

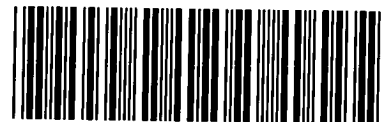
Charity Registration No. SC041845 (Scotland)

Company Registration No. SC384396 (Scotland)



SCOTLAND'S CHARITY AIR AMBULANCE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

THURSDAY



SCT *S8GQF3J4* #173
24/10/2019
COMPANIES HOUSE

SCOTLAND'S CHARITY AIR AMBULANCE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J L Bullough Mr M E Beale Mr P Bassett Mr A J K Bell Mr H B Lawson Mrs J C Leslie Mr K A Richmond Mr M P Togneri
Secretary	Thorntons Law LLP
Charity number (Scotland)	SC041845
Company number	SC384396
Registered office	The Control Tower Perth Airport Scone Perthshire PH2 6PL
Auditor	Campbell Dallas Audit Services 5 Whitefriars Crescent Perth PH2 0PA
Chief Executive Officer	David Craig

SCOTLAND'S CHARITY AIR AMBULANCE

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SCOTLAND'S CHARITY AIR AMBULANCE

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 MARCH 2019

It gives me great pleasure to provide an update on behalf of the Board of Trustees in what has been an incredible year for the charity.

As I reported last year, one of the Board's key strategic aims was to launch a second air ambulance service and I'm delighted to report that we are on track to deliver this commitment by the end of March 2020; when the crew of Helimed 79 in Aberdeen will be operational to respond to their first emergency mission.

To realise this vision, a challenge fund was launched to raise £6 million for our second aircraft. An ambitious challenge, but nonetheless one the Board were confident in the team achieving. Thanks to the Scottish public, businesses, trusts and individuals, an amazing £3 million has already been pledged, with a plan to raise the rest prior to launch.

There are so many people to thank who have helped us on this journey and you know who you are, but I personally would like to thank Sir Brian and Lady Souter and Stagecoach plc who have been with us from the very beginning and who recently made another incredibly generous donation to support the Helimed 79 campaign.

The Board wish to extend our thanks to the aircrew of Helimed 76. It is their skill and dedication that delivers our charitable purpose throughout Scotland in the most challenging and fast moving circumstances.

As highlighted in our accounts, to raise nearly £6million (an increase of 85% from the previous year) is astonishing and to our charity team, volunteers, lottery players, event participants, local communities groups – thank you from the Board of Trustees, we are extremely proud of you all.

SCAA celebrated its 5th anniversary in May 2018 and to celebrate this milestone we held our first ever sell-out gala ball in Edinburgh which raised an incredible £51,000!

The charity was also selected in 2018 as Edinburgh Airport's Charity of the Year, which resulted in £100,000 worth of support donated to SCAA – a record sum for their corporate charity.

Another milestone was reached in early 2018 when we responded to our 2,000th emergency call-out. The crew of Helimed 76 responded to retrieve an adult male in Stranraer who required emergency surgery. This type of incident is just one of 327 the team attended to throughout the year and all made possible by the generosity of thousands of people throughout Scotland.

The work of Helimed 76 was recognised in November 2018 when one of our pilots, Captain Gavin Rowley, was awarded the UK Pilot of Year at the National Air Ambulance Awards for the role he played in reaching a patient with a suspected heart attack in remote and rural Glen Kinglass in Argyll. The paramedic team and pilot helped to save his life by successfully transporting him to hospital in Glasgow.

Towards the end of 2018, working with our landlords, Morris Leslie Group, SCAA were handed the keys to our own hangar. This leased development provides the crew with a dedicated training room and our engineers with more space to work, all under the one roof.

We kicked off 2019 with Standard Life adopting SCAA as their Charity of the Year and we looking forward to seeing this partnership develop along with our long-term corporate supporters, Stagecoach plc, Clydesdale Bank plc and SSE plc.

The governance of the charity is strong and it's that transparency and openness which encourages public confidence. I can assure you that we strive to be efficient throughout every area of SCAA. The Board believe that our overheads continue to be cost effective, ensuring that we sustain the frontline service. We also recognise that investment is required to enable the organisation to grow and develop.

The Board have now started the process of developing and shaping our next strategic plan which will takes us to 2023 – a decade since we launched. This is another exciting chapter for SCAA and we will do this in consultation with our primary partner, the Scottish Ambulance Service. SCAA remains the gold standard for public, private and third sector partnership and we look forward to developing this relationship in the years to come as an integral part of the emergency response network, working together to save and improves lives every day.

