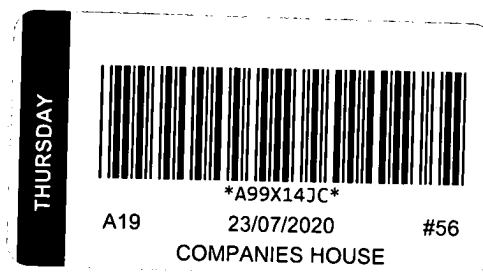


Devon Air Ambulance Trading Company Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended

31 December 2019



Devon Air Ambulance Trading Company Limited

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Devon Air Ambulance Trading Company Limited

OFFICERS AND PROFESSIONAL ADVISERS

The Directors

Ms H Holt
Mrs C Creer
Mr E Probert
Mr W Richardson
Dr A Hudson
Mrs N Steevenson
Mr E Dixon (appointed 7 March 2019)
Mr M Bell (appointed 6 June 2019)
Mr N Hare (appointed 6 June 2019)
Mr D Hawes (appointed 6 June 2019)
Mr I Payne (appointed 6 June 2019)

Company secretary

Mr D Hawes

Registered office

Unit 5, Sandpiper Court
Harrington Lane
Exeter
EX4 8NS

Statutory Auditor

PKF Francis Clark
Chartered Accountants
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Solicitors

Foot Anstey LLP
Senate Court
Southernhay Gardens
Exeter
EX1 1NT

Devon Air Ambulance Trading Company Limited

DIRECTORS' REPORT

for the year ended 31 December 2019

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Company makes service charges to its parent company, Devon Air Ambulance Trust for provision of emergency medical services and equipment by helicopter or other emergency vehicles; the advancement of health through provision of training, research and education in the field of pre-hospital emergency medicine and treatment or prevention of sickness and injury; and provision of other health related services including aftercare for patients.

DIRECTORS

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

Ms H Holt
Mrs C Creer
Mr E Probert
Mr W Richardson
Mr S Denton (resigned 7 November 2019)
Mr S Tyrrell (resigned 8 November 2019)
Dr A Hudson
Mrs N Steevenson
Mr E Dixon (appointed 7 March 2019)
Mr M Bell (appointed 6 June 2019)
Mr N Hare (appointed 6 June 2019)
Mr D Hawes (appointed 6 June 2019)
Mr I Payne (appointed 6 June 2019)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Devon Air Ambulance Trading Company Limited

DIRECTORS' REPORT

for the year ended 31 December 2019

DISCLOSURE OF INFORMATION TO AUDITORS

The directors has taken all the steps that ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information of which the auditors are unaware.

SMALL COMPANIES PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed by order of the directors



D R Hawes

Company Secretary

Date 26th March 2020

Devon Air Ambulance Trading Company Limited

AUDITOR'S REPORT

for the year ended 31 December 2019

Opinion

We have audited the financial statements of Devon Air Ambulance Trading Company Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of Income and Retained Earnings, Balance Sheet, and 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) incorporating the requirements of Section 1A.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Devon Air Ambulance Trading Company Limited

AUDITOR'S REPORT

for the year ended 31 December 2019

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors 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 directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

PKF Francis Clark

Stephanie Henshaw (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date: 1 April 2020

Devon Air Ambulance Trading Company Limited

AUDITOR'S REPORT

for the year ended 31 December 2019

Profit and Loss Account

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Turnover		
Service charges to parent company	6,270,588	4,704,674
Sundry income	17,590	950
Cost of sales		
Air ambulance costs of operation	(4,997,068)	(3,782,509)
Gross profit	<u>1,291,110</u>	<u>923,115</u>
Administrative expenses	(545,909)	(367,407)
Operating profit	<u>745,201</u>	<u>555,708</u>
Interest receivable	-	-
Interest payable to parent undertaking	(157,559)	(127,068)
Profit on ordinary activities before taxation	<u>587,642</u>	<u>428,640</u>
Taxation	-	-
Profit for the financial year	<u>587,642</u>	<u>428,640</u>

Statement of Changes in Equity

	Called-up Share Capital £	Profit and loss account £	Total £
At 1 January 2019	2	35,100	35,102
Profit for the year	-	587,642	587,642
Donations made to charitable parent company	-	(615,717)	(615,717)
At 31 December 2019	<u>2</u>	<u>7,025</u>	<u>7,027</u>

The remaining profit of £7,025 has been donated to the parent company post year-end.

The notes on pages 8 to 10 form an integral part of these financial statements.

