



**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2017
for
Scotland's Charity Air Ambulance**

SATURDAY



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SCT 25/11/2017 #380
COMPANIES HOUSE

Campbell Dallas LLP,
Chartered Accountants &
Statutory Auditors
5 Whitefriars Crescent
Perth
Perthshire
PH2 0PA

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**Chairman's Report
for the Year Ended 31 March 2017**

On behalf of the Board of Trustees, it gives me great pleasure to update you on the progress of Scotland's Charity Air Ambulance (SCAA) as we enter our fifth year of saving and improving lives in Scotland.

The support SCAA continues to receive from the people, businesses and communities of Scotland is truly remarkable and my sincere thanks is conveyed on behalf of everyone in the organisation.

Every day we hear stories of people participating in so many fundraising activities. Some who we may have attended or airlifted, or family members who have seen first-hand the work of our fabulous crew and others just motivated to help by the life-saving nature of the charity and the vital work we do.

With just over £2.5m raised in 2016/2017, the charity generated a surplus of nearly £87,000 which will help to grow our unrestricted reserves. To help ensure this income is managed effectively, the Board have recruited a further Trustee, Benedict Lawson, who brings a wealth of investment experience to our team. Thanks to the continued generosity of the Scottish people, I'm delighted to say that we expect that Helimed 76 will be fully sustainable within the next couple of years; this is an incredible achievement for such a young charity and is a testament to the hard work and professionalism of our fundraising team.

In a year which has seen continued focus and public comment on the fundraising and governance of all UK charities, the Board continues to review our protocols on fundraising and canvassing to ensure we maintain the confidence and trust of the public who provide our funds. We believe that transparency in our activities underpins public confidence and I am pleased to report that of every £1 given to us we spend over 80p on our charitable purpose of saving and improving lives throughout Scotland. This makes us one of the leanest charities in Scotland and it is the Board's clear aim to continue to improve this further as we mature. . We are, as always, grateful to the public for their support and to all our donors, fundraisers and supporters who make the service possible.

It's now been a full year of operation since we upgraded to the EC135-T2i helicopter and G-SCAA has demonstrated its capability and worth many times over by responding to time critical emergencies in every corner of Scotland. In 2016/17, SCAA responded to 341 call outs during the year to remote and rural communities such as Arran, Mull, Oban, Dunoon and Millport. Helimed 76 continues to be the most utilised air ambulance for 999 calls in Scotland.

As I highlighted in my report last year, the Board has agreed our strategy for the next three years and we will work with our key partners, the Scottish Ambulance Service and Babcock Mission Critical Onshore Services, in ensuring we can deliver on these plans.

Led by our Chief Executive, significant investment was made in increasing the staffing of the charity team to ensure that we can sustain and further develop fundraising and support in all areas of Scotland. The appointments of two Regional Fundraising Managers and a Trust & Legacy Officer, along with a robust fundraising plan, will help to increase our income over the next few years. We also recruited a Marketing Officer who will help increase our awareness and strengthen our brand and an Administrator who will provide some much needed back office support. Improvements were also made in our IT infrastructure and office redevelopment to accommodate the increase in staffing.

Towards the end of 2016 we started to implement another key objective of increasing our operational capability from 10 -12 hours. In order to achieve this, a sixth paramedic was recruited from the Scottish Ambulance Service. The cost of this enhancement is likely to be around £100,000; however, thanks to the generosity of a few Trusts, I am pleased to report this is fully funded for the first year of operation. On the 1st April 2017 this became a reality and no sooner had G-SCAA began its first 12 hour day, than we were tasked to attend a patient who suffered a cardiac arrest.

**Chairman's Report
for the Year Ended 31 March 2017**

It's now been over three years since we launched our own charity lottery and the last year has seen some phenomenal growth. At the end of our financial year we reached a milestone with over 30,000 weekly plays, making it one of the fastest growing air ambulance lotteries in the UK. Thanks to all those that play and contribute to SCAA, income from this one area reached another milestone with over £1m raised - a truly magnificent achievement!

Following the publication of The Scottish Trauma Network 'Saving lives. Giving life back' in January 2017 by the Chief Medical Officer, Dr Catherine Calderwood, the Board has already had preliminary discussions with the Scottish Ambulance Service to offer our support in ensuring this model is implemented, particularly with pre-hospital trauma care. We look forward to continuing these discussions throughout the next year with the Scottish Ambulance Service as well as ensuring their 'Towards 2020: Taking Care to the Patient' strategy is achieved.