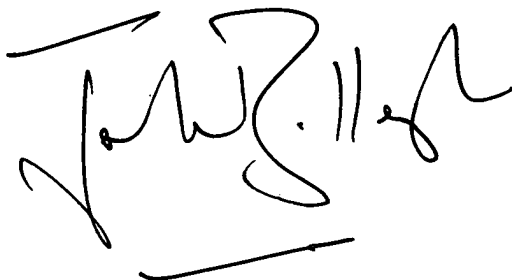
SCOTLAND'S CHARITY AIR AMBULANCE

CHAIRMAN'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

The Trustees are humbled by the level of commitment and engagement that SCAA receives every day. Thank you all for supporting this critical service.

Mr J L Bullough
Chairman
Dated: 23 August 2019

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

SCOTLAND'S CHARITY AIR AMBULANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Objectives and activities

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 Scotland

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

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 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.

Achievements and performance

Financial review

It is the Trustees intention to have up to twelve months operating costs in reserve when fundraising conditions permit.

SCOTLAND'S CHARITY AIR AMBULANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

The company maintains the Unrestricted Reserve to achieve its charitable objectives. As at 31 March 2019, the balance on this reserve was £3,796,166.

The Helimed 79 designated fund was created to put aside funds to help with the launch and running costs of the second air ambulance in Aberdeen. As at 31 March 2019, the balance on this reserve was £716,442.

The Bowsers reserve has been created to receive grants and cover costs for the purchase of bowsers. As at 31 March 2019, the balance on this reserve was £8,138.

The Start-up capital reserve has been created to receive grants and cover costs for the purchase of equipment. As at 31 March 2019, the balance on this reserve was £3,540.

The LIBOR upgrade reserve has been created to receive donations to upgrade the service. As at 31 March 2019, the balance on this reserve was £1,468,880.

The LIBOR capital reserve has been created to receive donations to upgrade the facilities. As at 31 March 2019, the balance on this reserve was £157,421.

The Helipad reserve has been created to receive donations to cover the costs for developing the helipad. As at 31 March 2019, the balance on this reserve was £42,727.

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 2019, the balance on this reserve was £31,666.

The Incubator Slide reserve has been created to receive donations to purchase an incubator loading guide system. As at 31 March 2019, the balance on this reserve was £18,520.

The Hangar Rent reserve has been created to receive donations to cover the costs of the first year's rent of the new hangar. As at 31 March 2019, the balance on this reserve was £21,250.

The Resuscitation Kit reserve has been created to receive donations to purchase a resuscitation kit. As at 31 March 2019, the balance on this reserve was £726.

The Compression Unit & Terrafix Kit reserve has been created to receive donations to purchase a compression unit and Terrafix kit for the helicopter in Perth. As at 31 March 2019, the balance on this reserve was £65,041.

The Helimed 79 reserve has been created to receive donations towards the initialisation of a new air ambulance in Aberdeen. As at 31 March 2019, the balance on this reserve was £326,015.

The Crew Uniforms reserve has been created to receive donations to purchase new uniforms for on-aircraft crew. As at 31 March 2019, the balance on this reserve was £5,000.

The Incubator Slide (Aberdeen) reserve has been created to receive donations to purchase an incubator loading guide system for Helimed 79 in Aberdeen. As at 31 March 2019, the balance on this reserve was £16,000.

The Endowments reserve has been created to receive a gift earmarked to provide SCAA with an annual income. As at 31 March 2019, the balance on this reserve was £1,246,201.

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.

SCOTLAND'S CHARITY AIR AMBULANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

The trustees have a duty to identify and review the risks to which 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.

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

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.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr J L Bullough

Mr M E Beale

Mr P Bassett

Mr A J K Bell

Mr H B Lawson

Mrs J C Leslie

Mr K A Richmond

Mr M P Togneri

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.

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 Director of Fundraising and Communications (appointed 1 October 2018) and the Director of Finance (appointed 1 April 2019). 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.

SCOTLAND'S CHARITY AIR AMBULANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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.

The directors consider that the Chief Executive Officer, the Director of Fundraising and Communications and the Director of Finance 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 7 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.

