA has once more delivered a good number of research publications which have received very positive attention in the pre-hospital and trauma communities. The papers have again focussed on key clinical problems and pathologies experienced by our patient population. An analysis of our research impact kindly performed by Altmetric demonstrated that we are frequently cited and quoted by the scientific medical community, and that our previous work continues to influence newer research and clinical practice.

We have identified the aspiration of the organisation to conduct bigger research projects. These require links with partner organisations and funding. At a recent meeting we identified three significant projects related to: blood administration, a drug trial to reduce the adverse effects of shock and the use of Extra Corporeal Membrane Oxygenation (ECMO) in out-of-hospital cardiac arrest. Significant funding has been achieved and we are optimistic that we

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

can progress these projects in the near future. We hope that these bigger projects will help to establish the infrastructure and links to increase our future research productivity.

LAA clinicians have been in continued high demand as speakers and facilitators at conferences and meetings in the UK and abroad.

Overall we have maintained the position of LAA with published and presented work and continued to be a strong influence in the world pre-hospital community.

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.

The PLN role bridges the gap between the pre-hospital care that the service is renowned for and the patient's ongoing recovery. This is achieved in the following ways:

- The provision of face-to-face follow-ups with patients to provide additional support and guidance. This included a total of 180 bedside visits during the reporting period.
- The facilitation of peer-to-peer support opportunities whenever appropriate. During the reporting period 19 such opportunities were facilitated.
- The continued provision of bereavement consultations for bereaved families giving them the opportunity to meet and hear from the teams who treated their loved ones. During the reporting period 17 such consultations were undertaken.
- The continued signposting of patients and their families to other organisations that are able to provide vital and much needed support outside of the health service remit. During the year 54 patients were signposted.
- The facilitation of patient and family visits to the helipad to meet the teams who looked after them. 45 such visits were organised during the reporting period.
- The involvement of patients in the training and education for both clinicians and the BSc in Pre-Hospital Medicine to help enhance learning through the sharing of patient experiences.
- Sharing the successes of the PLN role with other, similar services. As a result of this, Essex and Herts Air Ambulance has employed two 'Patient Liaison Manager' paramedics and East Anglia Air Ambulance has employed an Aftercare Manager.
- The provision of additional support for our patients and their families through a written and published booklet of patient stories to inspire hope - 'Difficult roads can take you on a Beautiful journey.'

7. Developing and delivering an Educational Outreach programme

Key aims

Our key aims in developing an Educational Outreach programme were to:

- Help young people fulfil their potential by raising career aspirations, with a strong focus on the most deprived boroughs in London.
- Raise awareness of the work of the Charity.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

- Inspire young people to study STEM subjects and explore STEM careers.
- Enhance employability.
- Inspire the next generation of doctors, paramedics and pilots.

HELIMED: an interactive educational STEM app

The Charity's Educational Outreach programme continues to grow with the promotion of Helimed; an innovative educational app that 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.

Helivan

Kindly supported by the London Rotarians, the Helivan's livery mirrors the London's Air Ambulance helicopter and contains equipment used by our doctors and paramedics. It provides a unique way to educate schools and communities across London about the life-saving service the Charity provides.

During the year the Charity partnered with secondary schools in Hammersmith and Fulham, Tower Hamlets, Newham, Hackney, Lambeth, Haringey, Islington, Brent and Westminster.

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

REBOA (Resuscitative Endovascular Balloon Occlusion of the Aorta)

REBOA allows our advanced trauma team 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 injury. We continue to provide this ground-breaking procedure which 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. The clinical team is working-up the proposal for introduction of 'Zone One' REBOA (where the balloon is placed higher up in the body prior to inflation) to our service.

New clinical model and staff

The continuous support from the medical staff attached to us from Barts Health, LAS and our emeritus team has been invaluable to our Charity over the years. In 2017, in light of the increasing complexity of pre-hospital care, the emeritus doctor programme was reviewed. This has been replaced by a consultant led model, whereby an additional 11 consultants are employed on a part-time basis to enable a three-person clinical team consisting of a consultant, a doctor and a paramedic from 07:00–01:00 each day; this model started in September 2017. A similar review of the emeritus paramedic programme has also taken place and in 2018/19, a new paramedic model will be introduced with an increased number attached from the LAS for 12 month secondments.

Clinical Governance and Inset Days

Clinical Governance Days (CGD) centre on an ethos of delivering care of the highest possible standard for all of our patients, at all times. This 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. In 2017/18 we alternated CGD with Inset Days to deliver six of each. Inset Days are internally focussed, and CGD is open to the wider clinical community, including pre-hospital care professionals from around the world.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

Whole Blood Trial

The transfusion team at The Royal London Hospital has obtained permission to conduct a feasibility study into delivering a combined Red Cell and Plasma (RC&Plasma) component to patients who are bleeding in the pre-hospital setting in London. RC&Plasma transfusion will replace the current standard of red blood cell transfusion in the pre-hospital setting by London's Air Ambulance as part of a trial running in 2018/19.

ECMO (Extracorporeal Membrane Oxygenation) and Sub 30 Trial

The Charity will be supporting Barts NHS in the ECMO and Sub 30 Trial. This trial will assess the feasibility of developing pre-hospital ECMO within 30 minutes of a call to the emergency services for selected patients suffering out-of-hospital cardiac arrest in London.

9. Expand and support our volunteer network

In financial year 2017/18, a total of 165 volunteers (2017: 164) supported the Charity, with 64 taking part in volunteering activity on a regular basis (more than once a month). Our National Air Ambulance Week activity in 2017 included in excess of 50 volunteers taking part in charity collections across London.

We greatly appreciate the hard work and dedication of our volunteers in supporting the Charity. They play a vital role. Unpaid volunteers assist Charity employees in a range of roles, including fundraising collections, coordinating collection pots, supporting fundraising events, volunteering in our retail shop and selling merchandise at external events. Volunteers also assist with office administration and research and representing us as speakers to community groups.

10. Investment in Development Team to help drive fundraising income

Fundraising Income

Financial year 2017/18 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.

Individual Giving

Income from individual givers - cash and regular donors, raffle players and Lottery members - continues to increase and is a major part of our future growth plans. In accordance with the new fundraising strategy, we continued to invest in the recruitment of new Lottery members and regular givers through face-to-face fundraising.

We expanded our recruitment activity through agency partners and invested in our Individual Giving team to strengthen compliance, quality and supporter care. This resulted in a significant increase of 278% in donations from Individual Giving, with further growth anticipated over the coming years. We ran a successful raffle campaign, which was promoted to existing supporters and also ran a Christmas appeal via direct and digital marketing and donated outdoor media.

The London's Air Ambulance Lottery continues to grow and is a significant part of our income. At the end of March 2018 the number of chances in our Lottery had increased to over 83,000.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

Income from the programme grew by 16% in the period and is attributable to our continuing strategy of signing up new Lottery members via face-to-face fundraising.

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 drop in income of 72% on the previous year for this income stream is due to the high amount of donations towards the second helicopter received in financial year 2016/17.

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. Income in this category was down 27% on the previous year, mainly due to no Gala being held this year. The next Gala is planned for Summer 2018.