On behalf of the Board of Trustees, I would like to pay tribute to the hard work and dedication of the SCAA team, especially our growing army of volunteers.

John Bullough
Chairman

A handwritten signature in black ink, appearing to read 'John Bullough', with a long horizontal line underneath.

**Report of the Trustees
for the Year Ended 31 March 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Scotland's Charity Air Ambulance (SCAA) is a Company Limited by Guarantee (SC384396) and a Registered Scottish Charity (SC014845). It was formed in 2010 and launched a charitable helicopter air ambulance service in Scotland based at Perth Airport on 22nd May 2013. The service supplements and adds value to the two state-funded helicopter air ambulances by enabling an appropriate air response to be made to certain emergency calls. The project is being operated in partnership with the Scottish Ambulance Service (SAS) which provides the paramedics and tasks the aircraft. Babcock Mission Critical Services Onshore Limited (Babcock) provides the aircraft, pilots and maintenance.

OBJECTIVES AND ACTIVITIES

Objectives and aims

SCAA's Vision is to:

Provide a long-term sustainable and scalable air ambulance capability to complement statutory resources across Scotland.

The Charitable Purpose of SCAA is:

The emergency relief of serious sickness and injury and the protection of human life across Scotland by the provision of a sustainable air ambulance capability based in East Central Scotland

...in order to save life, preserve life increase survival rates and assist the speed of recovery in time critical medical emergencies.

Significant activities

SCAA will achieve its Charitable Purpose by meeting the following Strategic Aims:

- Establishing and operating a professional and sustainable aero-medical capability.
- Gaining funding to sustain the operation.
- Operating in co-operation with the Scottish Government, NHS Scotland, Scottish Ambulance Service, other emergency emergency services and the aviation provider.
- Identifying and engaging with partners in delivering the air ambulance capability.
- Establishing and maintaining a reputation as delivering additional support to the air resources available to patients in Scotland and providing optimal medical assistance.
- Providing operational evidence to allow SAS to assess the feasibility of a broader charity-based air ambulance capability.

Public benefit

SCAA is a Registered Scottish Charity, under the name of Scotland's Charity Air Ambulance, and is subject to the Charities and Investment (Scotland) Act 2005 and the guidance provided by the Office of the Scottish Charity Regulator (OSCR), in particular the OSCR publication: 'Meeting the Charity Test'. SCAA meets the Charity Test in that it operates solely to provide Public Benefit and will not offer any Commercial Benefit. SCAA will not allow the body's property to be used for non-charitable purposes. The Trustees are committed to providing the Public Benefit of the Charity and acting in furtherance of its charitable activities.

**Report of the Trustees
for the Year Ended 31 March 2017**

FINANCIAL REVIEW

Investment policy and objectives

The Trustees have adopted a cautious approach to investment, with the primary concern being to protect any invested funds, whilst wishing to maximise any income from those funds. During the year, the Board appointed CCLA Investment Management Limited to oversee any funds and to provide guidance and advice to the Trustees. The performance of the investments chosen is measured regularly against relevant benchmark investments to ensure maximum value for the Charity.

Reserves policy

It is the Trustees intention to have up to six to twelve months operating costs in reserve when fundraising conditions permit. However, it is envisaged that initially all funds will be directed to front line operations.

The company maintains the Unrestricted Reserve to achieve its charitable objectives. As at 31 March 2017, the balance on this reserve was £731,360.

The Bowsers reserve has been created to receive grants and cover costs for the purchase of bowsers. As at 31 March 2017, the balance on this reserve was £11,141.

The Start-up capital reserve has been created to receive grants and cover costs for the purchase of equipment. As at 31 March 2017, the balance on this reserve was £5,560.

The LIBOR upgrade reserve has been created to receive donations to upgrade the service. As at 31 March 2017, the balance on this reserve was £2,609,017.

The LIBOR capital reserve has been created to receive donations to upgrade the facilities. As at 31 March 2017, the balance on this reserve was £201,544.

The Helipad reserve has been created to receive donations to cover the costs for developing the helipad. As at 31 March 2017, the balance on this reserve was £52,751.

The Extended Hours reserve has been created to receive donations to cover the costs of increasing the operational hours of the helicopter. As at 31 March 2017, the balance on this reserve was £145,000.

The Endowments reserve has been created to receive a gift earmarked to provide SCAA with an annual income. As at 31 March 2017, the balance on this reserve was £1,144,565.