Disclosure of information to auditor

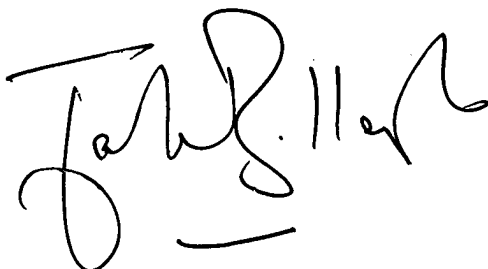
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Mr J L Bullough

Trustee

Dated: 23 August 2019



SCOTLAND'S CHARITY AIR AMBULANCE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2019

The trustees, who are also the directors of Scotland's Charity Air Ambulance for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SCOTLAND'S CHARITY AIR AMBULANCE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCOTLAND'S CHARITY AIR AMBULANCE

Opinion

We have audited the financial statements of Scotland's Charity Air Ambulance (the 'charity') for the year ended 31 March 2019 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charity 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 charity'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

SCOTLAND'S CHARITY AIR AMBULANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SCOTLAND'S CHARITY AIR AMBULANCE

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' Report, which includes the directors' 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 directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept, 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 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 as auditor under Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SCOTLAND'S CHARITY AIR AMBULANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SCOTLAND'S CHARITY AIR AMBULANCE

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with 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, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Campbell Dallas Audit Services

Neil Morrison (Senior Statutory Auditor)
for and on behalf of Campbell Dallas Audit Services

23 August 2019

Statutory Auditor

5 Whitefriars Crescent
Perth
PH2 0PA

SCOTLAND'S CHARITY AIR AMBULANCE

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £	Total 2018 £
<u>Income from:</u>						
Donations and legacies	2	5,493,510	443,884	-	5,937,394	3,511,276
Investments	3	114,688	-	-	114,688	72,988
Total income		<u>5,608,198</u>	<u>443,884</u>	<u>-</u>	<u>6,052,082</u>	<u>3,584,264</u>
<u>Expenditure on:</u>						
Raising funds	4	<u>1,423,056</u>	<u>-</u>	<u>-</u>	<u>1,423,056</u>	<u>1,287,013</u>
Charitable activities	5	<u>1,402,957</u>	<u>765,093</u>	<u>-</u>	<u>2,168,050</u>	<u>1,902,293</u>
Total resources expended		<u>2,826,013</u>	<u>765,093</u>	<u>-</u>	<u>3,591,106</u>	<u>3,189,306</u>
Net gains/(losses) on investments	9	<u>83,403</u>	<u>-</u>	<u>85,960</u>	<u>169,363</u>	<u>(2,502)</u>
Net movement in funds		<u>2,865,588</u>	<u>(321,209)</u>	<u>85,960</u>	<u>2,630,339</u>	<u>392,456</u>
Fund balances at 1 April 2018		<u>1,647,020</u>	<u>2,486,133</u>	<u>1,160,241</u>	<u>5,293,394</u>	<u>4,900,938</u>
Fund balances at 31 March 2019		<u><u>4,512,608</u></u>	<u><u>2,164,924</u></u>	<u><u>1,246,201</u></u>	<u><u>7,923,733</u></u>	<u><u>5,293,394</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

SCOTLAND'S CHARITY AIR AMBULANCE

BALANCE SHEET

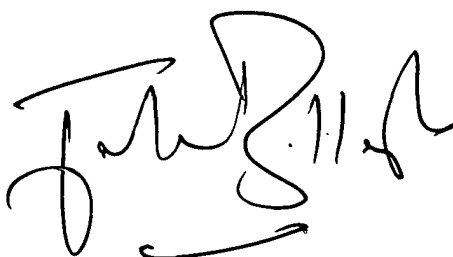
AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	10	163,337		153,268	
Investments	11	3,162,426		2,043,407	
		<u>3,325,763</u>		<u>2,196,675</u>	
Current assets					
Stocks	12	8,594		6,157	
Debtors	13	25,212		56,439	
Cash at bank and in hand		5,028,636		3,466,285	
		<u>5,062,442</u>		<u>3,528,881</u>	
Creditors: amounts falling due within one year	14	(464,472)		(432,162)	
Net current assets			4,597,970		3,096,719
Total assets less current liabilities			<u>7,923,733</u>		<u>5,293,394</u>
Capital funds					
Endowment funds - general	16	1,246,201		1,160,241	
Income funds					
Restricted funds	17	2,164,924		2,486,133	
<u>Unrestricted funds</u>					
Designated funds	18	716,442		-	
General unrestricted funds		<u>3,796,166</u>		<u>1,647,020</u>	
			4,512,608		1,647,020
			<u>7,923,733</u>		<u>5,293,394</u>