Originally 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. The partnership provides funding split equally between London's Air Ambulance and Midlands Air Ambulance Charities, thanks to the fundraising efforts of staff based at the firm's London and Wythall sites. We continue to have strong and rewarding partnerships with Foxtons and Aberdeen Standard Investments.

Our challenge event strategy focused on a portfolio of fewer events with increased numbers of participant places, particularly in the Royal Parks Half Marathon and Virgin Money London Marathon. This has allowed more attention to be paid to individual fundraisers enhancing both participant experience and fundraising capacity.

Major Donors

We have put into place the building blocks to generate more income from high net worth individuals. We benefitted from the gifting of a dinner at 45 Jermyn Street which enabled the Charity to raise money from an invited audience. We now have a full-time Philanthropy Manager in post focussing on Major Donor fundraising.

Community

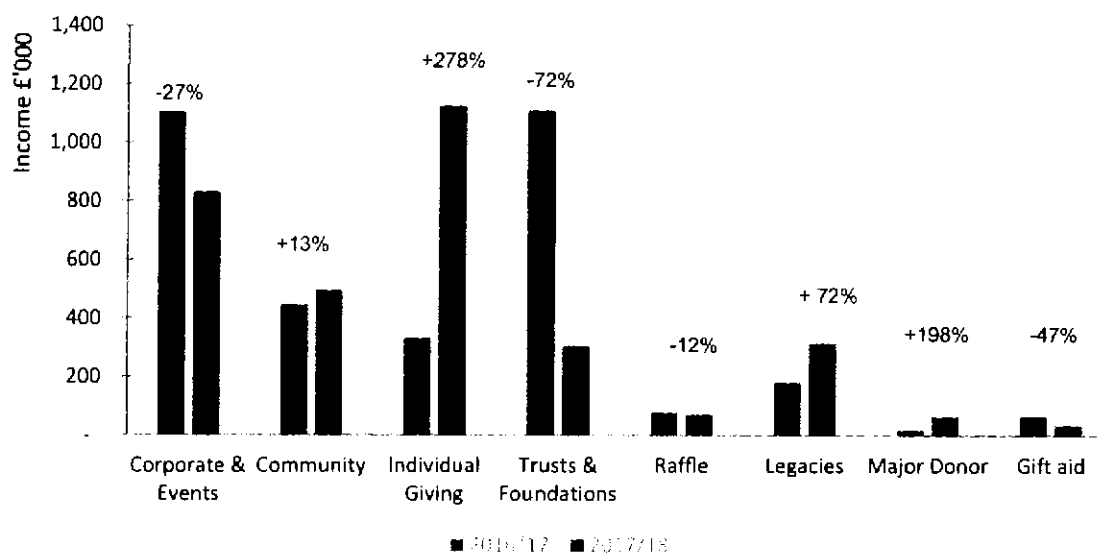
We have a strong community fundraising programme, raising funds through collections pots and buckets, at local events and from clubs, schools, societies, local businesses and supermarkets. Our aim was to maintain and expand income from local communities and businesses, ensuring that long-standing support is acknowledged and that community supporters remain engaged, informed and inspired. We delivered on this, with an increasing network of local businesses holding collection pots at their premises and Charity of the Year partnerships secured with a number of supermarkets with a strong focus on South East London.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

Figure 6: Growth in fundraising income by income stream



11. Charity Infrastructure

During the year the Charity has continued to update its IT infrastructure to deliver a modern and secure information and data system with associated support to meet the Charity's objectives, our regulatory regimes and requirements, and to help deliver a more flexible and more scalable working culture. With the recent increase in cyber threat, emphasis has been placed on testing and protection against external threats.

PLANS FOR FUTURE PERIODS

Strategic goals and future plans for the Charity include:

- To increase awareness that London's Air Ambulance is a charity. A 2017 survey showed that whilst eight out of ten people had heard of the London's Air Ambulance service, two thirds of people in London were not sure or didn't believe that London's Air Ambulance is a charity. Working towards our 30th Anniversary in 2019, our awareness campaigns intend to increase the number of people that know that we are a charity, and the Charity has employed a Director of Marketing and Communications to enable this.
- In partnership with Barts Health and LAS, to continue the provision of a 24 hours per day, 7 days a week service using our helicopters and fleet of rapid response cars, while also examining how we can better the equality of service to areas that are a challenge to access in a timely manner.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

- To double income though securing long-term diverse sustainable income streams to enable the Charity to achieve its goals. Our strategy to do this includes:
 - Growing and developing individual donors to drive Regular Giving through our Lottery and Individual Giving programmes, facilitated by digital marketing, face-to-face fundraising and launching new campaigns
 - Growing Community fundraising
 - Implementing and growing a Legacy programme
 - Increasing the number of corporate partnerships and sponsorships
 - Securing long-term grants and donations from charitable Trusts, Foundations and Livery Companies and statutory sources
 - Delivering Major Donor initiatives
- To continue to work with the emergency services across London to develop the lessons from MIs over the last year and to undertake exercises to plan how London develops its responses to MIs.
- To continue to evolve the delivery of the new clinical model with a consultant led delivered service, alongside Barts Health. The service is continually innovating ways to prevent unnecessary deaths from trauma and the procedures carried out before patients reach hospital are becoming more complex and challenging. As part of this partnership development, the Charity will start to play a wider role in working with research in the pre-hospital field by assisting in the employment of fellowships for specific projects and supporting trials, e.g. the 'Whole Blood' trial in 2018/19 and Extra Corporeal Membrane Oxygenation (ECMO) in the pre-hospital field.
- With the re-launch of the PRU extending its hours of operation for clinical care in the community, to continue to work with our NHS partners and local authorities to ensure that the value of the service is recognised and provided with long term support.
- To continue to support patients and their families on their road to recovery through our Patient Liaison Nurse and to fund a second Patient Liaison Nurse to manage the increasing work.
- To further develop our education capability via The Institute of Pre-Hospital Care to help prepare doctors and paramedics to deliver the highest possible standards of clinical care, including the launch of an MSc in Pre-Hospital Care in September 2019.
- To continue to undertake pre-hospital care research and produce publications driving world-class innovation and research.
- To create community fundraising groups in London and continue delivery of the community outreach programme.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

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 includes an advanced trauma doctor and paramedic, as well a consultant on most critical missions, 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 from 08:00 to sunset and rapid response cars at night and in adverse weather conditions. We have treated over 38,375 critically injured patients since our inception in 1989.

We operate in partnership with both Barts Health and LAS. 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. LAS similarly provides paid paramedics as part of the joint service, typically for nine months but extending to 12 months in the coming year. 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 NHS Trust 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 MIs in London over the past 29 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

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

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 5 to 15 and 'consolidated financial review' and 'risk management' on pages 22 to 25.

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 2018, there were nine 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.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

The ongoing training needs of the Trustees is 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.

The Board is advised on clinical matters by a Charity appointed Medical Director, Dr Gareth Davies, and he is supported by a Lead Clinician and 13 further Medical Consultants (12 funded by the NHS and a MoD military secondment) and a Lead Paramedic (funded by London Ambulance Service NHS Trust).

Aviation matters are overseen by the Chief Pilot, Captain Neil Jeffers, and the AOC¹ Accountable Manager, Charles Newitt.