FUTURE PLANS

The Trustees have prepared a detailed 5-year financial forecast and have an extensive fundraising plan, including contingency measures, to meet the costs of SCAA's activities. This process has allowed the Trustees to have visibility of SCAA's finances and enables them to exercise control through the sub-committees. The integrated operation of the sub-committees has assisted greatly the financial management of the Charity and this has been helped by a 'Decision and Financial Delegation Matrix' which provides the staff with clear direction and is supported by accurate reports being provided up the chain of management.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The Trustees shall be elected at each annual general meeting by the members. In addition, the Trustees may, at any time, appoint any member to be a Trustee.

**Report of the Trustees
for the Year Ended 31 March 2017**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and Decision making

The Board of Trustees meets four times a year to agree policy and provide direction to the Sub-Committees and staff. A Trustee chairs each of three specialist sub-committees: fundraising; operations; resources. The sub-committees are populated by Trustees, staff and invited members of the SAS and Babcock. Any Trustee may attend any sub-committee meeting. The reports and recommendations from the sub-committees are considered at Board meetings, along with reports from the staff. The Board also has periodic meetings with the SAS and Babcock to discuss matters of mutual interest. The interrelationship between the Trustees, the sub-committees and the staff makes a considerable contribution to the efficiency and effectiveness of the Charity and is defined in the 'SCAA Decision Making Process'. Conflicts of interest are declared at every Board meeting and noted accordingly, with Trustees removing themselves from any decision making on matters relating to them.

The management of SCAA, including management and oversight of the aircraft, crews and tasking, personnel management and development, fundraising and finance and budgeting, is delegated to the Chief Executive and he is assisted by the Head of Fundraising and Finance and Facilities Manager. The Chief Executive holds regular staff management and update meetings.

Guarantors

The liability of the charitable company's members in the event of a winding up of the company is limited to £1 per member.

Induction and training of new trustees

The Trustees have a broad range of relevant skills and expertise which includes aviation, business, medical and clinical experience. New Trustees are given a full briefing on the vision and strategy of SCAA and a copy of a comprehensive Trustee Handbook, which includes details of their role as Trustees and guidelines on their wider responsibilities within the Charities Act, OSCR Regulations and to SCAA itself. The Trustees are given opportunities for periodic training and they also receive regular briefings and presentations.

Key management remuneration

The directors consider the Chief Executive Officer, the Head of Fundraising and the Finance & Facilities Manager comprise the key management personnel of the charity, in charge of directing and controlling, running and operating the charity on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses are disclosed in note 8 to the accounts.

The remuneration of senior staff is reviewed annually and normally increased in accordance with the cost of living index. In view of the nature of the charity, the directors benchmark against pay levels in other similar charities.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The risks to which SCAA is exposed are captured in a comprehensive Risk Matrix which is reviewed periodically by sub-committees and their recommendations are considered by the Board. The Trustees are satisfied that they have systems and measures in place to mitigate exposure to the risks that have been identified.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC384396 (Scotland)

Registered Charity number

SC041845

Scotland's Charity Air Ambulance

Report of the Trustees for the Year Ended 31 March 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office

The Control Tower
Perth Airport
Scone
PH2 6PL

Trustees

Mr J L Bullough	
Mr M Beale	
Mr D J Mochrie	- resigned 31.3.17
Mr K A Richmond	
Mrs J C Leslie	
Mr A J K Bell	
Mr M P Togneri	
Mr H B Lawson	- appointed 15.9.16

Company Secretary

Thorntons Law LLP

Auditors

Campbell Dallas LLP
Chartered Accountants &
Statutory Auditors
5 Whitefriars Crescent
Perth
Perthshire
PH2 0PA

Chief Executive Officer

David Craig

**Report of the Trustees
for the Year Ended 31 March 2017**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Scotland's Charity Air Ambulance for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

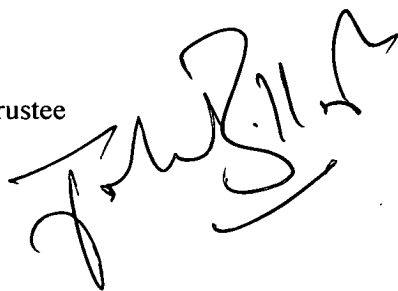
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Campbell Dallas LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 28 August 2017 and signed on its behalf by:

Mr J L Bullough - Trustee



Report of the Independent Auditors to the Trustees and Members of Scotland's Charity Air Ambulance

