

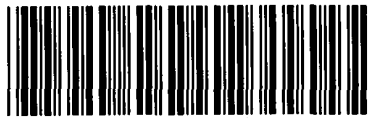
Registered number: 06702675

CEGA AIR AMBULANCE UK LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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CEGA AIR AMBULANCE UK LIMITED

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CEGA AIR AMBULANCE UK LIMITED

COMPANY INFORMATION

Directors

Mr A J D Hardie
Mr M A Robertson
Mr N P Heasman
MR I J Keane
MR D A Conway

Corporate Secretary

Charles Taylor Administration Services Limited

Registered number

06702675

Registered office

Standard House
12-13 Essex St
London
WC2R 3AA

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

CEGA AIR AMBULANCE UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and the audited financial statements for Cega Air Ambulance UK Limited (the "company") for the year ended 31 December 2016

Principal activities

Following the disposal of the aircraft fleet in 2016, the principal activity of the company is the rent of property to third parties and to a fellow group company. This includes the rent of hangar space to third parties and office space to a fellow group company.

Business review

We have executed on our plan to move to a 100% charter model for air ambulance for the Cega Group as referenced in the Annual Report last year and consequently we disposed of our owned aircraft during the year. This made strategic sense for the wider Cega group and enables greater focus on the group's core business. The Cega Air Ambulance statutory entity will be maintained by the group in order to meet our various ongoing commitments and operating leases.

As described in the Accounting Policies, during the year the Company adopted FRS 101. As a result there are no changes that adjust either the profit for the financial year ending 31 December 2015, or the total equity at 1 January 2015 and 31 December 2015. The company had previously adopted FRS 102 in the previous year before becoming a subsidiary of the Charles Taylor plc group in the current year

Dividends

The directors do not recommend payment of a final dividend (2015: £nil).

Going concern

The company has net current liabilities and net liabilities as a result of amounts owed to a fellow group company. A fellow group company; Cega Group Services Limited, has indicated its willingness to provide any necessary support in order for the company to realise its assets and to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. As a result the directors consider the company to be a going concern.

Directors

The directors who served during the entire year and up to the date of signing the financial statements, unless otherwise stated, were:

Mr W N Huddy (resigned 30th March 2017)
Mr A J D Hardie
Mr M A Robertson
Mr N P Heasman
Mr I J Keane (Appointed 27th July 2016)
Mr D A Conway (Appointed 30th March 2017)

CEGA AIR AMBULANCE UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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

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

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that 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 auditors are aware of that information.

Independent Auditors

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

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

This report was approved by the board on 27th June 2017 and signed on its behalf by:

Mr A J D Hardie
Director



CEGA AIR AMBULANCE UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CEGA AIR AMBULANCE UK LIMITED

Report on the financial statements

Our opinion

In our opinion, Cega Air Ambulance UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

CEGA AIR AMBULANCE UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CEGA AIR AMBULANCE UK LIMITED (cont'd)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

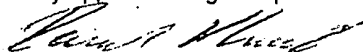
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Darryl Phillips (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

27 June 2017

CEGA AIR AMBULANCE UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

		2016 £	Restated 2015 £
	Note		
Continuing Operations			
Turnover	5	353,471	301,134
Cost of sales		(269,970)	(207,275)
Gross profit		83,501	93,859
Administrative expenses		(163,356)	(161,629)
Other operating income	6	1,746	1,431
Operating loss	8	(78,109)	(66,339)
Interest payable and similar expenses			
Loss before taxation		(78,109)	(66,339)
Tax on loss	12	-	-
Loss for the financial year from continuing operations		(78,109)	(66,339)
Discontinued Operations			
Loss for the financial year from discontinued operations	7	(619,280)	(356,138)
Loss for the financial year and total comprehensive expense		(697,389)	(422,477)

The notes on pages 9 to 22 form part of these financial statements.

The 2015 Statement of Comprehensive Income has been restated to reclassify £209,111 of group income to turnover from continuing administrative costs. This adjustment has not changed the loss for the financial year in 2015.

CEGA AIR AMBULANCE UK LIMITED

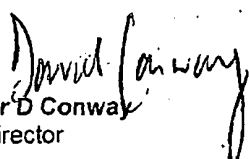
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**BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	13	664	97,008
		<u>664</u>	<u>97,008</u>
Current assets			
Debtors	15	46,634	213,528
Cash at bank and in hand	16	54,592	164,594
Non-current assets held for sale		-	2,693,718
		<u>101,226</u>	<u>3,071,840</u>
Creditors: amounts falling due within one year	17	(2,066,007)	(2,966,719)
Net current (liabilities)/assets		<u>(1,964,781)</u>	<u>105,121</u>
Total assets less current liabilities		<u>(1,964,117)</u>	<u>202,129</u>
Creditors: amounts falling due after more than one year	18	-	(1,430,217)
Provisions for liabilities			
Deferred taxation	19	-	(38,640)
		<u>-</u>	<u>(38,640)</u>
Net liabilities		<u>(1,964,117)</u>	<u>(1,266,728)</u>
Capital and reserves			
Called up share capital	20	100	100
Profit and loss account		(1,964,217)	(1,266,828)
Total shareholders' deficit		<u>(1,964,117)</u>	<u>(1,266,728)</u>

The Company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 6 to 22 were approved and authorised for issue by the board and were signed on its behalf on 27th June 2017 by:


Mr D Conway
Director

The notes on pages 9 to 22 form part of these financial statements.