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.

Over the coming year, the Trustees will continue to work towards applying the principles set out in the Charity Governance Code. During the year all Trustees have been engaged with a review of the Charity's strategy, vision and mission in line with the Charity's objectives; this work has also included stakeholders and partners. The Trustees have ensured that there is appropriate governance in place, enhanced by the formation of an Audit and Risk Committee, and they review monthly the financial and operational dashboard performance. This year has seen a focus on reputation and risk management across the Charity with Trustees engaging directly to provide support to the Executive. The Trustees provide a broad range of skills and experience to support the Charity's objectives and the Board has carried out an internal review of this balance during the year. The Trustees recognise that there is still further work required to broaden the equality and diversity of the Trustees. The Trustees remain very aware of the challenges facing charities in wider society, and are cognisant of the importance of the sector's reputation and ensuring public confidence and trust.

¹ 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 2018

Audit and Risk Committee

During the year the Board has established an Audit and Risk Committee (ARC). The committee comprises three Trustees: Robert Forsyth (Chair), Adrian Walker and Edmund Owen. The committee's responsibilities include, and they have been engaged in: the Annual Report and Financial Statements, reviewing and agreeing the budget, risk management including mitigation, internal control and effectiveness of the external audit, and new financial procedures. The ARC members review monthly financial performance and the operational dashboard as well as providing day to day advice to the Executive. Post year end they provided invaluable professional expertise to the Executive in assessing and reviewing procedures around cyber security.

A decision was made to re-tender the audit contract and the tender process will take place in Autumn 2018 with appointment of auditors to take place in advance of the financial year ending 31 March 2019.

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.

Our Fundraising Promise

London's Air Ambulance is a member of the Fundraising Regulator self-regulatory scheme. As members of the scheme, we follow their Code of Fundraising Practice and comply with the key principles embodied in the Code and in our Fundraising Promise. The full version of our Fundraising Promise and Complaints procedure are contained on our website. The key principles are outlined below. If a complaint about our fundraising activities is unable to be resolved through our complaints procedure, members of the public are advised to raise it with the Fundraising Regulator.

We are honest and open. We are respectful. We respect the rights, dignities and privacy of our supporters and beneficiaries. We are accountable. We will not put undue pressure on members of the public to make a donation.

We take the protection of the personal data of all our supporters and donors extremely seriously, and constantly review and monitor our fundraising policies and procedures to ensure we deliver 'best practice'.

We received 11 complaints during the period which were all actioned and resolved.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

Face-to-Face Fundraisers

New Lottery members and regular givers are signed up by Face-to-Face Fundraisers across London. The Fundraisers 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.

All Face-to-Face Fundraisers 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 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 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 two Lottery chances per week.

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 was post-holder until 30 September 2017, and 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 MIs.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

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 and Sussex, East Anglian and Essex and Herts Air Ambulances
 - 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.
- Association of Air Ambulances (AAA)
 - London's Air Ambulance Limited is a member of the Association of Air Ambulances. Jonathan Jenkins, CEO of London's Air Ambulance, is a Director of the AAA and Dr Gareth Davies is Chair of its Clinical Sub-Committee.
- EMSC Limited (EMSC)
 - A company controlled by Professor David Lockett 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

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

CONSOLIDATED FINANCIAL REVIEW

The Board of Trustees is pleased to report that the total income for the year amounted to £8,978,653 (2017: £9,193,909), a decrease of 2% year on year. Staff costs associated with generating voluntary income amounted to 9% (2017: 7%) of total income.

Principal sources of restricted and unrestricted income included: Lottery sales of £4,099,999; £2,050,312 donations from individuals; funding from the NHS of £973,054 through a service level arrangement with Barts Health and donations from corporates and events totalled £870,727. The large growth in Lottery sales and income from individual giving resulted from the increased investment in this area of fundraising within the year in accordance with the new fundraising strategy adopted in the year.

Costs in the same period totalled £7,865,242 (2017: £7,426,621) an increase of 6%. This increase was mainly due to the additional costs of fundraising activity in line with the new strategy. We expect the results of this investment to be long-term, providing significant return on the expenditure incurred.

The cost of charitable activities was £3,893,529 (2017: £4,011,245). The small decrease is mainly due to reduced helicopter maintenance.

Governance costs were £106,127 (2017: £93,872).

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 £4,324,835 (2017: £3,780,288). This increase is due to ongoing growth in Lottery income and sign-ups.

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 2018, profits of £3,189,395 were gifted to the Charity (2017: £2,866,387).

The percentage of Lottery proceeds returned to the Charity in the calendar year 2017 was 71%.

The Institute of Pre-Hospital Care Limited generated income of £223,837 (2017: £158,652). All profits from the company are passed up to the Charity as donations at the year end. In 2018, profits of £32,174 were gifted to the Charity (2017: £20,337).

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

RESERVES POLICY

The Trustees have agreed a strategy where sufficient unrestricted cash reserves are held to meet the cost of six months of operation. The Charity has achieved this goal whilst balancing day to day running of the Charity, including running of the helicopters, with planned future capital expenditure and operational objectives. At year end, sufficient unrestricted cash funds were held to fund nine months of operational costs.

The unrestricted funds at the year end increased to £6,280,366 from £4,953,060. 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 £5,019,093 (2017: £3,778,709) 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 decreased slightly to £2,556,516 from £2,770,855, as funds received in advance are released. Refer to note 21 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 four 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 helicopter missions we always operate with two pilots to improve crew awareness. We engage with local planning to ensure we are aware of new buildings and have daily briefings concerning new obstacles (cranes etc.) and commercial drone activity that will affect us. In accordance with any weather limitations 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 2018

- **Risk:** IT Security and cyber risk - A cyber attack or unauthorised access to data leading to a breach of the Data Protection Act/GDPR and/or monetary loss.

Mitigations: IT is outsourced to a specialist service provider to ensure secure networks and updated software. Administrative access is controlled, data is backed up and penetration testing is carried out. A programme of IT security enhancement together with regular staff training to improve awareness of threats has also been instigated.

- **Risk:** A personal data breach of the Data Protection Act/GDPR through a breach of our IT and data storage, inappropriate handling and mis-management of data by either LAA members, volunteers or third party agents, that may also impact on our Lottery and Gambling Commission license. LAA is the data owner in all circumstances.

Mitigations: A full time Data Manager has been employed and new policies to support GDPR changes have been implemented. IT security is being enhanced further. We have documented protocols with external agencies who support our data and monitor the contracts and training of third party data handlers. All canvassers (including third parties) are issued tablets to use electronic forms to improve security and reduce risk of data breaches

- **Risk:** Lottery or Regular Giving Face-to-Face Fundraisers (including those employed through a third party agency) 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 Practice.

Mitigations: London's Air Ambulance Face-to-Face Fundraisers 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 Fundraising Manager to oversee training and ensure any complaint is immediately followed up. A contractor to provide 'mystery shopping' has been employed with direct feedback to canvassers to ensure quality and compliance. We retain a complaints register and any complaints are acted on immediately.

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 prior year.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2018

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 and 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 and 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 2018

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.