We have audited the financial statements of Scotland's Charity Air Ambulance for the year ended 31 March 2017 on pages ten to twenty seven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page seven, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**Report of the Independent Auditors to the Trustees and Members of
Scotland's Charity Air Ambulance**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Campbell Dallas LLP

Neil Morrison CA (Senior Statutory Auditor)

for and on behalf of Campbell Dallas LLP

Chartered Accountants &

Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

5 Whitefriars Crescent

Perth

Perthshire

PH2 0PA

Date: *11th September 2017*

Scotland's Charity Air Ambulance

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31 March 2017

		Unrestricted fund £	Restricted funds £	Endowment fund £	Total 2017 funds £	Total 2016 funds £
	Notes					
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	2,390,900	149,761	-	2,540,661	6,498,806
Investment income	3	51,132	-	-	51,132	33,658
Total		2,442,032	149,761	-	2,591,793	6,532,464
EXPENDITURE ON						
Raising funds	4	907,965	-	8	907,973	604,819
Charitable activities	5	1,232,869	519,542	-	1,752,411	1,475,571
Total		2,140,834	519,542	8	2,660,384	2,080,390
Net gains/(losses) on investments		-	-	155,517	155,517	26,747
NET INCOME/(EXPENDITURE)		301,198	(369,781)	155,509	86,926	4,478,821
RECONCILIATION OF FUNDS						
Total funds brought forward		430,163	3,394,793	989,056	4,814,012	335,191
TOTAL FUNDS CARRIED FORWARD		<u>731,361</u>	<u>3,025,012</u>	<u>1,144,565</u>	<u>4,900,938</u>	<u>4,814,012</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Scotland's Charity Air Ambulance

Statement of Financial Position
At 31 March 2017

		Unrestricted fund £	Restricted funds £	Endowment fund £	Total 2017 funds £	Total 2016 funds £
	Notes					
FIXED ASSETS						
Tangible assets	11	9,163	147,905	-	157,068	133,708
Investments	12	-	-	1,000,093	1,000,093	989,056
		9,163	147,905	1,000,093	1,157,161	1,122,764
CURRENT ASSETS						
Stocks	13	4,505	-	-	4,505	7,058
Debtors	14	75,726	-	-	75,726	70,653
Prepayments and accrued income		22,027	-	-	22,027	9,918
Cash at bank and in hand		858,822	2,877,108	144,472	3,880,402	3,779,501
		961,080	2,877,108	144,472	3,982,660	3,867,130
CREDITORS						
Amounts falling due within one year	15	(238,883)	-	-	(238,883)	(175,882)
NET CURRENT ASSETS		722,197	2,877,108	144,472	3,743,777	3,691,248
TOTAL ASSETS LESS CURRENT LIABILITIES		731,360	3,025,013	1,144,565	4,900,938	4,814,012
NET ASSETS		731,360	3,025,013	1,144,565	4,900,938	4,814,012
FUNDS	17					
Unrestricted funds					731,360	430,163
Restricted funds					3,025,013	3,394,793
Endowment funds					1,144,565	989,056
TOTAL FUNDS					4,900,938	4,814,012

The notes form part of these financial statements

Scotland's Charity Air Ambulance

Statement of Financial Position - continued

At 31 March 2017

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 28 August 2017 and were signed on its behalf by:

Mr J L Bullough -Trustee

A handwritten signature in black ink, appearing to be 'J L Bullough', written over a horizontal line.

The notes form part of these financial statements

Scotland's Charity Air Ambulance

**Statement of Cash Flows
for the Year Ended 31 March 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(45,677)</u>	<u>3,403,587</u>
Net cash provided by (used in) operating activities		<u>(45,677)</u>	<u>3,403,587</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(49,026)	(122,520)
Purchase of fixed asset investments		(1,007,035)	(962,309)
Sale of tangible fixed assets		-	2,800
Sale of fixed asset investments		1,151,608	(26,747)
Gains on endowment investments		(93)	-
Interest received		30,604	33,658
Dividends received		<u>20,528</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>146,586</u>	<u>(1,075,118)</u>
Cash flows from financing activities:			
Income attributable to endowment		-	962,309
Expenditure attributable to endowment		<u>(8)</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>(8)</u>	<u>962,309</u>
Change in cash and cash equivalents in the reporting period		100,901	3,290,778
Cash and cash equivalents at the beginning of the reporting period		<u>3,779,501</u>	<u>488,723</u>
Cash and cash equivalents at the end of the reporting period		<u><u>3,880,402</u></u>	<u><u>3,779,501</u></u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2017

