

**South Central Fleet Services Limited**

**Annual Report and Financial Statements for the year ended 31 March 2020**

**Registered Number 09764102**



**South Central Fleet Services Limited**

**Annual Report and financial statements  
Year ended 31 March 2020**

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**South Central Fleet Services Limited**

**Registered Number** 09764102

**Directors and Advisors**

**Directors**

CDS Porter  
ML Hawker  
PJ Kempster

**Registered Office**

Units 7 and 8  
Talisman Business Park  
Talisman Road  
Bicester  
Oxfordshire  
OX26 6HR

**Independent Auditor**

Azets Audit Services  
6th Floor  
Bank House  
Cherry Street  
Birmingham  
B2 5AL

## **South Central Fleet Services Limited**

### **Directors' report for the Year ended 31 March 2020**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2020.

#### **Principal Activity**

The principal activities of the company is to provide fully serviced and maintained vehicles to enable South Central Ambulance Services NHS Foundation Trust to provide healthcare and transport to the population of the South Central region of the UK.

The company leases ambulance vehicles to South Central Ambulance Services NHS Foundation Trust.

#### **Results and Dividends**

The loss for the year ended 31 March 2020 amounted to £629k (period ended 31 March 2019: profit of £62k). The directors do not recommend the payment of a dividend (2019: £nil).

#### **Strategic Report**

The directors' report has been prepared under the small company provisions of the Companies Act 2006 and accordingly no strategic report has been prepared.

All amounts in the financial statements and notes have been rounded off to the nearest thousand Sterling Pound, unless otherwise stated.

#### **Section 172 statement**

This section serves as our section 172 statement. Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term. Whilst the importance of giving due consideration to our stakeholders is not new, we are explaining in more detail this year how the Board engages with our stakeholders, thus seeking to comply with the requirement to include a statement setting out how our Directors have discharged this duty.

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.

The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by management and also by direct engagement with stakeholders themselves. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

The Board continues to enhance its methods of engagement with the workforce.

The Board aims to work responsibly with our suppliers.

The Board has overseen the implementation of measures to ensure that stakeholder interests are always taken into account.

The Board is aware of its responsibility to reduce carbon emissions, to that end the company is actively seeking new avenues to reduce the carbon footprint of its fleet. In 19/20 the model of ambulance was changed from Mercedes box vans to lighter, more fuel efficient FIAT van conversions.

#### **Impact of COVID-19**

In the run up to year end the Covid-19 pandemic had begun and the company increased its levels of inventory to mitigate supply chain delays.

## **South Central Fleet Services Limited**

### **Directors' report for the Year ended 31 March 2020**

#### **Political and Charitable Donations**

The company did not make any political or charitable donations for the year ended 31 March 2020 (*period ended 31 March 2019: £nil*).

#### **Independent auditors**

Pursuant to Sections 485 of the Companies Act 2006, Azets Audit Services were appointed as auditors for the year ended 31 March 2020.

#### **Future Developments**

The Board are keen to continue with the modernisation of the ambulance fleet, to reduce the running costs and to reduce emissions.

#### **Post Balance Sheet Events**

The Covid-19 pandemic has provided many challenges for the business, inventory levels were increased at year end in order to safe guard our supply chain in the short-term. Internal procedures were amended to adhere to national pandemic guidelines. The company continues to meet the challenges and continue with business as usual so as to keep emergency vehicles on the road. There were no other post balance sheet events affecting the company.

#### **Serving Directors**

The names of the directors who served during the year are as follows:

CDS Porter

ML Hawker

PJ Kempster - appointed 1st September 2019

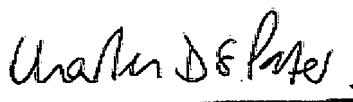
P Astle - resigned 31st August 2019

#### **Going Concern**

The directors have a reasonable expectation that South Central Fleet Services Ltd has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

South Central Ambulance NHS Foundation Trust, as the parent organisation, has provided a formal letter of support confirming that they will provide financial and other support to the Company, including not seeking repayment of loan balances for at least 12 months from the date of the approval of these financial statements. In addition, given the nature of the company and the continued demand to service and maintain ambulance vehicles, COVID-19 has not had a material impact on the company.

