

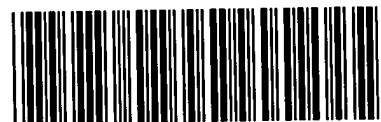
Devon Air Ambulance Trading Company Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended

31 December 2022

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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 (resigned 21 October 2022)
Mr E Probert
Mr W Richardson (resigned 7 March 2023)
Mrs N Steevenson
Mr E Dixon (resigned 1 June 2022)
Mr M Bell
Mr N Hare
Mr D Hawes
Mr R Hemingway
Mr D Prowse
Mr S Rush
Mr A M Cramp (appointed 22 September 2022)
Mr O Dismore (appointed 8 March 2023)

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

STRATEGIC REPORT

for the year ended 31 December 2022

The directors have pleasure in presenting their strategic report for the year ended 31 December 2022.

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.

FAIR REVIEW OF THE BUSINESS

2022 saw an increase in activity, costs, income and profits, largely driven by what remains a volatile external environment worldwide. The demand for our service remains at a higher level than it was pre-pandemic, while inflationary pressure are increasingly being felt.

In this context 2022 can be seen as a significant success with more patients being treated than ever before and the outstanding rating provided by our first Care Quality Commission ('CQC') review confirming the quality of our provision. A record 1,199 people were treated although the 1,886 deployments were very slightly down on 2021's deployments which remains the highest we have ever seen. We believe it is likely that demand for our service will remain at this level, which is significantly elevated from the pre-pandemic environment.

The sale of G-DVAA, which was the old aircraft replaced by G-DAAS at the end of 2020, also generated a profit of £876,368 while there was a smaller profit on disposal relating to the replacement of one of G-DAAN's engines. These profits do not generate a taxable charge and it has been decided to retain these funds in the Trading Company to assist with working capital rather than gift to the parent charity, resulting in a higher level of reserves being held at year-end.

The pressure on costs which was felt in 2022 is expected to increase in 2023, with the current year's trends of increased activities, costs and income continuing. In the light of this busy environment it has been an excellent achievement to be awarded the outstanding rating by the CQC. Feedback in relation to our Air Operators Certificate (which does not award ratings) also continues to be positive. This puts us in an excellent position to continue our growth with controlled focus into the future.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk monitoring and management is a key factor in the governance of the Company. As the Company is regulated by both the CQC and the Civil Aviation Authority this is under constant review and formally documented through regular internal meetings. A system is used to constantly review and update the risk register and flag the most significant risks to the Board.

The Company's sole customer is the parent Company so we are dependent on its continuing ability to operate and pay its invoices as they fall due, as well as the loan funding it provides. The Board therefore review the financial position of the parent Company at the quarterly Board meeting and are satisfied that sufficient reserves, investments and cash are in place to ensure its going concern status.

The other key risk identified during the period is that the pace of recovering from the pandemic may not be matched by other health providers. Where there is a wider strain on the health system this will influence the work which we carry out. We continue to work closely with these other providers and monitor availability and capacity.

Devon Air Ambulance Trading Company Limited

DIRECTORS' REPORT

for the year ended 31 December 2022

DIRECTORS

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

Ms H Holt
Mrs C Creer (resigned 21 October 2022)
Mr E Probert
Mr W Richardson (resigned 7 March 2023)
Mrs N Steevenson
Mr E Dixon (resigned 1 June 2022)
Mr M Bell
Mr N Hare
Mr D Hawes
Mr R Hemingway
Mr D Prowse
Mr S Rush
Mr A M Cramp (appointed 22 September 2022)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The business' principal financial instruments comprise bank balances, short term trade and other debtors and creditors, and intercompany lending. The main financial risks that arise from day-to-day activities are discussed below:

Cash flow risk

The Company's cash flow is driven by payment for its services from its parents Company. The financial position of the parent Company is regularly reviewed to ensure that cash will continue to be received.

Interest risk

The Company's borrowing terms are linked to the base bank interest rate, therefore increases in this will increase interest payments due. All borrowing is intercompany and an increase in income would be expected to cover any increase in costs.

Liquidity risk

A drawdown facility is in place with the parent Company to allow funds to be drawn to cover both short and medium term liquidity fluctuations.

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each Director has taken steps that they ought to have taken as a director 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 that they know of and which they know the auditors are unaware.