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	86,926	4,478,821
Adjustments for:		
Depreciation charges	25,276	20,365
Gain on investments	(155,517)	-
Loss on disposal of fixed assets	390	379
Interest received	(30,604)	(33,658)
Dividends received	(20,528)	-
Income attributable to endowment	-	(962,309)
Expenditure attributable to endowment	8	-
Decrease/(increase) in stocks	2,553	(1,921)
Increase in debtors	(17,182)	(67,621)
Increase/(decrease) in creditors	63,001	(30,469)
Net cash provided by (used in) operating activities	<u>(45,677)</u>	<u>3,403,587</u>

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The charitable company generated a surplus of £301,198 on unrestricted funds during the year (2016: £118,600) and has net assets of £4,900,938 (2016: £4,814,012). The charitable company meets its day to day working capital requirements from reserves and the ongoing fundraising activity.

The Trustees have prepared financial forecasts for the next 5 years and have considered the income anticipated to be generated from fundraising activities. The Trustees are currently in discussions with several parties to secure significant funding which will secure the future of the charitable company for the foreseeable future.

The Trustees consider that the accounts should be prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

The validity of the assumption depends on the charitable company being able to generate sufficient income from fundraising activities to meet the ongoing running costs of the charitable company. If the charitable company was unable to continue in operational existence for the foreseeable future, adjustments would have to be made to amend the balance sheet values of the assets and liabilities to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

The presentation currency of the financial statements is the Pound Sterling (£).

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

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

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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, personnel, payroll and governance costs that support the charity's activities.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Property improvements	- 10% on cost
Aircraft equipment	- 20% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Office equipment	- 15% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds 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.

Permanent endowment funds are funds which have been given on the condition that the original capital sum is not reduced, but that the income therefrom is used for a purpose defined in accordance with the objects of the charity. This may include a gift of endowment where there is power to convert the capital into income and is held as an endowment fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

1. ACCOUNTING POLICIES - continued

Donated services and facilities

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. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the trustees' annual report for more information about their contribution.

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.

Investments

Investments are valued at market value.

2. DONATIONS AND LEGACIES

	2017	2016
	£	£
LIBOR funding	-	3,550,000
Donations	558,899	1,467,213
Legacies	93,502	230
Trusts and foundations	390,426	487,054
Donated services and facilities	20,400	25,061
Lottery income	1,325,880	819,999
Merchandise sales	4,817	3,796
Sponsorship	145,500	145,000
Other income	1,237	453
	<u>2,540,661</u>	<u>6,498,806</u>

3. INVESTMENT INCOME

	2017	2016
	£	£
Dividends received	20,528	-
Deposit account interest	<u>30,604</u>	<u>33,658</u>
	<u>51,132</u>	<u>33,658</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

4. RAISING FUNDS

Raising donations and legacies

	2017	2016
	£	£
Staff costs	144,183	109,699
Postage and stationery	1,361	137
Fundraising expenses	8,153	6,882
Donation processing fees	6,935	4,431
Advertising	-	2,136
Publicity	-	60
PR/Marketing	18,695	15,868
Volunteers expenses	520	280
Lottery charges	640,125	388,566
Lottery prizes	57,200	58,300
Lottery licence and other cost	23,912	15,595
	<u>901,084</u>	<u>601,954</u>

Other trading activities

	2017	2016
	£	£
Purchases	4,963	2,846
Bad debts	1,875	-
	<u>6,838</u>	<u>2,846</u>

Investment management costs

	2017	2016
	£	£
Portfolio management	<u>51</u>	<u>19</u>

Aggregate amounts	<u>907,973</u>	<u>604,819</u>
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Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Charitable activities	<u>1,479,598</u>	<u>272,813</u>	<u>1,752,411</u>
		2017	2016
		£	£
Rapid response vehicle lease		2,685	6,111
Hangar rent and rates		15,000	12,500
Rapid response vehicle costs		-	7,361
Rent and rates		21,898	16,573
Paramedic costs		222,161	230,757
Air ambulance service charges		1,170,559	919,019
Aviation fuel		38,558	43,180
Paramedic training		300	1,740
Depn of Aircraft equipment		6,313	5,871
Depn of Plant and machinery		<u>2,124</u>	<u>2,668</u>
		<u>1,479,598</u>	<u>1,245,780</u>

6. SUPPORT COSTS

	Overheads	Governance costs	Totals
	£	£	£
Charitable activities	<u>259,718</u>	<u>13,095</u>	<u>272,813</u>

Support costs, included in the above, are as follows:

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

6. SUPPORT COSTS - continued

Overheads

	2017 Charitable activities £	2016 Total activities £
Wages	119,947	98,644
Social security	11,529	7,867
Pensions	8,674	2,593
Bank charges	3,546	3,234
Staff training	764	1,388
Repairs and renewals	69	805
Memberships	5,556	4,090
PR/Marketing	21,468	21,252
Rent and rates	21,399	18,210
Insurance	3,480	3,642
Telephone and internet	5,928	4,728
Motor expenses	1,457	3,437
Insurance	1,126	-
Postage and stationery	6,427	4,623
Sundries	1,086	1,805
Travel and subsistence	3,046	2,927
Computer costs	9,507	10,990
Other staff costs	1,328	1,711
Staff recruitment	14,435	10,005
Meeting expenses	1,717	-
Depreciation of tangible fixed assets	16,839	11,827
Loss on sale of tangible fixed assets	390	379
	<u>259,718</u>	<u>214,157</u>

Governance costs

	2017 Charitable activities £	2016 Total activities £
Auditors' remuneration	6,000	6,000
Legal & professional fees	7,095	7,500
Meeting costs	-	2,134
	<u>13,095</u>	<u>15,634</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2017	2016
	£	£
Auditors' remuneration	6,000	6,000
Depreciation - owned assets	25,276	20,365
Other operating leases	2,685	6,111
Deficit on disposal of fixed asset	<u>390</u>	<u>379</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Trustees' expenses

The trustee M Beale received expenses of £138 during the year (2016 - £nil). No other trustee received any expenses in either the year ended 31 March 2017 or the year ended 31 March 2016.

9. STAFF COSTS

	2017	2016
	£	£
Wages and salaries	249,408	197,650
Social security costs	21,287	16,560
Other pension costs	<u>13,638</u>	<u>4,593</u>
	<u>284,333</u>	<u>218,803</u>

The average monthly number of employees during the year was as follows:

	2017	2016
	<u>8</u>	<u>8</u>
Operations & admin		

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

	2017	2016
	<u>1</u>	<u>-</u>
£70,001 - £80,000		

During the year, the key management personnel of the charity comprise the Chief Executive Officer, the Head of Fundraising and the Finance and Facilities Manager. The total employee benefits of the key management personnel of the charitable company were £129,917 (2016 - £127,908).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	1,921,373	3,615,124	962,309	6,498,806
Investment income	<u>33,658</u>	<u>-</u>	<u>-</u>	<u>33,658</u>
Total	1,955,031	3,615,124	962,309	6,532,464
 EXPENDITURE ON				
Raising funds	604,819	-	-	604,819
Charitable activities				
Charitable activities	<u>1,231,612</u>	<u>243,959</u>	<u>-</u>	<u>1,475,571</u>
Total	1,836,431	243,959	-	2,080,390
Net gains/(losses) on investments	<u>-</u>	<u>-</u>	<u>26,747</u>	<u>26,747</u>
NET INCOME/(EXPENDITURE)	118,600	3,371,165	989,056	4,478,821
 RECONCILIATION OF FUNDS				
Total funds brought forward	<u>311,563</u>	<u>23,628</u>	<u>-</u>	<u>335,191</u>
 TOTAL FUNDS CARRIED FORWARD	<u><u>430,163</u></u>	<u><u>3,394,793</u></u>	<u><u>989,056</u></u>	<u><u>4,814,012</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

11. TANGIBLE FIXED ASSETS

	Property improvements £	Aircraft equipment £	Plant and machinery £
COST			
At 1 April 2016	91,197	34,227	16,751
Additions	12,829	2,210	-
Disposals	-	-	(82)
At 31 March 2017	<u>104,026</u>	<u>36,437</u>	<u>16,669</u>
DEPRECIATION			
At 1 April 2016	9,120	8,596	6,078
Charge for year	9,490	6,313	2,124
Eliminated on disposal	-	-	(29)
At 31 March 2017	<u>18,610</u>	<u>14,909</u>	<u>8,173</u>
NET BOOK VALUE			
At 31 March 2017	<u>85,416</u>	<u>21,528</u>	<u>8,496</u>
At 31 March 2016	<u>82,077</u>	<u>25,631</u>	<u>10,673</u>
	Fixtures and fittings £	Office equipment £	Totals £
COST			
At 1 April 2016	4,034	17,795	164,004
Additions	3,275	30,712	49,026
Disposals	(551)	-	(633)
At 31 March 2017	<u>6,758</u>	<u>48,507</u>	<u>212,397</u>
DEPRECIATION			
At 1 April 2016	1,496	5,006	30,296
Charge for year	821	6,528	25,276
Eliminated on disposal	(214)	-	(243)
At 31 March 2017	<u>2,103</u>	<u>11,534</u>	<u>55,329</u>
NET BOOK VALUE			
At 31 March 2017	<u>4,655</u>	<u>36,973</u>	<u>157,068</u>
At 31 March 2016	<u>2,538</u>	<u>12,789</u>	<u>133,708</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

12. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2016	989,056
Additions	1,007,035
Disposals	(996,091)
Revaluations	93
	<u>1,000,093</u>
At 31 March 2017	<u>1,000,093</u>
 NET BOOK VALUE	
At 31 March 2017	<u>1,000,093</u>
At 31 March 2016	<u>989,056</u>

There were no investment assets outside the UK.

13. STOCKS

	2017 £	2016 £
Stocks	<u>4,505</u>	<u>7,058</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Operational debtors	40,765	39,869
Other debtors	34,961	30,710
VAT	-	74
	<u>75,726</u>	<u>70,653</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Operational creditors	40,444	43,368
Social security and other taxes	8,276	6,160
VAT	2,364	-
Deferred income	153,006	101,216
Accruals and other creditors	<u>34,793</u>	<u>25,138</u>
	<u>238,883</u>	<u>175,882</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	1,059,459	1,018,209
Between one and five years	<u>2,477,442</u>	<u>3,388,660</u>
	<u>3,536,901</u>	<u>4,406,869</u>

17. MOVEMENT IN FUNDS

	At 1.4.16	Net movement in funds	At 31.3.17
	£	£	£
Unrestricted funds			
General fund	430,163	301,197	731,360
Restricted funds			
Bowsers	13,226	(2,085)	11,141
Start-up capital	6,407	(847)	5,560
LIBOR Upgrade Funds	3,097,349	(488,332)	2,609,017
LIBOR Capital Funds	219,199	(17,655)	201,544
Helipad Funds	58,612	(5,861)	52,751
Extended Hours	<u>-</u>	<u>145,000</u>	<u>145,000</u>
	3,394,793	(369,780)	3,025,013
Endowment funds			
Endowment	<u>989,056</u>	<u>155,509</u>	<u>1,144,565</u>
TOTAL FUNDS	<u>4,814,012</u>	<u>86,926</u>	<u>4,900,938</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**17. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,442,032	(2,140,835)	-	301,197
Restricted funds				
Paramedic training	2,000	(2,000)	-	-
LIBOR Upgrade Funds	-	(488,332)	-	(488,332)
LIBOR Capital Funds	2,761	(20,416)	-	(17,655)
Helipad Funds	-	(5,861)	-	(5,861)
Extended Hours	145,000	-	-	145,000
Browsers	-	(2,085)	-	(2,085)
Start-up capital	-	(847)	-	(847)
	149,761	(519,541)	-	(369,780)
Endowment funds				
Endowment	-	(8)	155,517	155,509
TOTAL FUNDS	<u>2,591,793</u>	<u>(2,660,384)</u>	<u>155,517</u>	<u>86,926</u>

The restricted funds were donations where the purpose was stated by the donor.

18. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £13,638 (2016 - £4,593). Contributions totalling £2,813 (2016 - £1,811) were payable to the fund at the balance sheet date and are included in creditors.

19. RELATED PARTY DISCLOSURES

D J Mochrie and M P Togneri are Scottish Ambulance Service representatives on the Board of Trustees. Scotland's Charity Air Ambulance was invoiced during the reporting period by Scottish Ambulance Service for £213,848 for paramedic services, training and equipment (2016 - £249,477). At the year end, £14,833 was due to Scottish Ambulance Service (2016 - £32,231).

Mrs J C Leslie is the Company Secretary of Morris Leslie Limited. During the reporting period Scotland's Charity Air Ambulance leased its office and crew premises from Morris Leslie Limited at Perth Airport for the sum of £43,795 (2016 - £36,160) and paid £11,689 for building works (2016 - £24,737). At the year end, £16,675 was due to Morris Leslie Limited (2016 - £nil).

J L Bullough is a director of McEwens of Perth Limited. During the reporting period, that company went into liquidation and sums receivable by Scotland's Charity Air Ambulance amounting to £1,875 have been written off as a bad debt.

During the year, a total of £4,228 was donated to the charity by the trustees.