By order of the Board:



C Porter

Director

17 December 2020

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual 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 prepared the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework, 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

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.

### **Disclosure of Information to Auditors**

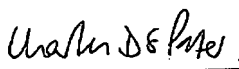
In the case of each of the persons who are directors at the time when the report is approved, the following applies;

As far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and;  
The director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Independent Auditors**

The auditors, Azets Audit Services, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the Board:



C Porter

Director

17 December 2020

## **Independent auditor's report to the members of South Central Fleet Services Ltd**

### **Opinion**

We have audited the financial statements of South Central Fleet Services Ltd (the 'company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 2020 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.

### **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 work, for this report, or for the opinions we have formed.

### **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.

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.

**Independent auditor's report to the members of South Central Fleet Services Ltd****Matter on which we are required to report under the Companies Act 2006**

In the 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.

**Matters on which we are required to report by exception**

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; 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 for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 5, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*Azets Audit Services*

Laura Hinsley FCCA (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services

6th Floor, Bank House  
Cherry Street  
Birmingham  
B2 5AL

17 December 2020



**South Central Fleet Services Limited**

**Statement of Comprehensive Income  
For the year ended 31 March 2020**

		<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
	<i>Note</i>	<b>£000</b>	<b>£000</b>
<b>Turnover</b>	<b>3</b>	<b>7,347</b>	<b>7,139</b>
<b>Cost of Sales</b>		<b>(4,644)</b>	<b>(5,145)</b>
<b>Gross Profit</b>		<b>2,703</b>	<b>1,994</b>
<b>Administrative expenses</b>		<b>(2,825)</b>	<b>(1,569)</b>
<b>Operating profit/(loss)</b>		<b>(122)</b>	<b>425</b>
<b>Interest payable and similar expenses</b>	<b>5</b>	<b>(507)</b>	<b>(363)</b>
<b>Profit (Loss) before tax</b>		<b>(629)</b>	<b>62</b>
<b>Tax on profit/(loss)</b>		<b>-</b>	<b>-</b>
<b>Profit and total comprehensive income for the year</b>		<b>(629)</b>	<b>62</b>

All amounts relate to continuing operations.

The notes on pages 11 to 21 form an integral part of these financial statements.

**South Central Fleet Services Limited**

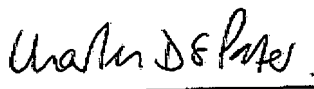
**Statement of Financial Position  
as at 31 March 2020**

		<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Intangible assets	7	-	-
Property, plant and equipment	8	15,741	11,825
Right-of-use asset	9	1,680	
		<u>17,421</u>	<u>11,825</u>
<b>Current assets</b>			
Inventory	10	408	336
Trade and Other Receivables	11	739	1,043
Cash and cash equivalents		505	273
		<u>1,652</u>	<u>1,652</u>
<b>Creditors - amounts falling due within one year</b>	12	<b>(4,110)</b>	<b>(2,983)</b>
<b>Net current liabilities</b>		<b>(2,458)</b>	<b>(1,331)</b>
<b>Total assets less net current liabilities</b>		<b>14,963</b>	<b>10,494</b>
<b>Creditors - amounts falling due after more than one year</b>	13	<b>(15,451)</b>	<b>(10,353)</b>
<b>Net Assets</b>		<b>(488)</b>	<b>141</b>
<b>Equity</b>			
Called up share capital	14	441	441
Profit and Loss Account		(929)	(300)
<b>Total shareholders' funds</b>		<b>(488)</b>	<b>141</b>

The notes on pages 11 to 21 form an integral part of these financial statements.

The accounts are prepared in accordance with the provisions applicable to entities subject to the small companies regime.