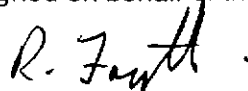
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 26th October 2018

**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 2018

OPINION

We have audited the financial statements of London's Air Ambulance Limited (the "parent company") and its subsidiaries (the "group") for the year ended 31 March 2018, which comprise the consolidated and parent Statement of Financial Activities (incorporating the Income and Expenditure Account), the consolidated and parent Balance Sheets, the consolidated and parent Statement of Cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2018, and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

**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 2018

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees Annual Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report included within the Trustees Annual Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report and strategic report included within the Trustees Annual Report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

**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 2018

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's or the parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

**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 2018

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

USE OF OUR REPORT

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



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

10 Orange Street
Haymarket
London
WC2H 7DQ

26th October 2018

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

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

YEAR ENDED 31 MARCH 2018

	Note	Restricted Funds 2018 £	Unrestricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
INCOME					
Donations and legacies	2	231,459	2,834,420	3,065,879	3,637,137
Income from trading activities	3	-	4,702,353	4,702,353	4,233,435
Income from Charitable activities	4	-	1,196,927	1,196,927	1,306,313
Investment income		-	13,494	13,494	17,024
TOTAL INCOME		<u>231,459</u>	<u>8,747,194</u>	<u>8,978,653</u>	<u>9,193,909</u>
EXPENDITURE					
Costs of raising funds	5	27,328	3,944,385	3,971,713	3,415,376
Costs of Charitable activities	6	418,470	3,475,059	3,893,529	4,011,245
TOTAL EXPENDITURE	9	<u>445,798</u>	<u>7,419,444</u>	<u>7,865,242</u>	<u>7,426,621</u>
NET INCOME BEFORE NET GAIN ON INVESTMENTS		(214,339)	1,327,750	1,113,411	1,767,288
Net (loss) / gain on investments	15	-	(444)	(444)	109
NET INCOME FOR THE YEAR	11	<u>(214,339)</u>	<u>1,327,306</u>	<u>1,112,967</u>	<u>1,767,397</u>
Balances brought forward		2,770,855	4,953,060	7,723,915	5,956,518
Balances carried forward		<u>2,556,516</u>	<u>6,280,366</u>	<u>8,836,882</u>	<u>7,723,915</u>

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

All of the above amounts relate to continuing activities.

The notes on pages 35 to 59 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 2018

		Restricted Funds 2018 £	Unrestricted Funds 2018 £	Total Funds 2018 £	<i>Restated</i> Total Funds 2017 £
	Note				
INCOME					
Donations and legacies	2	231,459	6,163,307	6,394,766	6,529,752
Income from trading activities	3	-	495,568	495,568	520,650
Income from Charitable activities	4	-	973,054	973,054	1,147,590
Investment income		-	10,934	10,934	17,024
TOTAL INCOME		<u>231,459</u>	<u>7,642,863</u>	<u>7,874,322</u>	<u>8,215,016</u>
EXPENDITURE					
Cost of raising funds	5	27,328	2,924,435	2,951,763	2,568,979
Costs of Charitable activities	6	418,470	3,283,360	3,701,830	3,872,858
TOTAL EXPENDITURE	9	<u>445,798</u>	<u>6,207,795</u>	<u>6,653,593</u>	<u>6,441,837</u>
NET INCOME BEFORE NET GAIN ON INVESTMENTS		(214,339)	1,435,068	1,220,729	1,773,179
Net (loss) / gain on investments	15	-	(444)	(444)	109
NET INCOME FOR THE YEAR	11	<u>(214,339)</u>	<u>1,434,624</u>	<u>1,220,285</u>	<u>1,773,288</u>
Balances brought forward		2,770,855	4,845,742	7,616,597	5,843,309
Balances carried forward		<u>2,556,516</u>	<u>6,280,366</u>	<u>8,836,882</u>	<u>7,616,597</u>

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

All of the above amounts relate to continuing activities.

The notes on pages 35 to 59 form part of these financial statements.

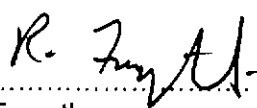
**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

CONSOLIDATED BALANCE SHEET

AT 31 MARCH 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	14	3,409,218	3,515,200
Investments	15	2,108	2,552
		<u>3,411,326</u>	<u>3,517,752</u>
CURRENT ASSETS			
Stock		23,708	18,935
Debtors	16	1,091,582	517,022
Cash at bank		5,459,834	4,660,172
		<u>6,575,124</u>	<u>5,196,129</u>
CREDITORS: Amounts falling due within one year	17	<u>(1,149,568)</u>	<u>(989,966)</u>
NET CURRENT ASSETS		5,425,556	4,206,163
TOTAL ASSETS LESS CURRENT LIABILITIES		8,836,882	7,723,915
NET ASSETS		<u>8,836,882</u>	<u>7,723,915</u>
FUNDS			
Restricted	21	2,556,516	2,770,855
Unrestricted:			
General Funds	22	6,230,366	4,903,060
Designated Funds	22	50,000	50,000
TOTAL FUNDS		<u>8,836,882</u>	<u>7,723,915</u>

These financial statements were approved by the Bob Forsyth on behalf of the trustees on 26th October 2018 and are signed on their behalf by:



 Bob Forsyth
 Member of the Board of Trustees

Company registration number: 2337239

The notes on pages 35 to 59 form part of these financial statements.

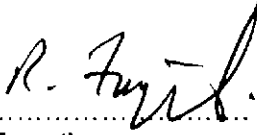
**LONDON'S AIR AMBULANCE LIMITED
COMPANY LIMITED BY GUARANTEE**

COMPANY BALANCE SHEET

AT 31 MARCH 2018

	Note	2018 £	Restated 2017 £
FIXED ASSETS			
Tangible assets	14	3,391,648	3,493,622
Investments	15	2,210	2,654
		<u>3,393,858</u>	<u>3,496,276</u>
CURRENT ASSETS			
Debtors	16	2,188,552	454,608
Cash at bank		3,828,048	4,028,258
		<u>6,016,600</u>	<u>4,482,866</u>
CREDITORS: Amounts falling due within one year	17	<u>(573,576)</u>	<u>(362,545)</u>
NET CURRENT ASSETS		5,443,024	4,120,321
TOTAL ASSETS LESS CURRENT LIABILITIES		8,836,882	7,616,597
NET ASSETS		<u>8,836,882</u>	<u>7,616,597</u>
FUNDS			
Restricted		2,556,516	2,770,855
Unrestricted			
General Funds		6,230,366	4,795,742
Designated Funds		50,000	50,000
TOTAL FUNDS		<u>8,836,882</u>	<u>7,616,597</u>

These financial statements were approved by the trustees on 26 October 2018 and are signed on their behalf by:



 Bob Forsyth
 Member of the Board of Trustees

Company registration number: 2337239

The notes on pages 35 to 59 form part of these financial statements.