20. ULTIMATE CONTROLLING PARTY

The charity is under the control of the Board of Trustees.

21. PURPOSES OF RESTRICTED FUNDS

LIBOR Upgrade Funds

Funds donated to upgrade service.

LIBOR Capital Funds

Funds donated to upgrade facilities.

Helipad Funds

Funds donated to develop the helipad.

Extended Hours

Funds donated to extend the hours of service operation.

Bowsers

Funds donated to purchase fuel bowsers.

Start-up Capital

Funds donated to assist with setup of operations.

Endowment Funds

Funds donated to provide an annual income to the charity but with proviso that the Board may derestrict for capital projects or to extend the charity's capability.

Scotland's Charity Air Ambulance

Detailed Statement of Financial Activities for the Year Ended 31 March 2017

	2017 £	2016 £
INCOME AND ENDOWMENTS		
Donations and legacies		
LIBOR funding	-	3,550,000
Donations	558,899	1,467,213
Legacies	93,502	230
Trusts and foundations	390,426	487,054
Donated services and facilities	20,400	25,061
Lottery income	1,325,880	819,999
Merchandise sales	4,817	3,796
Sponsorship	145,500	145,000
Other income	1,237	453
	<u>2,540,661</u>	<u>6,498,806</u>
Investment income		
Dividends received	20,528	-
Deposit account interest	30,604	33,658
	<u>51,132</u>	<u>33,658</u>
Total incoming resources	2,591,793	6,532,464
EXPENDITURE		
Raising donations and legacies		
Wages	129,461	99,006
Social security	9,758	8,693
Pensions	4,964	2,000
Postage and stationery	1,361	137
Fundraising expenses	8,153	6,882
Donation processing fees	6,935	4,431
Advertising	-	2,136
Publicity	-	60
PR/Marketing	18,695	15,868
Volunteers expenses	520	280
Lottery charges	640,125	388,566
Lottery prizes	57,200	58,300
Lottery licence and other cost	23,912	15,595
	<u>901,084</u>	<u>601,954</u>

This page does not form part of the statutory financial statements

Scotland's Charity Air Ambulance

Detailed Statement of Financial Activities for the Year Ended 31 March 2017

	2017 £	2016 £
Other trading activities		
Merchandise purchases	4,963	2,846
Bad debts	1,875	-
	<u>6,838</u>	<u>2,846</u>
Investment management costs		
Portfolio management	51	19
Charitable activities		
Rapid response vehicle lease	2,685	6,111
Hangar rent and rates	15,000	12,500
Rapid response vehicle costs	-	7,361
Rent and rates	21,898	16,573
Paramedic costs	222,161	230,757
Air ambulance service charges	1,170,559	919,019
Aviation fuel	38,558	43,180
Paramedic training	300	1,740
Depn of Aircraft equipment	6,313	5,871
Depn of Plant & machinery	2,124	2,668
	<u>1,479,598</u>	<u>1,245,780</u>
Support costs		
Overheads		
Wages	119,947	98,644
Social security	11,529	7,867
Pensions	8,674	2,593
Bank charges	3,546	3,234
Staff training	764	1,388
Repairs and renewals	69	805
Memberships	5,556	4,090
PR/Marketing	21,468	21,252
Rent and rates	21,399	18,210
Insurance	3,480	3,642
Telephone and internet	5,928	4,728
Motor expenses	1,457	3,437
Insurance	1,126	-
Postage and stationery	6,427	4,623
Sundries	1,086	1,805
Travel and subsistence	3,046	2,927
Computer costs	9,507	10,990
Other staff costs	1,328	1,711
Staff recruitment	14,435	10,005
Meeting expenses	1,717	-
Carried forward	242,489	201,951

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Scotland's Charity Air Ambulance

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2017**

	2017 £	2016 £
Overheads		
Brought forward	242,489	201,951
Depn of Property improvements	9,490	9,120
Depn of Fixtures & fittings	821	449
Depn of Office equipment	6,528	2,258
Loss on sale of tangible fixed assets	390	379
	<u>259,718</u>	<u>214,157</u>
Governance costs		
Auditors' remuneration	6,000	6,000
Legal & professional fees	7,095	7,500
Meeting costs	-	2,134
	<u>13,095</u>	<u>15,634</u>
Total resources expended	<u>2,660,384</u>	<u>2,080,390</u>
Net (expenditure)/income before gains and losses	(68,591)	4,452,074
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	155,517	26,747
	<u>86,926</u>	<u>4,478,821</u>
Net income		

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