

Devon Air Ambulance Trading Company Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended

31 December 2008

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Company Number 3876276

Devon Air Ambulance Trading Company Limited

| CONTENTS | PAGE |
|--|-------|
| Legal and administrative information | 1 |
| Directors Report | 2 - 3 |
| Auditors' report to the members | 4 - 5 |
| Profit and Loss Account, Balance Sheet | 6 - 7 |
| Notes to the financial statements | 8 - 9 |

Devon Air Ambulance Trading Company Limited

OFFICERS AND PROFESSIONAL ADVISERS

| | |
|-------------------|--|
| The directors | L Glanville (Chairman) D A Shopland H Holt C Creer |
| Company secretary | S J Tupper |
| Registered office | Unit 5, Sandpiper Court Harrington Lane Exeter EX4 8NS |
| Auditors | Francis Clark Chartered Accountants Vantage Point Woodwater Park Pynes Hill Exeter EX2 5FD |
| Solicitors | Foot Anstey Senate Court Southernhay Gardens Exeter EX1 1NT |

Devon Air Ambulance Trading Company Limited

DIRECTORS' REPORT

for the year ended 31 December 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The Company acquired a new Eurocopter EC135 equipped for the role of air ambulance which became operational at the beginning of October 2008. The Company makes service charges to its parent company, Devon Air Ambulance Trust for provision of the aircraft and all associated services.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year were as follows:

D A Shopland
Ms H Holt
Mrs C Creer
L Glanville
Ms S Ford (resigned 13 February 2008)

The directors did not hold any beneficial interest in the company's shares at the beginning or end of the period.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8 and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the directors 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.

Devon Air Ambulance Trading Company Limited

DIRECTORS' REPORT

for the year ended 31 December 2008

AUDITORS

A resolution to appoint Francis Clark as auditors for the ensuing year will be proposed at the Annual General Meeting in accordance with section 489 of the Companies Act 2006.

SMALL COMPANIES PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors



S J Tupper

Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEVON AIR AMBULANCE TRADING COMPANY LIMITED

We have audited the financial statements of Devon Air Ambulance Trading Company Limited for the year ended 31 December 2008, which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective Responsibilities of the Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

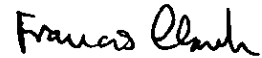
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DEVON AIR AMBULANCE TRADING COMPANY LIMITED

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of affairs of the company as at 31 December 2008 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 December 2008.

Chartered Accountants
Vantage Point
Woodwater Park
Pynes Hill
Exeter
EX2 5FD



FRANCIS CLARK
Registered Auditors

Date: 1 May 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DEVON AIR AMBULANCE TRADING COMPANY LIMITED

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of affairs of the company as at 31 December 2008 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 December 2008.

Chartered Accountants
Vantage Point
Woodwater Park
Pynes Hill
Exeter
EX2 5FD

FRANCIS CLARK
Registered Auditors

Date: 29th April 2009

Devon Air Ambulance Trading Company Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2008

| | Year ended 31 December 2008 £ | Year ended 31 December 2007 £ |
|--|--|--|
| Turnover | | |
| Service charges to parent company | 246,069 | - |
| Cost of sales | | |
| Air ambulance costs of operation | 233,295 | - |
| Gross profit | <u>12,774</u> | <u>-</u> |
| Administrative expenses | 16,136 | 1,988 |
| Operating loss | (3,362) | (1,988) |
| Interest payable to parent undertaking | (134,572) | (24,428) |
| Donations made to parent charitable company | - | - |
| Loss on ordinary activities before taxation | <u>(137,934)</u> | <u>(26,416)</u> |
| Taxation | - | - |
| Loss for the financial year | <u>(137,934)</u> | <u>(26,416)</u> |