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

CONSOLIDATED AND COMPANY STATEMENT OF CASHFLOWS

AT 31 MARCH 2018

	Group 2018 £	Group 2017 £	Charity 2018 £	<i>Restated</i> Charity 2017 £
Cash flows from operating activities				
Net income	1,112,967	1,767,397	1,220,285	1,773,288
<i>Adjustments for:</i>				
Depreciation charge	475,521	597,529	471,513	590,924
Losses / (Gains) on investments	444	(109)	444	(109)
Loss / (gain) on disposal of fixed assets	-	12,213	-	12,213
Dividends and interest from investments	(10,934)	(17,024)	(10,934)	(17,024)
Finance charges	-	57,839	-	57,839
(Increase) / decrease in stock	(4,773)	(1,310)	-	-
(Increase) / decrease in debtors	(574,560)	453,912	(1,733,944)	492,958
Increase / (Decrease) in creditors	159,602	(284,446)	211,031	(301,065)
Net cash (used in) / provided by operating activities	1,158,267	2,586,001	158,395	2,609,024
Cash flows from investing activities				
Dividends and interest from investments	10,934	17,024	10,934	17,024
Purchase of property, plant & equipment	(369,539)	(164,394)	(369,539)	(150,137)
Net cash provided by / (used in) investing activities	(358,605)	(147,370)	(358,605)	(133,113)
Cash flows from financing activities				
Repayment of borrowings	-	(2,399,826)	-	(2,399,826)
Finance charges	-	(57,839)	-	(57,839)
Net cash (used in) / provided by financing activities	-	(2,457,665)	-	(2,457,665)
Change in cash and cash equivalents in the year	799,662	(19,034)	(200,210)	18,264
Cash and cash equivalents at the beginning of the year	4,660,172	4,679,206	4,028,258	4,010,012
Cash and cash equivalents at the end of the year	5,459,834	4,660,172	3,828,048	4,028,258

The notes on pages 35 to 59 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 2018

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 17

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) - (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.

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.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES - *continued*

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 purposes.

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 purposes.

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 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES - *continued*

Income (*continued*)

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.

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.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES - *continued*

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 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 2024
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

In May 2017, two new engines were purchased for one of the helicopters and, therefore, the trustees reassessed the useful economic life of the helicopters. The useful economic life is considered to have been extended from December 2021 to March 2024. This change in accounting estimate has impacted the financial statements with a decrease in the annual depreciation charge of £198,243.

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 (SOFA) 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 SOFA.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES - *continued*

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.

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 2018

2. INCOME FROM DONATIONS AND LEGACIES

	Restricted Funds 2018 £	Unrestricted Funds 2018 £	Total Funds 2018 £	<i>Restated</i> Total Funds 2017 £
GROUP				
Corporate and Individuals	86,829	2,413,985	2,500,814	1,623,798
Foundations	144,630	163,984	308,614	1,114,883
Collections – pots and buckets	-	111,213	111,213	106,426
Gifts in kind	-	145,238	145,238	792,030
	<u>231,459</u>	<u>2,834,420</u>	<u>3,065,879</u>	<u>3,637,137</u>
CHARITY				
Corporate and Individuals	86,829	2,413,985	2,500,814	1,623,798
Foundations	144,630	163,984	308,614	1,114,883
Collections – pots and buckets	-	111,213	111,213	106,426
Gifts in kind	-	145,238	145,238	792,030
Gift Aid from subsidiary undertakings	-	3,328,887	3,328,887	2,892,615
	<u>231,459</u>	<u>6,163,307</u>	<u>6,394,766</u>	<u>6,529,752</u>

During the year, the company received gifts in kind in the form of legal services of £38,928 (2017: £12,439), helicopter landing fees of £81,320 (2017: £134,800), fundraising costs of £2,936 (2017: £5,800), IT equipment of £20,020 (2017: £10,428), helicopter related costs of £nil (2017: £6,363) and marketing of £2,034 (2017: £622,200).

The Charity 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 2018

3. INCOME FROM TRADING ACTIVITIES

	Restricted Funds 2018	Unrestricted Funds 2018	Total Funds 2018	Total Funds 2017
	£	£	£	£
GROUP				
Lottery, corporate sponsorships and retail shop	-	4,271,645	4,271,645	3,712,785
Events	-	420,224	420,224	520,650
Other trading activities	-	10,484	10,484	-
	<u>-</u>	<u>4,702,353</u>	<u>4,702,353</u>	<u>4,233,435</u>
 CHARITY				
Events	-	420,224	420,224	520,650
Other trading activities	-	75,344	75,344	-
	<u>-</u>	<u>495,568</u>	<u>495,568</u>	<u>520,650</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Restricted Funds 2018	Unrestricted Funds 2018	Total Funds 2018	Total Funds 2017
	£	£	£	£
GROUP				
Institute of Pre-Hospital Care	-	223,873	223,873	158,723
Grant income from Barts Health NHS Trust	-	973,054	973,054	1,147,590
	<u>-</u>	<u>1,196,927</u>	<u>1,196,927</u>	<u>1,306,313</u>
 CHARITY				
Grant income from Barts Health NHS Trust	-	973,054	973,054	1,147,590

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

5. COSTS OF RAISING FUNDS

	Restricted Funds 2018	Unrestricted Funds 2018	Total Funds 2018	Total Funds 2017
	£	£	£	£
GROUP				
Direct Staff & related costs	-	778,231	778,231	644,760
Appeals costs	-	1,338,957	1,338,957	629,112
Support costs	27,328	754,047	781,375	1,226,040
Total fundraising activities	27,328	2,871,235	2,898,563	2,499,912
Lottery, corporate sponsorships and retail shop	-	1,073,150	1,073,150	915,464
Total fundraising activities	<u>27,328</u>	<u>3,944,385</u>	<u>3,971,713</u>	<u>3,415,376</u>
CHARITY				
Direct Staff & related costs	-	831,431	831,431	713,827
Appeals costs	-	1,338,957	1,338,957	629,112
Support costs	27,328	754,047	781,375	1,226,040
	<u>27,328</u>	<u>2,924,435</u>	<u>2,951,763</u>	<u>2,568,979</u>

6. CHARITABLE ACTIVITIES

	Restricted Funds 2018	Unrestricted Funds 2018	Total Funds 2018	Total Funds 2017
	£	£	£	£
Charitable Activities:				
GROUP				
Helicopter hire purchase interest	-	-	-	57,839
Helicopter maintenance	-	907,182	907,182	966,485
Direct helicopter costs	225,319	920,635	1,145,954	1,345,650
Fire-fighters costs	-	240,445	240,445	218,505
Vehicle leasing	11,384	22,283	33,667	36,422
Direct vehicle costs	1,000	123,173	124,173	83,955
Consultancy fees	-	74,815	74,815	75,201
Institute costs	43,993	206,796	250,789	180,272
Other related costs	112,539	88,061	200,600	180,992
Support costs	24,235	891,669	915,904	865,924
	<u>418,470</u>	<u>3,475,059</u>	<u>3,893,529</u>	<u>4,011,245</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

6. CHARITABLE ACTIVITIES *(continued)*

Analysis of charitable activities:

GROUP

	Staff & related costs £	Finance costs £	Depreciation £	Other costs £	Total 2018 £
Helicopter hire					-
purchase interest	-	-	-	-	-
Helicopter					
maintenance	-	-	-	907,182	907,182
Direct helicopter costs	615,324	-	335,134	195,496	1,145,954
Fire-fighters costs	240,445	-	-	-	240,445
Vehicle leasing	-	-	-	33,667	33,667
Direct vehicle costs	92,204	-	-	31,969	124,173
Consultancy fees	-	-	-	74,815	74,815
Institute costs	139,770	246	453	110,320	250,789
Other related costs	64,990	-	35,455	100,155	200,600
Support costs	466,660	1,584	47,435	400,225	915,904
	<u>1,619,393</u>	<u>1,830</u>	<u>418,477</u>	<u>1,853,829</u>	<u>3,893,529</u>

	Restricted Funds 2018 £	Unrestricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Charitable Activities:				
CHARITY				
Helicopter hire purchase interest	-	-	-	57,839
Helicopter maintenance	-	907,182	907,182	966,485
Direct helicopter costs	225,319	920,635	1,145,954	1,345,650
Fire-fighters costs	-	240,445	240,445	218,505
Vehicle leasing	11,384	22,283	33,667	36,422
Direct vehicle costs	1,000	123,173	124,173	83,955
Consultancy fees	-	74,815	74,815	75,201
Institute costs	43,993	15,097	59,090	41,885
Other related costs	112,539	88,061	200,600	180,992
Support costs	24,235	891,669	915,904	865,924
	<u>418,470</u>	<u>3,283,360</u>	<u>3,701,830</u>	<u>3,872,858</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

6. CHARITABLE ACTIVITIES *(continued)*

**Analysis of charitable activities:
CHARITY**

	Staff & related costs £	Finance costs £	Depreciation £	Other costs £	Total 2018 £
Helicopter hire					-
purchase interest	-	-	-	-	
Helicopter maintenance	-	-	-	907,182	907,182
Direct helicopter costs	615,324	-	335,134	195,496	1,145,954
Fire-fighters costs	240,445	-	-	-	240,445
Vehicle leasing	-	-	-	33,667	33,667
Direct vehicle costs	92,204	-	-	31,969	124,173
Consultancy fees	-	-	-	74,815	74,815
Institute costs	-	-	-	59,090	59,090
Other related costs	64,990	-	35,455	100,155	200,600
Support costs	466,660	1,584	47,435	400,225	915,904
	<u>1,479,623</u>	<u>1,584</u>	<u>418,024</u>	<u>1,802,599</u>	<u>3,701,830</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	973,054	-	973,054
Institute income	-	223,873	223,873
Total charitable income	<u>973,054</u>	<u>223,873</u>	<u>1,196,927</u>
Costs	(3,642,740)	(250,789)	(3,893,529)
Net cost funded from other income	<u>(2,669,686)</u>	<u>(26,916)</u>	<u>(2,696,602)</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

8. GOVERNANCE COSTS

	Restricted Funds 2018	Unrestricted Funds 2018	Total Funds 2018	Total Funds 2017
	£	£	£	£
GROUP AND CHARITY				
Salary costs	-	70,962	70,962	47,210
Office costs	-	10,095	10,095	10,480
IT costs	-	2,426	2,426	1,213
Audit fees	-	8,500	8,500	8,500
Computer equipment depreciation	1,031	987	2,018	957
Legal fees	-	1,859	1,859	1,173
Recruitment costs	-	10,200	10,200	24,247
Interest payable and similar charges	-	67	67	92
	<u>1,031</u>	<u>105,096</u>	<u>106,127</u>	<u>93,872</u>

9. TOTAL EXPENDITURE

GROUP

	Staff & related costs £	Finance costs £	Depreciation £	Other costs £	Total Funds 2018 £
Costs of raising funds					
Fundraising activities	1,088,644	1,786	53,490	1,754,643	2,898,563
Lottery and retail shop	120,840	-	3,554	948,756	1,073,150
Charitable Activities	1,619,393	1,830	418,477	1,853,829	3,893,529
	<u>2,828,877</u>	<u>3,616</u>	<u>475,521</u>	<u>4,557,228</u>	<u>7,865,242</u>

CHARITY

	Staff & related costs £	Finance costs £	Depreciation £	Other costs £	Total Funds 2018 £
Costs of raising funds	1,141,844	1,786	53,489	1,754,644	2,951,763
Charitable Activities	1,479,623	1,584	418,024	1,802,599	3,701,830
	<u>2,621,467</u>	<u>3,370</u>	<u>471,513</u>	<u>3,557,243</u>	<u>6,653,593</u>

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

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 2018	Basis of apportionment
	£	£	£	
Staff & related costs	310,413	465,353	775,766	Estimated time spent
Finance costs	1,786	1,584	3,370	Estimated time spent
Depreciation	53,489	47,435	100,924	Estimated time spent
Office costs	415,687	295,405	711,092	Estimated time spent
Governance costs	-	106,127	106,127	Estimated time spent
	<u>781,375</u>	<u>915,904</u>	<u>1,697,279</u>	

11. NET INCOME

Net income is stated after charging:

	2018 £	2017 £
Staff pension contributions	76,722	100,737
Finance charges on Hire Purchase Agreements	-	57,839
Operating lease costs – building	162,580	164,380
Operating lease costs - other	33,667	36,422
Loss on disposal of fixed assets	-	12,213
Depreciation		
- on owned assets	475,521	273,835
- on hire purchase assets	-	323,694
Auditors' remuneration		
- as auditors	19,200	19,200
- for other services	10,248	16,194

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 2018

13. STAFF COSTS

	Group 2018	Group 2017	Charity 2018	Charity 2017
	£	£	£	£
Wages and salaries	2,295,683	2,186,223	2,114,501	2,017,531
Social security costs	247,580	209,821	223,197	187,221
Pension costs	76,722	74,469	74,877	72,848
	<u>2,619,985</u>	<u>2,470,513</u>	<u>2,412,575</u>	<u>2,277,600</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 2018	Number of employees 2017
£60,000 to £69,999	-	3
£70,000 to £79,999	5	4
£80,000 to £89,999	2	2
£100,000 to £109,999	-	1
£110,000 to £119,999	2	-

There were pension contributions of £40,745 paid to higher paid staff during the year. (2017: £39,316). The number of higher paid employees accruing benefits under defined contribution pension schemes were 8 (2017: 9).

The trustees have not received any remuneration during the year (2017: £nil). No out of pocket expenses were reimbursed to trustees during the year (2017: £nil). No Charity Trustee received payment for professional or other services supplied to the Charity (2017: £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 £316,865 (2017: £263,029).

The aggregate ex-gratia redundancy payments during the year totalled £nil (2017: £nil).