Devon Air Ambulance Trading Company Limited

BALANCE SHEET

for the year ended 31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	4	6,897,080	5,979,094
Current assets			
Stock		14,473	5,719
Debtors	5	263,265	594,974
Cash at bank and in hand		207,692	723,292
		<u>485,430</u>	<u>1,323,985</u>
Creditors: amounts falling within one year	6	(1,439,593)	(2,008,972)
Net current liabilities		<u>954,163</u>	<u>684,987</u>
Creditors: amounts falling after one year	7	(5,935,890)	(5,259,005)
Total assets less liabilities		<u><u>7,027</u></u>	<u><u>35,102</u></u>
Capital and reserves			
Called-up equity share capital	8	2	2
Profit and Loss account		7,025	35,100
Shareholder's funds		<u><u>7,027</u></u>	<u><u>35,102</u></u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements were approved by the directors and authorised for issue on 26th March 2020 and are signed on their behalf by:



Ms H Holt
Director

Company registered number 03876276

The notes on pages 8 to 10 form an integral part of these financial statements.

Devon Air Ambulance Trading Company Limited

BALANCE SHEET

for the year ended 31 December 2019

1 GENERAL INFORMATION

The Company Limited by Shares is incorporated in the United Kingdom and the Registered Office address is included on page 1 of this Annual Report.

2 ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' including Section 1A and the Companies Act 2006.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and on a going concern basis.

FIXED ASSETS

Tangible assets are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Tangible fixed assets consist of two Eurocopter H135 Helicopters fitted out for the role of air ambulance together with additional medical, navigational and maintenance 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	7.00 – 7.25%
Factory fitted role equipment	10 - 20%
Medical, navigational and maintenance equipment	10% - 33%
Leasehold improvements	20%
Assets in the course of construction	0%

No depreciation is charged on payments in advance relating to Airframes and Engines.

PENSIONS

The Company makes a contribution of 6% of salary for each employee to a personal pension scheme which is compliant with the auto enrolment regulations which became applicable to the parent Charity from October 2015. Employees paid a minimum of 1% of salary, which increased to 2% from October 2017, into this scheme unless they have opted out of the scheme.

Devon Air Ambulance Trading Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

FINANCIAL INSTRUMENTS

Classification:

The company holds the following financial instruments:

- short term other debtors and amounts due from parent undertaking;
- cash and bank balances; and
- short term trade creditors and amounts due to parent undertaking

All financial instruments are classified as basic.

Recognition and measurement:

The company has chosen to apply the recognition and measurement principles in FRS 102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the asset expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

3 STAFF NUMBERS

The average number of persons employed by the company during the year was 34 (2018:10).

4 TANGIBLE FIXED ASSETS

	Leasehold Improvements	Airframe & Engines	Factory Fitted Role Equip	Medical & Navigational & Maint Equip	Total
	£	£	£	£	£
COST					
At 1 January 2019	4,987	8,667,802	1,387,486	635,019	10,695,294
Additions	-	1,464,188	-	120,512	1,584,700
Disposals	-	-	-	-	-
At 31 December 2019	<u>4,987</u>	<u>10,131,990</u>	<u>1,387,486</u>	<u>755,531</u>	<u>12,279,994</u>
DEPRECIATION					
At 1 January 2019	4,904	3,295,575	895,222	520,499	4,716,200
Charge for the year	83	451,782	158,219	56,630	666,714
On disposals	-	-	-	-	-
At 31 December 2019	<u>4,987</u>	<u>3,747,357</u>	<u>1,053,441</u>	<u>577,129</u>	<u>5,382,914</u>
NET BOOK VALUE					
At 31 December 2019	<u>-</u>	<u>6,384,633</u>	<u>334,045</u>	<u>178,402</u>	<u>6,897,080</u>
At 31 December 2018	<u>83</u>	<u>5,372,227</u>	<u>492,264</u>	<u>114,520</u>	<u>5,979,094</u>

£3,775,716 (2018: £2,311,528) is included within Airframes & Engines relating to payments for the new Aircraft which is due to be delivered in May 2020. As this is an asset in the course of construction, no depreciation has been charged during the year.

Devon Air Ambulance Trading Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

5 DEBTORS

	2019	2018
	£	£
Amount due from parent undertaking	33,465	386,192
VAT repayment	12,412	10,552
Other debtors	3,107	-
Prepayments	214,281	198,230
	<u>263,265</u>	<u>594,974</u>

6 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	154,280	956,444
Amount due to parent undertaking	1,285,313	1,052,528
	<u>1,439,593</u>	<u>2,008,972</u>

7 CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR

	2019	2018
	£	£
Amount due to parent undertaking	5,935,890	5,259,005

There are three loan agreements in place with the parent undertaking to fund capital expenditure on the helicopters owned and other capital purchases. Repayments are made monthly and are currently due to finish in 2028, although the agreements allow for increased borrowing if required to fund further fixed asset purchases. £2,003,520 (2018: £1,402,552) is repayable beyond 5 years.

8 SHARE CAPITAL

	2019	2018
	£	£
Allotted, called up and fully paid	2	2
Ordinary share capital	<u>2</u>	<u>2</u>

9 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.