

Midlands Air Ambulance Trading Limited

Registered number: 08256466

Annual report and financial statements

For the year ended 31 March 2019



MIDLANDS AIR AMBULANCE TRADING LIMITED

COMPANY INFORMATION

Directors	J W Levy (resigned 4 July 2018) H L Sebright I Graves (appointed 9 August 2018) T Sehgal R B Pemberton (resigned 9 August 2018) L Bagnall
Company secretary	R A Latham (appointed on 16th November 2018) P R Chapman (resigned on 16th November 2018)
Registered number	08256466
Registered office	Hawthorn House Dudley Road West Midlands DY9 8BQ
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 45 Church Street Birmingham B3 2RT

MIDLANDS AIR AMBULANCE TRADING LIMITED

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MIDLANDS AIR AMBULANCE TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their report and the financial statements for the year ended 31 March 2019.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company during the year was the operation of charity shops.

Directors

The Directors who served during the year were:

J W Levy (resigned 4 July 2018)
H L Sebright
I Graves (appointed 9 August 2018)
T Sehgal
R B Pemberton (resigned 9 August 2018)
L Bagnall

MIDLANDS AIR AMBULANCE TRADING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small Company provisions

The Directors' Report has been prepared in accordance with the provisions applicable to Companies entitled to the small companies exemption provided by Part 15 and Section 414B(b) of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....

H L Sebright
Director

Date: 8 August 2019

MIDLANDS AIR AMBULANCE TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDLANDS AIR AMBULANCE TRADING LIMITED

Opinion

We have audited the financial statements of Midlands Air Ambulance Trading Limited (the 'Company') for the year ended 31 March 2019 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Changes in Equity 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 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

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 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.

MIDLANDS AIR AMBULANCE TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDLANDS AIR AMBULANCE TRADING LIMITED

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.

Opinions on other matters 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.

Matters on which we are required to report by exception

In light of the 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 in relation to which 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.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

MIDLANDS AIR AMBULANCE TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDLANDS AIR AMBULANCE TRADING LIMITED

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 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 the audit 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.



Ian Holder (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT

Date: 14 August 2019

MIDLANDS AIR AMBULANCE TRADING LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover	2	421,713	391,285
Cost of sales		(33,518)	(24,869)
Gross profit		<u>388,195</u>	<u>366,416</u>
Administrative expenses		(351,795)	(389,301)
Operating profit/(loss)	3	<u>36,400</u>	<u>(22,885)</u>
Profit/(loss) after tax		<u><u>36,400</u></u>	<u><u>(22,885)</u></u>
Retained earnings at the beginning of the year		(64,664)	(41,779)
Profit/(loss) for the year		<u>36,400</u>	<u>(22,885)</u>
Retained earnings at the end of the year		<u><u>(28,264)</u></u>	<u><u>(64,664)</u></u>

The notes on pages 9 to 17 form part of these financial statements.
All activities relate to continuing operations.

MIDLANDS AIR AMBULANCE TRADING LIMITED
REGISTERED NUMBER: 08256466

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	5	323	1,518
Tangible assets	6	24,813	34,998
		<u>25,136</u>	<u>36,516</u>
Current assets			
Stocks	7	29,938	21,632
Debtors	8	44,847	30,429
Cash at bank and in hand	9	69,963	45,122
		<u>144,748</u>	<u>97,183</u>
Creditors: amounts falling due within one year	10	(151,919)	(153,912)
Net current liabilities		<u>(7,171)</u>	<u>(56,729)</u>
Total assets less current liabilities		<u>17,965</u>	<u>(20,213)</u>
Creditors: amounts falling due after more than one year	11	(46,228)	(44,450)
Net assets		<u><u>(28,263)</u></u>	<u><u>(64,663)</u></u>
Capital and reserves			
Called up share capital		1	1
Retained earnings		(28,264)	(64,664)
		<u>(28,263)</u>	<u>(64,663)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by by:

.....
H L Sebright
 Director

Date: 8 August 2019

MIDLANDS AIR AMBULANCE TRADING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	1	(64,664)	(64,663)
Comprehensive income for the year			
Profit for the year	-	36,400	36,400
Total comprehensive income for the year	-	36,400	36,400
At 31 March 2019	1	(28,264)	(28,263)

The notes on pages 9 to 17 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	1	(41,779)	(41,778)
Comprehensive income for the year			
Loss for the year	-	(22,885)	(22,885)
Total comprehensive income for the year	-	(22,885)	(22,885)
At 31 March 2018	1	(64,664)	(64,663)

The notes on pages 9 to 17 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.1A.