Particulars of employees:

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

	Group 2018	Group 2017	Charity 2018	Charity 2017
	No	No	No	No
Fire fighters	4	4	4	4
Pilots	5	5	5	5
Operational	22	19	17	16
Fundraising	23	20	20	16
	<u>54</u>	<u>48</u>	<u>46</u>	<u>41</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

**14. TANGIBLE FIXED ASSETS
GROUP**

	Helicopters £	Medical Equipment £	Office Improve- ments £	Plant, Office & Computer Equipment £	Motor Vehicle Equipment £	Total £
COST						
At 1 April 2017	4,741,608	117,456	238,687	413,543	-	5,511,294
Additions	241,224	76,683	7,477	12,296	31,859	369,539
At 31 March 2018	4,982,832	194,139	246,164	425,839	31,859	5,880,833
DEPRECIATION						
At 1 April 2017	1,562,900	87,814	61,953	283,427	-	1,996,094
Charge for the year	335,134	22,626	48,017	63,966	5,778	475,521
At 31 March 2018	1,898,034	110,440	109,970	347,393	5,778	2,471,615
NET BOOK VALUE						
At 31 March 2018	3,084,798	83,699	136,194	78,446	26,081	3,409,218
At 31 March 2017	3,178,708	29,642	176,734	130,116	-	3,515,200

Hire purchase agreements

During the year ended 31 March 2017, the Group 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 £3,084,798 is £nil (2017: £nil) relating to G-EHMS and G-LNDN which were previously 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 £nil (2017: £317,473).

Included within the net book value of the Plant, Office & Computer Equipment of £78,446 is £nil (2017: £12,474) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the period in respect of such assets amounted to £nil (2017: £6,221). The accumulated depreciation at 31 March 2018 in respect of such assets amounted to £nil (2017: £105,119).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

14. TANGIBLE FIXED ASSETS *(continued)*

CHARITY

	Helicopters £	Medical Equipment £	Office Improve- ments £	Plant, Office & Computer Equipment £	Motor Vehicle Equipment £	Total £
COST						
At 1 April 2017	4,741,608	113,816	238,687	381,460	-	5,475,571
Additions	241,224	76,683	7,477	12,296	31,859	369,539
At 31 March 2018	4,982,832	190,499	246,164	393,756	31,859	5,845,110
DEPRECIATION						
At 1 April 2017	1,562,900	85,774	61,953	271,322	-	1,981,949
Charge for the year	335,134	22,325	48,017	60,259	5,778	471,513
At 31 March 2018	1,898,034	108,099	109,970	331,581	5,778	2,453,462
NET BOOK VALUE						
At 31 March 2018	3,084,798	82,400	136,194	62,175	26,081	3,391,648
At 31 March 2017	3,178,708	28,042	176,734	110,138	-	3,493,622

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 £3,084,798 is £nil (2017: £nil) relating to G-EHMS and G-LNDN which were previously 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 £nil (2017: £317,473).

Included within the net book value of the Plant, Office & Computer Equipment of £62,175 is £nil (2017: £12,474) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the period in respect of such assets amounted to £nil (2017: £6,221). The accumulated depreciation at 31 March 2018 in respect of such assets amounted to £nil (2017: £105,119).

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

15. INVESTMENTS

	Unrestricted Group 2018 £	Group 2017 £	Unrestricted Charity 2018 £	Charity 2017 £
Market value at 1 April 2017	2,552	2,443	2,654	2,545
Net gain on revaluation	(444)	109	(444)	109
Market value at 31 March 2018	<u>2,108</u>	<u>2,552</u>	<u>2,210</u>	<u>2,654</u>

Analysis of Investments at 31 March 2018:

	£	£	£	£
Unlisted UK subsidiary undertakings	-	-	102	102
Listed UK Equities	<u>2,108</u>	<u>2,552</u>	<u>2,108</u>	<u>2,552</u>
	<u>2,108</u>	<u>2,552</u>	<u>2,210</u>	<u>2,654</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 - £1,171 (2017: £1,555)

National Express - £224 (2017: £209)

London's Air Ambulance Trading Limited

At 31 March 2018, 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:

	2018 £	Restated 2017 £
Turnover	4,324,845	3,780,288
Cost of sales	(928,204)	(738,003)
Administrative expenses	(209,806)	(177,390)
Interest receivable	2,560	1,564
Interest payable	-	(21)
Taxation	-	(51)
Net profit	<u>3,189,395</u>	<u>2,866,387</u>
Reserves b/f	86,981	97,425
Amount gift aided to the Charity	<u>(3,276,376)</u>	<u>(2,876,831)</u>
Retained in subsidiary	<u>-</u>	<u>86,981</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

15. INVESTMENTS *(continued)*

The assets and liabilities of the subsidiary were:

	2018	<i>Restated</i> 2017
	£	£
Fixed assets	15,968	19,523
Current assets	1,647,084	618,488
Current liabilities	(1,663,050)	(551,028)
Total net assets	<u>2</u>	<u>86,983</u>
Aggregate share capital and reserves	<u>2</u>	<u>86,983</u>

The Institute of Pre-Hospital Care Limited

At 31 March 2018, 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:

	2018	<i>Restated</i> 2017
	£	£
Turnover	223,837	158,652
Cost of sales	(46,461)	(16,798)
Administrative expenses	(145,139)	(121,310)
Interest receivable	37	71
Interest payable	(7)	(278)
Taxation	(93)	-
Net profit	<u>32,174</u>	<u>20,337</u>
Reserves b/f	20,337	15,784
Amount gift aided to the Charity	(52,511)	(15,784)
Retained in subsidiary	<u>-</u>	<u>20,337</u>

The assets and liabilities of the subsidiary were:

	2018	2017
	£	£
Fixed assets	1,602	2,055
Current assets	98,097	108,560
Current liabilities	(99,599)	(90,178)
Total net assets	<u>100</u>	<u>20,437</u>
Aggregate share capital and reserves	<u>100</u>	<u>20,437</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

16. DEBTORS

	Group 2018	Group 2017	Charity 2018	<i>Restated</i> Charity 2017
	£	£	£	£
Trade debtors	238,716	25,292	229,115	6,440
Other debtors	89,459	32,095	89,459	45,881
Prepayments and accrued income	763,407	459,635	683,320	402,287
Amounts owed by Group undertakings	-	-	1,186,658	-
	<u>1,091,582</u>	<u>517,022</u>	<u>2,188,552</u>	<u>454,608</u>

17. CREDITORS: Amounts falling due within one year

	Group 2018	Group 2017	Charity 2018	Charity 2017
	£	£	£	£
Trade creditors	182,864	211,605	170,510	171,843
Taxation and social security	91,561	67,075	75,748	59,102
Sundry Creditors	114,563	122,882	102,834	103,512
Accruals and deferred income	760,580	588,404	224,484	28,088
	<u>1,149,568</u>	<u>989,966</u>	<u>573,576</u>	<u>362,545</u>

18. DEFERRED INCOME

	Group £	Charity £
Balance at 1 April 2017	534,344	-
Amount released to income	(534,344)	-
Amount deferred in the year	512,232	-
Balance at 31 March 2018	<u>512,232</u>	-

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

19. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2018 the Charity had total minimum lease payments under non-cancellable operating leases as set out below.