These financial statements were approved by the board of directors on 17 December 2020 and were signed on its behalf by:



**C Porter**  
Director

Registered number: 09764102

**South Central Fleet Services Limited**

**Statement of Changes in Equity for the Year ended 31 March 2020**

	Called Up Share Capital £000	Profit and Loss Account £000	Total Equity £000
<b>Balance as at 31 March 2018</b>	<b>441</b>	<b>-</b>	<b>362</b>
Profit for the Year	-	62	62
<b>Balance as at 31 March 2019</b>	<b>441</b>	<b>-</b>	<b>300</b>
Loss for the Year	-	(629)	(629)
<b>Balance as at 31 March 2020</b>	<b>441</b>	<b>(929)</b>	<b>(488)</b>

The notes on pages 11 to 21 form an integral part of these financial statements.

## **South Central Fleet Services Limited**

### **1 General Information**

South Central Fleet Services Limited (the "Company") leases, maintains and repairs motor vehicles. The company is a private company limited by shares, which is incorporated and domiciled in the UK. The address of its registered office is Units 7 and 8, Talisman Business Park, Talisman Road, Bicester, Oxfordshire, OX26 6HR.

### **2 Accounting Policies**

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

#### **2.1 Basis of Preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared under the historical cost convention and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates including estimating the useful economic lives of assets. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IAS 7, 'Statement of Cash Flows',
- Disclosures in respect of transactions with wholly owned subsidiaries; and
- The effects of new but not yet effective IFRSs.
- From the disclosures required by IFR7 'Financial Instruments'.
- From the disclosures required by 134 to 136 of IAS 1 'Presentation of Financial Statements'.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Judgements and estimates made by the Directors in the application of these accounting policies that have significant effect on the financial statements, and estimates with a significant risk of material adjustment in the next year, have been considered. The Directors have not recognised any deferred tax asset on the basis that the company has not been able to demonstrate the availability of sufficient future profits to recognise the asset (due to being at an early stage in its trading history). The directors have considered asset impairment, and other than those assets written off through insurance claim, believe there are no impairments of the fixed assets.

The Company's ultimate parent undertaking, South Central Ambulance Service NHS Foundation Trust, includes the Company in its consolidated financial statements. The consolidated financial statements of South Central Ambulance Service NHS Foundation Trust are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Units 7 and 8, Talisman Business Park, Talisman Road, Bicester, Oxfordshire, OX26 6HR. South Central Ambulance Service NHS Foundation Trust owns 100% of the issued share capital.

#### **2.2 New Standards**

IFRS16 is a new accounting standards that is effective for the year ended 31 March 2020. There are no other amendments to the accounting standards or IFRIC interpretations that are effective for the year ended 31 March 2020.

## **South Central Fleet Services Limited**

### **2 Accounting Policies**

#### **2.3 Measurement Convention**

The financial statements are prepared on the historical cost basis.

#### **2.4 Basis of accounting**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are as set out below.

#### **2.5 Going Concern**

South Central Fleet Services Ltd has adequate financial resources along with long-term contracts. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that South Central Fleet Services Ltd has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

South Central Ambulance NHS Foundation Trust, as the parent organisation, has provided a formal letter of support confirming that they will provide financial and other support to the Company, including not seeking repayment of loan balances for at least 12 months from the date of the approval of these financial statements. In addition, given the nature of the company and the continued demand to service and maintain ambulance vehicles, COVID-19 has not had a material impact on the company.

#### **2.6 Property, plant and equipment**

Property plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Depreciation is charged in the quarter following the quarter in which an asset is brought into use. Land is not depreciated. The estimated useful lives are as follows:

Buildings:	15 years straight line
IT equipment:	3 to 5 years straight line
Vehicles:	5 to 9 years straight line
Equipment:	5 to 15 years straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

During the year the depreciation estimate has changed to reduce the useful economic lives of vehicles from a maximum of 10 years to a maximum of 9 years, this estimation change is in line with the recommendations of the Carter Report for ambulance trusts to reduce the useful economic lives of ambulances. The impact of this estimation change was an additional depreciation charge of £393k in 19/20, the additional impact of this estimation change on future years using the 19/20 value as a proxy is estimated to be £393k.