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;

Devon Air Ambulance Trading Company Limited

DIRECTORS' REPORT

for the year ended 31 December 2022

- 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.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors have 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.

Signed by order of the directors



D R Hawes

Company Secretary

Date 25th April 2023

Devon Air Ambulance Trading Company Limited

AUDITOR'S REPORT

for the year ended 31 December 2022

Independent Auditor's Report to the Directors of Devon Air Ambulance Trading Company Limited

Opinion

We have audited the financial statements of Devon Air Ambulance Trading Company Limited (the 'Company') for the year ended 31 December 2022, 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 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 Company's affairs as at 31 December 2022 and of its profit 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors 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.

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 2022

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 they 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Company. We gained an understanding of the Company and the industry in which the Company operates as part of this assessment to identify the key laws and regulations affecting the Company. In the process, we reviewed the Company's website for indication of any regulations and certification in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were Civil Aviation law, compliance with the Care Quality Commission ("CQC"), health and safety regulations and The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We discussed with management how the compliance with these laws and regulations is monitored and discussed the policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the Company complies with relevant laws and regulations and deal with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non compliance with laws and regulations on the Company's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.
- Reviewed filings with Companies House.

Devon Air Ambulance Trading Company Limited

AUDITOR'S REPORT

for the year ended 31 December 2022

-
- Reviewed audit documentation from the CQC to confirm compliance with standards, and ensure continued registration with the CQC through the CQC website.
 - Reviewed audit documentation from the CAA to confirm continuing compliance with standards and regulations.
 - Reviewed DAAT's system for managing staff compliance with relevant training requirements.
 - Discussed with the health and safety officer whether any incidents have been reported during the year under The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 ("RIDDOR").
 - Review of the Company's GDPR policy and enquiries to the Data Protection Officer as to the occurrence and outcome of any reportable breaches.
 - Reviewed legal and professional costs to identify any possible non compliance or legal costs in respect of non compliance.
 - Reviewed Board minutes.
 - Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business, of which there were none.
 - Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

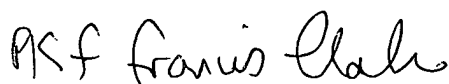
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Centenary House
Peninsula Park
Rydon Lane
Exeter
Devon
EX2 7XE
Date: 18/5 2023

Devon Air Ambulance Trading Company Limited
INCOME STATEMENT AND RETAINED EARNINGS
for the year ended 31 December 2022

Profit and Loss Account

		Year ended 31 December 2022 £	Year ended 31 December 2021 £
Turnover	3		
Service charges to parent company		8,049,098	7,680,515
Sundry income		21,157	980
Cost of sales			
Air ambulance costs of operation		(6,402,332)	(6,141,863)
Gross profit		<u>1,667,923</u>	<u>1,539,632</u>
Administrative expenses		(653,138)	(639,652)
Profit on disposal of fixed assets		916,804	-
Operating profit		<u>1,931,589</u>	<u>899,980</u>
Interest receivable		-	-
Interest payable to parent undertaking	8	(283,045)	(201,751)
Profit on ordinary activities before taxation		<u>1,648,544</u>	<u>698,229</u>
Taxation	9	-	-
Profit for the financial year		<u><u>1,648,544</u></u>	<u><u>698,229</u></u>

Statement of Changes in Equity

	Called-up Share Capital £	Profit and loss account £	Total £
At 1 January 2021	2	213,728	213,730
Profit for the year	-	698,229	698,229
Donations made to charitable parent company	-	(771,702)	(771,702)
At 1 January 2022	2	140,255	140,257
Profit for the year	-	1,648,544	1,648,544
Donations made to charitable parent company	-	(785,000)	(785,000)
At 31 December 2022	2	<u><u>1,003,799</u></u>	<u><u>1,003,801</u></u>

The notes on pages 10 to 15 form an integral part of these financial statements.