This information is included in the consolidated financial statements of Midlands Air Ambulance Charity (Company registration number 07683841) as at 31 March 2019 and these financial statements may be obtained from Hawthorn House, Dudley Road, Stourbridge, West Midlands, DY9 8BQ.

1.3 Going concern

As at 31 March 2019 the company had a net deficit on shareholder's funds of £28,263 (2018: £64,663) and was supported by a start-up loan totalling £100,000 from its parent charitable company, Midlands Air Ambulance Charity. £50,000 has been repaid and the loan stands at £50,000 as at 31 March 2019. The financial statements have been prepared under the going concern concept on the basis that the parent company has agreed to provide financial support for at least twelve months from the date of the approval of these financial statements and that further loan repayments will not be made until such a time as the company is generating sufficient cash flows to enable repayment. The loan has been issued on an interest free basis. In accordance with Section 1A of Financial Reporting Standard 102, the present value of this loan has been recognised based on an assumed interest rate of 4% which represents the prevailing market rate of interest for a similar loan.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. Accounting policies (continued)

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

1.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer software	-	20 %
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1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures & fittings	- 2 - 5 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment, before being subsequently measured at amortised cost.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including intercompany loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

The interest free intercompany loan has been recognised at its present value.

1.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans from the parent charity, Midlands Air Ambulance Charity.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially

MIDLANDS AIR AMBULANCE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.12 Financial instruments (continued)

and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Sales of goods	421,713	391,285
	<u>421,713</u>	<u>391,285</u>

All turnover arose within the United Kingdom.

MIDLANDS AIR AMBULANCE TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	10,185	11,241
Amortisation of intangible assets	1,195	1,500
Operating lease expenses	41,041	66,718
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	2,150	2,100
	<u>44,571</u>	<u>81,559</u>

4. Taxation

No liability to UK corporation tax arose on ordinary activities for the years ended 31 March 2019 and 31 March 2018.

5. Intangible assets

	Computer software £
Cost	
At 1 April 2018	5,253
At 31 March 2019	<u>5,253</u>
Amortisation	
At 1 April 2018	3,735
Charge for the year	1,195
At 31 March 2019	<u>4,930</u>
Net book value	
At 31 March 2019	<u>323</u>
At 31 March 2018	<u>1,518</u>

MIDLANDS AIR AMBULANCE TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. Tangible fixed assets

	Fixtures & fittings £
Cost	
At 1 April 2018	65,784
At 31 March 2019	<u>65,784</u>
Depreciation	
At 1 April 2018	30,786
Charge for the year on owned assets	10,185
At 31 March 2019	<u>40,971</u>
Net book value	
At 31 March 2019	<u>24,813</u>
At 31 March 2018	<u>34,998</u>

MIDLANDS AIR AMBULANCE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

7. Stocks

	2019 £	2018 £
Finished goods and goods for resale	29,938	21,632
	<u>29,938</u>	<u>21,632</u>

8. Debtors

	2019 £	2018 £
Trade debtors	11,115	17,188
Other debtors	7,351	1,516
Prepayments	26,381	11,725
	<u>44,847</u>	<u>30,429</u>

9. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	69,963	45,122
	<u>69,963</u>	<u>45,122</u>

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	31,180	1,643
Amounts owed to group undertakings	96,401	127,994
Other creditors and accruals	24,338	24,275
	<u>151,919</u>	<u>153,912</u>

MIDLANDS AIR AMBULANCE TRADING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019****11. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Amounts owed to group undertakings	46,228	44,450
	<u>46,228</u>	<u>44,450</u>

12. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	69,963	45,122
Financial assets that are debt instruments measured at amortised cost	11,115	17,188
	<u>81,078</u>	<u>62,310</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(173,809)	(174,087)

Financial assets measured at amortised cost comprise of trade debtors.

Financial assets measured at fair value through profit or loss comprise of cash and cash equivalents.

Financial liabilities measured at amortised cost comprise of trade creditors and amounts owed to group undertakings.

13. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	21,708	42,818
Later than 1 year and not later than 5 years	30,582	-
Total	<u>52,290</u>	<u>42,818</u>

14. Events after the end of the reporting period

There have been no significant events affecting the Company since the year end.

MIDLANDS AIR AMBULANCE TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

15. Controlling party

The company is a wholly owned subsidiary of Midlands Air Ambulance Charity, a company limited by guarantee which is incorporated and registered in England and Wales under registration number 07683841.