The measurement of the fair value of tangible assets, equipment and vehicles is based on the costs directly attributable to bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. The fair value of equipment that was purchased from South Central Ambulance NHS Foundation Trust was on a market value basis.

There are no assets held under finance lease.

Assets are assessed annually for impairment and written off through the statement of comprehensive income where necessary. Ambulances are covered by insurance, where an ambulance has been assessed as being beyond economic repair by the company's insurer's that ambulance will be written off through the parent company who hold the risk.

**2 Accounting policies (continued)**

**2.7 Intangible Fixed Assets**

**Other intangible assets**

Expenditure on internally generated goodwill and brands is recognised in the statement of comprehensive income as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date.

**Amortisation**

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Software: 3 to 5 Years

The measurement of the fair value of intangible assets is directly attributable to bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Where parts of an item of intangible fixed assets have different useful lives, they are accounted for as separate items of intangible fixed assets.

**2.8 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

**2.9 Non - Derivative Financial Instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

**Trade and other receivables**

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

**Trade and other creditors**

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

**Interest-bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

## 2 Accounting policies (continued)

### 2.10 Turnover

Turnover is stated net of trade discounts, VAT and similar amounts. Turnover equates to the revenue arising from the rendering of services.

Income in respect of services is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income from the company is with the parent company in the provision of and repair, service and maintenance of ambulances.

Turnover from other services is recognised as the service is performed.

### 2.11 Expenditure on Employee Benefits

Salaries, wages and employment - related payments, such as social security costs and the apprentice levy are recognised in the periods in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Staff who transferred over from the Trust are covered by the provisions of the NHS Pension Scheme. Other employees are covered by National Employment Savings Trust (NEST) which is a defined contribution scheme where a minimum contribution is paid by the employer.

### 2.12 Expenditure on Goods and Services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses, except where it results in the creation of a non-current asset such as property, plant and equipment.

### 2.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

## 2 Accounting policies (continued)

### 2.14 Provisions

The Company recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount for which it is probable that there will be a future outflow of cash or other resources and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation.

### 2.15 Cash and Cash Equivalents

Cash and cash equivalents include cash held in commercial banks and cash in hand. Cash and bank balances are recorded at the current values of these balances in the Company's cash book. Interest earned on bank accounts is recorded as interest receivable in the period to which it relates. Bank charges are recorded as an expense in the periods to which they relate.

### 2.16 Borrowings

Borrowings from the parent undertaking are carried at amortised cost. Interest at 3.5% is charged to the company by the parent.

### 2.17 IFRS 16 Leases

IFRS16 replaces IAS 17 'Leases' along with three interpretations (IFRIC4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Lease-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

At inception of the contract, the company assesses whether a contract is, or contains, a lease. It recognises a right-of-use asset and a corresponding leases liability with respect to all lease arrangements in which it is the lessee. The right-of-use assets and the lease liabilities are presented as separate line items in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate. It is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The right-of-use assets comprise the initial measurement of the corresponding lease liability, plus lease payments made on or before the commencement day, less any lease incentives received and plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

On transition to IFRS16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS16 was 3.5%.

#### Leases

The company has a lease for the main garage and related facilities and is reflected on the balance sheet as a right-of-use asset and a lease liability.

### 2.18 Impairments

Impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.



## 2 Accounting policies (continued)

### 2.19 Retirement Benefit Schemes

#### Defined Contribution Schemes

The company operates a defined contribution retirement benefit schemes for all new employees and existing employees. The scheme is operated by NEST, a scheme established by the government to aid the auto-enrolment process and details can be accessed on the NEST website [www.nestpensions.org.uk](http://www.nestpensions.org.uk). The assets of the schemes are held separately from those of the company in an independently administered fund.