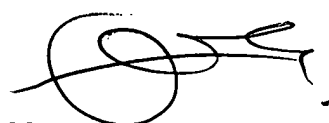
Devon Air Ambulance Trading Company Limited

BALANCE SHEET

for the year ended 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	10	8,158,128	9,001,686
Current assets			
Stock		19,305	6,347
Debtors	11	1,054,666	802,518
Cash at bank and in hand		104,889	115,598
		<u>1,178,860</u>	<u>924,463</u>
Creditors: amounts falling within one year	12	(2,453,389)	(2,289,592)
Net current liabilities		<u>1,274,529</u>	<u>1,365,129</u>
Creditors: amounts falling after one year	13	(5,879,798)	(7,496,300)
Total assets less liabilities		<u>1,003,801</u>	<u>140,257</u>
Capital and reserves			
Called-up equity share capital	14	2	2
Profit and Loss account		<u>1,003,799</u>	<u>140,255</u>
Shareholder's funds		<u>1,003,801</u>	<u>140,257</u>

These financial statements were approved by the directors and authorised for issue on 25th April 2023 and are signed on their behalf by:



Ms H Holt
Director

Company registered number 03876276

The notes on pages 10 to 15 form an integral part of these financial statements.

Devon Air Ambulance Trading Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

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' and the Companies Act 2006.

SUMMARY OF DISCLOSURE EXEMPTIONS

Devon Air Ambulance Trading Company Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its individual financial statements. Exemptions have been taken in relation to financial instruments, remuneration of key management personnel and presentation of a cash flow statement and related notes.

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.

GOING CONCERN

Going concern has been considered in detail by the Board, particularly in the current volatile external environment. Scenario analysis is incorporated into the standard Board reporting process, looking at expected cash and profit. This is done for a 'standard expectation' scenario plus an optimistic and pessimistic one. Additional scenarios are then created if any threat to cash or profit is identified to predict what options could be taken to manage the threat, the potential impact of taking this action and how quickly the impacts would be expected to take effect. This analysis has identified no material uncertainty in relation to going concern.

The Company is dependent on the continuation of its parent company as its sole customer. The significant level of cash, investments and free reserves at the year-end by the parent charity suggest that there are sufficient resources in place to cover a significant part of the expenditure for the next twelve months. While a number of income streams of the parent charity such as donations and retail revenues are susceptible to the uncertainties of the current pandemic, a number of the income streams are not as significantly impacted. Lottery income is unlikely to drop significantly and quickly while legacy income has consistently exceeded £3.5million for the last three years and is expected to comfortably exceed this in 2023 as any impact on levels of legacy income is likely to take a number of years to flow through. The significant cash and reserves held by the parent charity combined with these recurring revenues means the board's expectation is that it will continue to operate for at least the next 12 months. On that basis they consider the going concern basis to be appropriate for the company.

REVENUE RECOGNITION

Turnover represents the value of goods supplied and the provision of services during the year, less any discounts allowed and excluding value added tax. Turnover is recognised when substantially all the risks and rewards of ownership are transferred to the customer, which occurs upon delivery of the goods or performance of services.

Devon Air Ambulance Trading Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

GOVERNMENT GRANTS

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Profit and Loss Account under other operating income in the same period as the related expenditure.

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 and one Eurocopter H145 Helicopter fitted out for the role of air ambulances 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
EC 135 Helicopters	7.00 – 7.25% to residual 30% of cost
EC 135 Factory fitted role equipment	10%
H145 Helicopter airframe	7.00 – 7.25% to residual 30% of cost
H145 Helicopter engine	10.5% to residual of 30% cost
H145 Factory fitted role equipment	10% to residual 30% of cost
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.

A new engine has been obtained in the year on a part-exchange basis. The replacement cost has been used as a proxy for the old engines cost, which had been purchased as part of the aircraft and not individually valued. Depreciation allocated to this engine have also been removed and a net gain on disposal of £40,438 is included in these accounts. The second engine is due to be similarly replaced on a part-exchange basis in 2023.

Key management judgements around the valuation of the aircraft is discussed further in note 10.

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.

Clinical staff are part of the NHS pension scheme, into which employer and employee contributions are made as required by the scheme and in compliance with auto-enrolment requirements.

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.

Devon Air Ambulance Trading Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

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 REVENUE

All revenue is generated in the UK.

4 OPERATING PROFIT

Operating profit is arrived at after charging

	2022	2021
	£	£
Depreciation expense	1,017,324	1,080,198
Operating leases - vehicles	19,415	18,817
Auditors remuneration – audit	3,500	3,500

5 STAFF COSTS

The aggregate payroll costs were as follows:

	2022	2021
	£	£
Wages and salaries	2,925,023	2,617,398
Social security costs	342,490	286,942
Pension costs	295,878	259,167
	<u>3,563,391</u>	<u>3,163,507</u>

6 STAFF NUMBERS

The average number of persons employed by the company during the year was 60 (2021:55).