Devon Air Ambulance Trading Company Limited

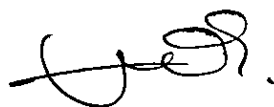
BALANCE SHEET

as at 31 December 2008

| | Notes | 2008 £ | 2007 £ |
|---|-------|------------------|-----------------|
| Fixed assets | | | |
| Tangible assets | 2 | 3,171,533 | - |
| Current assets | | | |
| Debtors | 3 | 138,169 | 467,655 |
| Cash at bank and in hand | | 107,561 | 359 |
| | | <u>245,730</u> | <u>468,014</u> |
| Creditors: amounts falling within one year | 4 | (436,113) | - |
| Net current assets | | <u>(190,383)</u> | <u>468,014</u> |
| Creditors: amounts falling after one year | 5 | (3,145,500) | (494,428) |
| Total assets less liabilities | | <u>(164,350)</u> | <u>(26,414)</u> |
| Capital and reserves | | | |
| Called-up equity share capital | 6 | 2 | 2 |
| Profit and Loss account | | (164,352) | (26,416) |
| Shareholder's funds - deficit | | <u>(164,350)</u> | <u>(26,414)</u> |

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors and authorised for issue on 29th April 2009 and are signed on their behalf by:



H Holt
Director

Devon Air Ambulance Trading Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard for Smaller Entities (effective January 2007).

2 TANGIBLE FIXED ASSETS

| | Airframe & Engines £ | Factory Fitted Role Equipt £ | Medical & Navigational Equipt £ | Total £ |
|-----------------------|----------------------------|------------------------------------|---------------------------------------|------------------|
| COST | | | | |
| At 1 January 2008 | - | - | - | - |
| Additions | 2,675,609 | 528,865 | 22,226 | 3,226,700 |
| Disposals | - | - | - | - |
| At 31 December 2008 | <u>2,675,609</u> | <u>528,865</u> | <u>22,226</u> | <u>3,226,700</u> |
| DEPRECIATION | | | | |
| At 1 January 2008 | - | - | - | - |
| Charge for the year | 40,134 | 13,239 | 1,794 | 55,167 |
| On disposals | - | - | - | - |
| At 31 December 2008 | <u>40,134</u> | <u>13,239</u> | <u>1,794</u> | <u>55,167</u> |
| NET BOOK VALUE | | | | |
| At 31 December 2008 | <u>2,635,475</u> | <u>515,626</u> | <u>20,432</u> | <u>3,171,533</u> |
| At 31 December 2007 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Consist of a Eurocopter EC135 Helicopter fitted out for the role of air ambulance together with additional medical and navigational equipment.

Each of these categories is depreciated on a straight line basis over their estimated useful lives as follows:

| Asset Category | Annual rate |
|------------------------------------|-------------|
| Airframe and engines | 6% |
| Factory fitted role equipment | 10% |
| Medical and navigational equipment | 33% |

3 DEBTORS

| | 2008 £ | 2007 £ |
|------------------------------------|----------------|----------------|
| Amount due from parent undertaking | 62,185 | 2 |
| Prepayments | 54,362 | 467,618 |
| VAT Repayment | 21,622 | 35 |
| | <u>138,169</u> | <u>467,655</u> |

Devon Air Ambulance Trading Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

4 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2008 | 2007 |
|--|----------------|----------|
| | £ | £ |
| Trade creditors | 86,613 | - |
| Amount due to parent undertaking (secured) | 349,500 | - |
| | <u>436,113</u> | <u>-</u> |

5 CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR

| | | |
|--|-------------------|-------------------|
| Amount due to parent undertaking (secured) | 3,145,500 | 494,428 |
| | <u> </u> | <u> </u> |

6 SHARE CAPITAL

| | 2008 | 2007 |
|---|-------------------|-------------------|
| | £ | £ |
| Authorised share capital: | | |
| 2 Ordinary shares of £1 each | 2 | 2 |
| | <u> </u> | <u> </u> |
| | 2008 | 2007 |
| | £ | £ |
| Allotted, called up and fully paid | | |
| Ordinary share capital | 2 | 2 |
| | <u> </u> | <u> </u> |

7 ULTIMATE PARENT COMPANY

The ultimate parent company is Devon Air Ambulance Trust, a company incorporated in England and Wales. Copies of the financial statements of the Devon Air Ambulance Trust are available from the registered office of this company.

8 COMMITMENTS

The company has executed a guarantee in favour of Clydesdale Bank plc. Devon Air Ambulance Trust has borrowed £1,000,000 from Clydesdale Bank plc to finance the acquisition of Eurocopter EC135 which is owned by Devon Air Ambulance Trading Limited. The guarantee is in support of the mortgage granted by Devon Air Ambulance Trading Limited to Clydesdale Bank plc as mortgagee.