#### Defined Benefit Schemes

Pension costs for past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both NHS Pensions Schemes are unfunded defined benefit schemes that cover NHS employers, GP Practices and other bodfies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying schemes assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme, the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

#### a) Accounting Valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department).

The latest assessment of liabilities if the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually.

#### b) Full Actuarial (Funding) Valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgement from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process conclusion of the continuing legal process.

## South Central Fleet Services Limited

### 3 Revenue

All turnover is derived from sales made within the United Kingdom and the company's principal activity.

### 4 Operating Profit

Operating profit is stated after charging:	2020 £000	2019 £000
Wages and Salaries	1,696	1,810
Purchases	2,947	3,335
Audit fee	9	8
Admin expenses	2,761	1,561

### 5 Interest Payable and Similar Expenses

	2020 £000	2019 £000
Interest payable on intercompany loans	507	363

### 6.1 Employee Benefits

	2020		
	Permanent £000	Other £000	Total £000
Salaries and Wages	1,343	113	1,456
Social Security Costs	151	-	151
Employer's Contributions to Pension Costs	89	-	89
Total Gross Staff Costs	1,583	113	1,696

	2019		
	Permanent £000	Other £000	Total £000
Salaries and Wages	1,240	328	1,568
Social Security Costs	135	-	135
Employer's Contributions to Pension Costs	107	-	107
Total Gross Staff Costs	1,482	328	1,810

### 6.2 Average Number of Employees

	2020		
	Permanent Number	Other Number	Total Number
Management and Administration	16	-	16
Fleet Operatives	25	5	30
Total Average Numbers	41	5	46

	2019		
	Permanent Number	Other Number	Total Number
Management and Administration	11	2	13
Fleet Operatives	23	8	31
Total Average Numbers	34	10	44

The directors received no emoluments paid through the company for the year ended 31 March 2019 (2018: £nil). The services provided by the directors are not considered significant enough to be separately identified and disclosed.

### 7 Intangible Assets

	2020	
	Software Licences £000	Total £000
At 31 March 2018	-	-
Additions	-	-
Amortisation	-	-
At 31 March 2019	-	-

	2019	
	Software Licences £000	Total £000
At 31 March 2018	7	7
Additions	-	-
Amortisation	(7)	(7)
At 31 March 2019	-	-

**8 Property, Plant and Equipment**

	2020					
	Property £000	Equipment £000	Vehicles £000	IT £000	AICO £000	Total £000
<b>Cost</b>						
At 31 March 2019	661	1,304	11,364	267	86	13,682
Additions	2	1,670	4,254		320	6,246
Reclassifications			86		(86)	0
Reclassification correction						0
Disposals			(111)			(111)
At 31 March 2020	663	2,974	15,593	267	320	19,817
<b>Depreciation</b>						
At 31 March 2019	22	167	1,601	67		1,857
Depreciation charge for the year	43	160	1,971	67		2,241
Depreciation on disposal			(22)			(22)
At 31 March 2020	65	327	3,550	134	0	4,076
<b>Net book value</b>						
At 31 March 2020	598	2,647	12,043	133	320	15,741

AICO = assets in course of construction

	2019					
	Property £000	Equipment £000	Vehicles £000	IT £000	AICO £000	Total £000
<b>Cost</b>						
At 31 March 2018	0	753	7,382	267	277	8,679
Additions	611	583	3,815		136	5,145
Reclassifications	50	0	197		(247)	0
Reclassification correction			80		(80)	0
Disposals		(32)	(110)			(142)
At 31 March 2019	661	1,304	11,364	267	86	13,682
<b>Depreciation</b>						
At 31 March 2018	-	85	597	-		682
Depreciation charge for the year	22	89	1,007	67		1,185
Depreciation on disposal	-	7	3	-	-	10
At 31 March 2019	22	167	1,601	67	-	1,857
<b>Net book value</b>						
At 31 March 2018	639	1,137	9,763	200	86	11,825