	2022	2021
	£	£
Pilots	12	10
Clinical	34	34
Administration and support	14	11
	<u>60</u>	<u>55</u>

Devon Air Ambulance Trading Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

7 DIRECTORS' REMUNERATION

The directors' remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	181,730	176,148
Contributions paid to money purchase schemes	5,135	5,244
Contributions paid to defined benefit schemes	13,559	11,691
	<u>200,424</u>	<u>193,083</u>

During the year the number of directors who were receiving benefits was as follows:

	2022	2021
	£	£
Contributions paid to money purchase schemes	1	1
Contributions paid to defined benefit schemes	1	2

8 INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Interest due on intercompany lending	283,045	201,751
	<u>283,045</u>	<u>201,751</u>

9 TAXATION

	2022	2021
	£	£
Current taxation		
UK corporation tax	-	-
UK corporation tax adjustments to prior periods	-	-
	<u>-</u>	<u>-</u>

The tax on profit for the year is lower (2021 – lower) than the standard rate of corporation tax in the UK of 19% (2021 – 19%)

The differences are reconciled below:

	2022	2021
	£	£
Profit before tax	1,648,544	698,229
Corporation tax at standard rate	313,223	132,664
Tax (decrease)/increase from effect of capital	(205,903)	14,009
Other short term differences	5,809	(50)
Qualifying charitable donations	(113,129)	(146,623)
	<u>-</u>	<u>-</u>

Devon Air Ambulance Trading Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

10 TANGIBLE FIXED ASSETS

	Leasehold Improvements	Airframe & Engines	Factory Fitted Role Equipt	Medical & Navigational & Maint Equipt	Total
	£	£	£	£	£
COST					
At 1 January 2022	4,987	13,307,192	2,183,984	877,692	16,373,855
Additions	-	862,696	-	42,771	905,467
Disposals	-	(3,538,305)	(467,254)	(15,670)	(4,021,229)
At 31 December 2022	<u>4,987</u>	<u>10,631,583</u>	<u>1,716,730</u>	<u>904,793</u>	<u>13,258,093</u>
DEPRECIATION					
At 1 January 2022	4,987	5,212,258	1,370,772	784,152	7,372,169
Charge for the year	-	804,437	140,889	71,998	1,017,324
On disposals	-	(2,808,646)	(467,254)	(13,628)	(3,289,528)
At 31 December 2022	<u>4,987</u>	<u>3,208,049</u>	<u>1,044,407</u>	<u>842,522</u>	<u>5,099,965</u>
NET BOOK VALUE					
At 31 December 2022	<u>-</u>	<u>7,423,534</u>	<u>672,323</u>	<u>62,271</u>	<u>8,158,128</u>
At 31 December 2021	<u>-</u>	<u>8,094,934</u>	<u>813,212</u>	<u>93,540</u>	<u>9,001,686</u>

11 DEBTORS

	2022 £	2021 £
Amount due from parent undertaking	381,910	265,991
VAT repayment	58,390	15,329
Other debtors	214,188	155,884
Prepayments	400,178	365,314
	<u>1,054,666</u>	<u>802,518</u>

12 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021
Trade creditors	794,686	525,181
Amount due to parent undertaking	1,658,703	1,764,411
	<u>2,453,389</u>	<u>2,289,592</u>

Devon Air Ambulance Trading Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

13 CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR

	2022	2021
	£	£
Amount due to parent undertaking	5,879,798	7,496,300

There were two loan agreements in place at the start of the year 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.

£855,820 (2021: £1,944,987) is repayable beyond 5 years.

A revolving facility agreement was set-up in March 2022 to allow additional borrowing from the parent Charity to fund working capital. Up to £5,000,000 can be borrowed of which £500,000 (2021: £500,000) has been drawn down at year-end.

14 SHARE CAPITAL

	2022	2021
	£	£
Allotted, called up and fully paid		
Ordinary share capital	2	2

15 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.

16 RELATED PARTY TRANSACTIONS

Nicola Steevenson is a Director of the company and has also been employed by the Company through Human Performance Solutions to carry out Crew Resource Management training in the year. A total of £820 plus VAT was invoiced in 2021 and £400 plus VAT in 2022. These were deemed to be captured by intermediaries legislation and payment was made through the payroll system with tax deducted.