The financial statements were approved by the Trustees on 23 August 2019

Mr J L Bullough
Trustee

Company Registration No. SC384396



SCOTLAND'S CHARITY AIR AMBULANCE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	22		2,441,003		581,892
Investing activities					
Purchase of tangible fixed assets		(43,684)		(23,181)	
Purchase of investments		(1,000,000)		(1,045,816)	
Proceeds on disposal of investments		50,344		-	
Investment income		114,688		72,988	
Net cash used in investing activities			(878,652)		(996,009)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			1,562,351		(414,117)
Cash and cash equivalents at beginning of year			3,466,285		3,880,402
Cash and cash equivalents at end of year			5,028,636		3,466,285

SCOTLAND'S CHARITY AIR AMBULANCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Charity information

Scotland's Charity Air Ambulance is a private company limited by guarantee incorporated in Scotland. The registered office is The Control Tower, Perth Airport, Scone, Perthshire, PH2 6PL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

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.

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.

SCOTLAND'S CHARITY AIR AMBULANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is 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 costs 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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

1.7 Fixed asset investments

Investments are valued at market value.

1.8 Stocks

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

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

SCOTLAND'S CHARITY AIR AMBULANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2019 £	2019 £	2019 £	2018 £
Donations and gifts	4,843,137	318,884	5,162,021	3,305,779
Legacies receivable	484,278	-	484,278	27,188
Sponsorship	126,708	125,000	251,708	123,000
Donated goods and services	39,387	-	39,387	55,309
	<u>5,493,510</u>	<u>443,884</u>	<u>5,937,394</u>	<u>3,511,276</u>
For the year ended 31 March 2018	<u>3,383,511</u>	<u>127,765</u>		<u>3,511,276</u>
Donations and gifts				
Donations	868,723	193,015	1,061,738	673,713
Trusts and foundations	558,700	125,869	684,569	332,680
Lottery income	3,409,998	-	3,409,998	2,294,409
Merchandise sales	5,716	-	5,716	4,977
	<u>4,843,137</u>	<u>318,884</u>	<u>5,162,021</u>	<u>3,305,779</u>

3 Investments

	Unrestricted funds	Total
	2019 £	2018 £
Income from listed investments	82,669	48,330
Interest receivable	32,019	24,658
	<u>114,688</u>	<u>72,988</u>

SCOTLAND'S CHARITY AIR AMBULANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Raising funds

	Unrestricted funds	Total
	2019 £	2018 £
<u>Fundraising and publicity</u>		
Donation processing fees	49,113	37,211
Membership schemes and social lotteries	1,109,689	1,001,944
Fundraising expenses	36,734	16,717
Postage and stationery	1,684	2,440
Advertising	28,634	46,344
Other fundraising costs	2,327	917
Staff costs	189,146	176,966
	<hr/>	<hr/>
Fundraising and publicity	1,417,327	1,282,539
	<hr/>	<hr/>
<u>Trading costs</u>		
Other trading activities	5,729	4,474
	<hr/>	<hr/>
	1,423,056	1,287,013
	<hr/>	<hr/>

SCOTLAND'S CHARITY AIR AMBULANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Charitable activities

	Charitable activities 2019 £	Charitable activities 2018 £
Depreciation and impairment	17,685	10,509
Paramedic costs	299,697	264,735
Air ambulance service charges	1,387,046	1,237,753
Rapid response vehicle lease	2,739	2,940
Hangar rent and rates	15,000	15,000
Rent and rates	20,620	20,579
Aviation fuel	49,239	34,077
Paramedic training	2,235	3,130
	<u>1,794,261</u>	<u>1,588,723</u>
Share of support costs (see note 6)	356,004	301,136
Share of governance costs (see note 6)	17,785	12,434
	<u>2,168,050</u>	<u>1,902,293</u>
Analysis by fund		
Unrestricted funds	1,402,957	1,225,648
Restricted funds	765,093	676,645
	<u>2,168,050</u>	<u>1,902,293</u>
For the year ended 31 March 2018		
Unrestricted funds	1,225,648	
Restricted funds	676,645	
	<u>1,902,293</u>	