**9 Right-of-Use Asset**

The Statement of Financial position shows the following amounts relating to Right-of-Use assets:

	31st March 2020 £'000	1st April 2019 £'000
Right-of-use assets:		
Buildings	1,680	1,810

# South Central Fleet Services Limited

## Notes to the Accounts

10 Stocks	2020 £000	2019 £000
Raw materials and consumables	408	336

There were no raw materials and consumables recognised in expenses during the year (2019 £nil).

11 Receivables	2020 £000	2019 £000
Amounts owed by Group Undertakings	633	971
Prepayments and accrued income	92	49
Other Receivables	14	23
VAT	-	-
Total	739	1,043

Amounts owed by Group Undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12 Creditors: amounts falling due within one year	2020 £000	2019 £000
Trade Payables	325	126
Other Creditors	7	38
Accruals and deferred income	121	571
Capital Accruals	-	46
VAT	38	21
HMRC and other taxes	39	46
Provisions - see below	-	140
Lease liability	105	-
Borrowings	3,475	1,995
Total	4,110	2,983

Provisions above covers associated expenditure arising from the relocation of premises from Reading/Oxford Workshops to Milton Park Didcot.

Amounts owed to Group Undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13 Creditors - amounts falling due after more than one year	2020 £000	2019 £000
Borrowings	13A 13,703	10,353
Lease Liability	13B 1,748	-
	15,451	10,353

## 13A Borrowings

This note provides information about the contractual terms of South Central Fleet Service Limited's interest - bearing loans and borrowings which are measured at amortised cost

	2020 £000	2019 £000
<b>Payables falling due more than one year</b>		
South Central Ambulance Service NHS Foundation Trust	13 13,703	10,353
<b>Creditors falling due within less than one year</b>		
South Central Ambulance Service NHS Foundation Trust	12 3,475	1,995
	17,178	12,348

Included within the above are amounts repayable over 10 years by equal instalments. The intercompany loan has not been discounted as it is repayable on demand.

## Terms and Repayment Schedule

	Currency	Nominal Interest Rate	Year of Maturity	Face Value 2020 £000	Carrying Value 2020 £000	Face Value 2019 £000	Carrying Value 2019 £000
1 Intercompany loan	Sterling	3.50%	2026	1,800	1,800	2,100	2,100
2 Intercompany loan	Sterling	3.50%	2024	765	765	945	945
3 Intercompany loan	Sterling	3.50%	2024	570	570	690	690
4 Intercompany loan	Sterling	3.50%	2022	660	660	900	900
5 Intercompany loan	Sterling	3.50%	2025	2,300	2,300	2,760	2,760
6 Intercompany loan	Sterling	3.50%	2029	808	808	903	903
7 Intercompany loan	Sterling	3.50%	2026	3,450	3,450	4,050	4,050
8 Intercompany loan	Sterling	3.50%	2025	2,550	2,550	-	-
9 Intercompany loan	Sterling	3.50%	2025	2,375	2,375	-	-
10 Intercompany loan	Sterling	3.50%	2025	1,900	1,900	-	-
				17,178	17,178	12,348	12,348

## South Central Fleet Services Limited

### Notes to the Accounts

#### 13B Lease Liability

	2020 £000	2019 £000
Lease due within 1 year	105	-
Lease due after more than 1 year	<u>1,748</u>	<u>-</u>
	<u>1,853</u>	<u>-</u>

#### 14 Called up share capital

	2020 £000	2019 £000
Allotted, called up and fully paid £441,310 Ordinary shares of £1 each	<u>441</u>	<u>441</u>

441,310 £1 ordinary shares were issued during the period ended 31 March 2016 to the parent organisation, South Central Ambulance NHS Foundation Trust.