Group and Charity

Operating leases which expire:

	2018		2017	
	Land and buildings	Other	Land and buildings	Other
Within 1 year	180,339	48,743	180,339	9,434
Between 1 and 5 years	285,536	85,003	465,875	838
	<u>465,875</u>	<u>133,746</u>	<u>646,214</u>	<u>10,272</u>

20. ANALYSIS OF NET ASSETS IN FUNDS

Fund balances at 31 March 2018 are represented by:

	Tangible fixed assets and Investments £	Cash at bank £	Other net liabilities £	Long term liabilities £	Total £
Restricted funds	2,200,053	332,720	23,743	-	2,556,516
Unrestricted funds					
General funds	1,211,273	5,077,114	(58,021)	-	6,230,366
Designated funds	-	50,000	-	-	50,000
	<u>3,411,326</u>	<u>5,459,834</u>	<u>(34,278)</u>	<u>-</u>	<u>8,836,882</u>

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>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

21. RESTRICTED INCOME FUNDS

	Balance at 1 April 2017	Income	Expenditure	Balance at 31 Mar 2018
	£	£	£	£
Helicopter fund	2,125,659	54,655	(232,208)	1,948,106
Manikins fund	16,683	26,945	(4,377)	39,251
Response car fund	209,917	-	(5,384)	204,533
Patient liaison nurse fund	102,312	-	(64,215)	38,097
Ultra sounds	12,420	42,430	(13,359)	41,491
Thomas packs	1,300	-	-	1,300
BSc scholarships	16,625	20,000	(31,680)	4,945
Office move	178,567	-	(50,838)	127,729
HELMED app	4,445	-	-	4,445
Car trackers	1,000	-	(1,000)	-
Presentation & Outreach equipment	3,247	-	(721)	2,526
Helipad Ops	1,580	10,900	(58)	12,422
Fellowship Fund	52,100	10,000	(8,254)	53,846
Patient Support	7,000	6,600	(4,550)	9,050
REBOA Research	20,000	-	(4,064)	15,936
PRU	18,000	-	(6,000)	12,000
Outreach Activity Fund	-	2,500	-	2,500
Institute Activity Fund	-	5,000	-	5,000
Helivan Fund	-	38,744	(5,778)	32,966
Pan London Conference Fund	-	13,685	(13,312)	373
Restricted funds	<u>2,770,855</u>	<u>231,459</u>	<u>(445,798)</u>	<u>2,556,516</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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

21. RESTRICTED INCOME FUNDS (*continued*)

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.
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.
Outreach Activity Fund	To support outreach work including the salary of the Outreach & Learning Officer
Institute Activity Fund	To support the activities of the Institute of Pre-Hospital Care.
Helivan Fund	To purchase and fit out a van to support our educational and outreach programme.
Pan London Conference Fund	To fund a conference for trauma nurses.

LONDON'S AIR AMBULANCE LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

22. UNRESTRICTED INCOME FUNDS

	Balance at 1 April 2017 £	Income £	Expenditure £	Net gain on investment	Transfers £	Balance at 31 March 2018 £
General funds	4,903,060	8,747,194	(7,419,444)	(444)	-	6,230,366
Designated – G-LNDN	50,000	-	-	-	-	50,000
	<u>4,953,060</u>	<u>8,747,194</u>	<u>(7,419,444)</u>	<u>(444)</u>	<u>-</u>	<u>6,280,366</u>

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

23. RELATED PARTY TRANSACTIONS

London's Air Ambulance Trading Limited, a wholly owned trading subsidiary, made a payment of £3,189,395 to the Charity during the year under the Gift Aid Scheme (2017: £2,866,387). At the balance sheet date, the amount owing was £1,154,483 to the Charity, which is included within debtors (2017: £86,981). 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 £32,174 under the Gift Aid Scheme (2017: £20,337). At the balance sheet date, the amount owing was £32,174, which is included within debtors (2017: £20,337). 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.

24. 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

YEAR ENDED 31 MARCH 2018

25. FINANCIAL INSTRUMENTS

	Group 2018 £	Group 2017 £	Charity 2018 £	<i>Restated</i> Charity 2017 £
Financial assets measured at fair value through statement of financial activities:				
Investments	2,108	2,552	2,108	2,552
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	238,716	25,292	229,115	6,440
Amounts due from Group undertakings	-	-	1,186,658	-
Cash at bank	5,459,834	4,660,172	3,828,048	4,028,258
Financial liabilities measured at amortised cost:				
Trade creditors	(182,864)	(211,605)	(170,510)	(171,843)
The income, expense, gains and losses in respect of financial assets are summarised below:				
Net (loss)/gain on investments	(444)	109	(444)	109
Investment income	10,934	17,024	10,934	17,024
Hire purchase interest	-	57,839	-	57,839
Bad debt expense	-	332	-	232

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

26. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

The full consolidated statement of financial activities for the year ended 31 March 2017 is presented below:

CONSOLIDATED	Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £
INCOME			
Donations and legacies	1,150,918	2,486,219	3,637,137
Income from trading activities	29,174	4,204,261	4,233,435
Income from charitable activities	-	1,306,313	1,306,313
Investment income	-	17,024	17,024
TOTAL INCOME	1,180,092	8,013,817	9,193,909
EXPENDITURE			
Costs of raising funds	32,286	3,383,090	3,415,376
Costs of Charitable activities	921,213	3,090,032	4,011,245
TOTAL EXPENDITURE	953,499	6,473,122	7,426,621
Net income before net gain on Investments	226,593	1,540,695	1,767,288
Net gain on investments	-	109	109
NET INCOME FOR THE YEAR	226,593	1,540,804	1,767,397
Total funds brought forward	2,544,262	3,412,256	5,956,518
TOTAL FUNDS CARRIED FORWARD	2,770,855	4,953,060	7,723,915

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

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

The full charity statement of financial activities for the year ended 31 March 2017 is presented below:

CHARITY	<i>Restated Restricted Funds 2017 £</i>	<i>Restated Unrestricted Funds 2017 £</i>	<i>Restated Total Funds 2017 £</i>
INCOME			
Donations and legacies	1,150,918	5,378,834	6,529,752
Income from trading activities	29,174	491,476	520,650
Income from charitable activities	-	1,147,590	1,147,590
Investment income	-	17,024	17,024
TOTAL INCOME	1,180,092	7,034,924	8,215,016
EXPENDITURE			
Costs of raising funds	32,286	2,536,693	2,568,979
Costs of Charitable activities	921,213	2,951,645	3,872,858
TOTAL EXPENDITURE	953,499	5,488,338	6,441,837
Net Income before net gain on investments	226,593	1,546,586	1,773,179
Net gain on investments	-	109	109
	226,593	1,546,695	1,773,288
Total funds brought forward	2,544,262	3,299,047	5,843,309
TOTAL FUNDS CARRIED FORWARD	2,770,855	4,845,742	7,616,597

29. PRIOR PERIOD ADJUSTMENT

In accordance with amendments to FRS 102 following the triennial review 2017, the charity can only recognise the receipt of gift aid donations from the trading subsidiaries when there is a legal obligation for the subsidiaries to make the payments.

The trading subsidiaries had a Deed of Covenant in place at 31 March 2018, which created a legal obligation to donate the profits to the charity. However, this did not exist at 31 March 2016 or 31 March 2017 and, therefore, there was no legal obligation to donate the profits to the charity at those dates. The accounts have been restated to show the profits for the year ended 31 March 2016 being gifted to the charity when paid by the subsidiaries in 2017 and the profits for 2017 as gifted to the charity when paid by the subsidiaries in 2018.

The impact on the Statement of Financial Activities is to increase the income and profit by £5,891. The opening reserves at 1 March 2016 decreased by £113,209 to £5,843,309. The closing reserves at 31 March 2017 decreased by £107,318 to £7,616,597.