SCOTLAND'S CHARITY AIR AMBULANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 Support costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Staff costs	210,252	-	210,252	185,205
Depreciation	15,930	-	15,930	16,472
Other staff costs	20,763	-	20,763	4,421
Rent, rates and insurance	24,239	-	24,239	24,084
Office running costs	31,071	-	31,071	30,798
Motor expenses	4,154	-	4,154	4,054
Bank charges	5,771	-	5,771	4,556
Memberships	4,642	-	4,642	7,220
Sundries	2,284	-	2,284	2,099
Travel and subsistence	5,446	-	5,446	2,370
Meeting expenses	-	-	-	441
PR/Marketing	31,452	-	31,452	19,416
Audit fees	-	7,250	7,250	5,200
Accountancy & other	-	7,500	7,500	1,000
Legal and professional	-	3,035	3,035	6,234
	<u>356,004</u>	<u>17,785</u>	<u>373,789</u>	<u>313,570</u>
Analysed between				
Charitable activities	<u>356,004</u>	<u>17,785</u>	<u>373,789</u>	<u>313,570</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

SCOTLAND'S CHARITY AIR AMBULANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Operations & admin	11	10
Trustees	8	8
	<u>19</u>	<u>18</u>

Employment costs

	2019 £	2018 £
Wages and salaries	342,382	308,829
Social security costs	31,323	28,652
Other pension costs	25,693	24,690
	<u>399,398</u>	<u>362,171</u>

During the year, the key management personnel of the charity comprised the Chief Executive Officer, the Director of Fundraising and Communications and the Finance and Facilities Manager. The total employee benefits of the key management personnel of the charitable company were £129,808 (2018 - £108,061).

The number of employees whose annual remuneration was £60,000 or more were:

	2019 Number	2018 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	<u>1</u>	<u>-</u>

9 Net gains/(losses) on investments

	Unrestricted funds 2019 £	Endowment funds general 2019 £	Total 2019 £	Total 2018 £
Revaluation of investments	78,875	85,960	164,835	(2,502)
Gain/(loss) on sale of investments	4,528	-	4,528	-
	<u>83,403</u>	<u>85,960</u>	<u>169,363</u>	<u>(2,502)</u>
For the year ended 31 March 2018	<u>(18,178)</u>	<u>15,676</u>		<u>(2,502)</u>

SCOTLAND'S CHARITY AIR AMBULANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

10 Tangible fixed assets

	Property improvements £	Plant and equipment £	Fixtures and fittings £	Office equipment £	Aircraft equipment £	Total £
Cost						
At 1 April 2018	104,026	16,669	8,615	57,146	48,932	235,388
Additions	-	3,000	-	4,748	35,936	43,684
Disposals	-	-	-	(2,212)	-	(2,212)
At 31 March 2019	104,026	19,669	8,615	59,682	84,868	276,860
Depreciation and impairment						
At 1 April 2018	27,152	9,872	3,002	18,375	23,719	82,120
Depreciation charged in the year	7,688	1,960	842	6,373	15,725	32,588
Eliminated in respect of disposals	-	-	-	(1,185)	-	(1,185)
At 31 March 2019	34,840	11,832	3,844	23,563	39,444	113,523
Carrying amount						
At 31 March 2019	69,186	7,837	4,771	36,119	45,424	163,337
At 31 March 2018	76,874	6,797	5,613	38,771	25,213	153,268

SCOTLAND'S CHARITY AIR AMBULANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2018	2,043,407
Additions	1,000,000
Valuation changes	164,835
Disposals	(45,816)
	<u>3,162,426</u>
At 31 March 2019	3,162,426
Carrying amount	
At 31 March 2019	<u>3,162,426</u>
At 31 March 2018	<u>2,043,407</u>

12 Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>8,594</u>	<u>6,157</u>

13 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	-	425
Other debtors	10,744	37,102
Prepayments and accrued income	14,468	18,912
	<u>25,212</u>	<u>56,439</u>

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	13,028	8,043
Deferred income	322,779	231,092
Trade creditors	88,336	165,121
Accruals	40,329	27,906
	<u>464,472</u>	<u>432,162</u>

SCOTLAND'S CHARITY AIR AMBULANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

15 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £25,693 (2018 - £24,690).

Contributions totalling £3,019 (2018 - £2,982) were payable to the fund at the balance sheet date and are included in creditors.