#### 15 South Central Fleet Services Ltd as a Lessor

	2020 £000	2019 £000
<b>Operating lease income</b>		
Minimum lease receipts	1,436	1,258
<b>Future minimum lease receipts due relating to vehicle leases:</b>		
- not later than one year;	2,787	1,436
- later than one year and not later than five years;	8,211	5,375
- later than five years.	-	995
Total	<u>10,998</u>	<u>7,806</u>

#### 16 Ultimate Parent Undertaking and Controlling Party

The ultimate parent and controlling parent of South Central Fleet Services Ltd is South Central Ambulance Service NHS Foundation Trust which is under the ultimate control of the Department of Health. The financial statements of South Central Fleet Services Ltd are consolidated into those of the ultimate parent South Central Ambulance NHS Foundation Trust. The consolidated statements of South Central Ambulance NHS Foundation Trust are available from South Central Ambulance NHS Foundation Trust, Northern House, 7-8 Talisman Business Centre, Bicester OX26 6HR.

## South Central Fleet Services Limited

### Notes to the Accounts

#### 17 New Standards - IFRS 16 Leases

This note provides information for leases where the company is a lessee.

IFRS 16 Leases is effective for periods beginning after 1st January 2019 and has therefore been adopted in these accounts. The comparative figures have not been restated in these accounts.

The company has a lease for the main workshop premises.

#### Amounts Recognised in the Statement of Financial Position

On 23rd May 2018 the company entered into a 15 year lease for a workshop and office building. This has resulted in a right-of-use asset of £1.810m being recognised on 1st April 2019. (2018/19 £nil as this is the first lease the company has entered into). The lease liabilities relate to this lease.

The Statement of Financial position shows the following amounts relating to leases:

	31st March 2020 £'000	1st April 2019 £'000
Right-of-use assets:		
Buildings	1,680	1,810

#### Lease liabilities:

At 31st March 2020, the company is committed to £1.853m (2018/19 £nil) in future lease payments, none of which relates to short-term leases. The carrying amount of the lease liabilities approximates the fair value.

The company's obligations are secured by the lessors' title to the leased workshop and office building which has a carrying value of £1.68m (2018/19 £nil). The company does not face a significant liquidity risk with regard to its lease liabilities and these are monitored as part of the overall process of managing cash flows.

The following outlines the future lease payments.

	31st March 2020 £'000	1st April 2019 £'000
Year One	166	166
Year Two - Fifteen	2,158	2,324
Less: unearned interest	(471)	(536)
Lease liabilities	1,853	1,954
Analysed as:		
Current	105	101
Non-current	1,748	1,853
	1,853	1,954

Right-of-use assets value of £1.680m includes depreciation charge for the year for buildings of £129k. Interest expense (included in finance cost) £65k.

#### Amounts Recognised in the Statement of Comprehensive Income

	2020 £'000	2019 £'000
Depreciation		
Buildings	129	-
	129	-

#### 18 Tax

There is a deferred tax asset of £0.481m that has not been provided for due to the availability of carried forward tax losses amounting to £2.831m.

#### 19 Related Party Transactions

South Central Fleet Services Ltd entered into the following transactions during the year with its parent entity, South Central Ambulance Service NHS Foundation Trust;

Receipts from South Central Ambulance Service NHS Foundation Trust £9.267m (2018/19: £8.126m).

Payments to South Central Ambulance Service NHS Foundation Trust £0.602m (2018/19: £0.393m).

Amounts owed from South Central Ambulance Service NHS Foundation Trust as at 31st March 2020 £0.633m (2018/19: £0.383m).

Amounts owed to South Central Ambulance Service NHS Foundation Trust as at 31st March 2020 £nil (2018/19: £nil).

During the year South Central Fleet Services Ltd borrowed from South Central Ambulance Service NHS Foundation Trust £7.4m with an interest rate of 3.5%.

At the end of the year South Central Fleet Services owed South Central Ambulance Service £17.619m in outstanding loans (2018/19: £12.749m).