16 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 April 2018	Incoming resources	Movement in funds			Balance at 31 March 2019
			Resources expended	Transfers	Revaluations gains and losses	
	£	£	£	£	£	£
Permanent endowments						
Endowment	1,160,241	-	-	-	85,960	1,246,201
	<u>1,160,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,960</u>	<u>1,246,201</u>
	<u>1,160,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,960</u>	<u>1,246,201</u>

Purposes of Endowment Funds

Endowment Fund

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 1 April 2018	Incoming resources	Resources expended	Balance at 31 March 2019
	£	£	£	£
LIBOR Capital Funds	179,744	-	(22,323)	157,421
Extended Hours	98,502	30,000	(96,836)	31,666
Incubator Slide Fund	23,150	-	(4,630)	18,520
Hangar Rent Fund	25,000	-	(3,750)	21,250
Resuscitation Kit Fund	915	-	(189)	726
Browsers	9,473	-	(1,335)	8,138
Start-up capital	4,757	-	(1,217)	3,540
LIBOR Upgrade Funds	2,097,116	-	(628,236)	1,468,880
Helipad Funds	47,476	-	(4,749)	42,727
Compression unit & Terrafix kit	-	66,869	(1,828)	65,041
Helimed 79	-	326,015	-	326,015
Crew uniforms	-	5,000	-	5,000
Incubator slide (Aberdeen)	-	16,000	-	16,000
	<u>2,486,133</u>	<u>443,884</u>	<u>(765,093)</u>	<u>2,164,924</u>

SCOTLAND'S CHARITY AIR AMBULANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

17 Restricted funds

(Continued)

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.

Incubator Slide Fund

Funds donated to purchase an incubator loading guide system.

Hangar Rent Fund

Funds donated to cover the costs of the first year's rent of the new hangar.

Resuscitation Kit Fund

Funds donated to purchase a resuscitation kit.

Compression Unit & Terrafix Kit Fund

Funds donated to purchase a compression unit and Terrafix kit for RRV operations in Perth.

Helimed 79

Funds raised to set up a second helicopter based in Aberdeen.

Crew Uniforms Fund

Funds donated to purchase uniforms for on-craft crew.

Incubator Slide (Aberdeen) Fund

Funds donated to purchase an incubator loading guide system for the helicopter to be based in Aberdeen.

SCOTLAND'S CHARITY AIR AMBULANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Transfer from unrestricted funds £	Balance at 31 March 2019 £
Helimed 79	716,442	716,442
	<u>716,442</u>	<u>716,442</u>

The Trustees have set aside £716,442 of unrestricted reserves to fund the set up of a second helicopter in Aberdeen.

19 Analysis of net assets between funds

	Unrestricted 2019 £	Restricted 2019 £	Endowment 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:					
Tangible assets	8,886	154,451	-	163,337	153,268
Investments	1,916,225	-	1,246,201	3,162,426	2,043,407
Current assets/(liabilities)	2,587,497	2,010,473	-	4,597,970	3,096,719
	<u>4,512,608</u>	<u>2,164,924</u>	<u>1,246,201</u>	<u>7,923,733</u>	<u>5,293,394</u>

20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	1,165,015	1,142,209
Between two and five years	396,502	1,532,493
	<u>1,561,517</u>	<u>2,674,702</u>

SCOTLAND'S CHARITY AIR AMBULANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

21 Related party transactions

M P Togneri and P Bassett 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 £293,813 for paramedic services, training and equipment (2018 - £259,112). At the year end, £77,815 was due to Scottish Ambulance Service (2018 - £19,129).

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 £41,250 (2018 - £41,574).

Mr M E Beale is a director of Perthshire Chamber of Commerce. During the reporting period, a ticket for the Star Awards 2018, run by Perthshire Chamber of Commerce, was purchased for Mr Beale at a cost of £84.

During the year, a total of £1,424 was donated to the charity by the trustees.

22 Cash generated from operations	2019 £	2018 £
Surplus for the year	2,630,339	392,456
Adjustments for:		
Investment income recognised in statement of financial activities	(114,688)	(72,988)
Loss on disposal of tangible fixed assets	1,027	100
Gain on disposal of investments	(4,528)	-
Fair value gains and losses on investments	(164,835)	2,502
Depreciation and impairment of tangible fixed assets	32,588	26,881
Movements in working capital:		
(Increase) in stocks	(2,437)	(1,652)
Decrease in debtors	31,227	38,950
(Decrease)/increase in creditors	(59,377)	117,557
Increase in deferred income	91,687	78,086
Cash generated from operations	2,441,003	581,892