CEGA AIR AMBULANCE UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Profit and loss account £	Total shareholders' deficit £
At 1 January 2016	100	(1,266,828)	(1,266,728)
Comprehensive expense for the year			
Loss for the financial year	-	(697,389)	(697,389)
Total expense for the year	-	(697,389)	(697,389)
At 31 December 2016	100	(1,964,217)	(1,964,117)

FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital £	Profit and loss account £	Total shareholders' deficit £
At 1 January 2015	100	(844,351)	(844,251)
Comprehensive expense for the year			
Loss for the financial year	-	(422,477)	(422,477)
Total comprehensive expense for the year	-	(422,477)	(422,477)
At 31 December 2015	100	(1,266,828)	(1,266,728)

The notes on pages 9 to 22 form part of these financial statements.

CEGA AIR AMBULANCE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General Information

Cega Air Ambulance UK Limited ("The Company") is a private company limited by shares and is incorporated in England. The address of the Company's registered office is Standard House, 12-13 Essex Street, London, WC2R 3AA.

The Company's principal activity is property rental to third parties and fellow Cega group companies.

2. Statement of compliance

The financial statements of Cega Group Services Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

These financial statements for the year ended 31 December 2016 are the first financial statements that have been prepared in compliance with FRS 101. The Company transitioned from FRS 102 as at 1 January 2015. An explanation of how transition to FRS 101 has affected the reported financial position and financial performance is given in note 24 to the financial statements.

3. Accounting policies

3.1 Summary of significant 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 all the years presented, unless otherwise stated.

3.2 Basis of preparation

The financial statements have been prepared in accordance with FRS101, under the historical cost convention, as modified by derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The company's functional and presentational currency is Pounds Sterling.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The company has net current liabilities and net liabilities as a result of amounts owed to fellow group companies. A fellow group company, Cega Group Services Limited, has indicated its willingness to provide any necessary support in order for the company to realise its assets and to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. As a result the directors consider the company to be a going concern.

CEGA AIR AMBULANCE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

3.3 Financial reporting standard 101 – reduced disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, plant and equipment;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

This information is included in the consolidated financial statements of Charles Taylor plc as at 31 December 2016 and these financial statements may be obtained from Standard House, 12-13 Essex Street, London, WC2R 3AA.

CEGA AIR AMBULANCE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

3. Accounting policies (continued)

3.4 Turnover

Turnover is recognised at fair value when the related services have been provided to customers in accordance with contractual terms. Turnover includes air ambulance services (discontinued) and rental income (continuing). The cost of sales are in relation to air ambulance service expenses (discontinued). As turnover is recognised a corresponding amount is included within debtors. Advance payments received from customers are included in creditors as deferred income.

3.5 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or deemed cost of each asset to its estimated residual value on a straight line basis over its estimated useful economic life. The principal annual rates used for this purpose are as follows:

Aircraft and aircraft equipment	- 5% to 7% straight line for aircraft and & 20% straight line for aircraft equipment
Aircraft engines	- number of hours flown over maximum flying hours
Fixtures and fittings	- 33% straight line for computers and 20% straight line for office fixtures and fittings
Motor Vehicles	- 25% straight line
Medical equipment	- 25% straight line

3.6 Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the recoverable amount of the asset is estimated.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in the statement of comprehensive income in the period in which they are identified.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the statement of comprehensive income. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful economic life.

3.7 Cash

Cash and cash equivalents includes cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities.

CEGA AIR AMBULANCE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

3. Accounting policies (continued)

3.8 Leases

An asset and corresponding liability are recognised for leasing agreements that transfer substantially all of the risks and rewards incidental to ownership ("finance leases"). Lease payments are treated as consisting of capital and interest elements. The interest element of the rental obligation is charged to the statement of comprehensive income over the period of the lease on a straight-line basis.

Leased assets are depreciated over the shorter of the lease term and the estimated useful economic life of the asset. Assets are assessed for impairment at each reporting date.

Leases that do not transfer substantially all of the risks and rewards of ownership are classified as operating leases and the annual rentals are charged to the statement of comprehensive income on a straight line basis over the lease term.

3.9 Taxation

The charge for taxation represents the sum of the current tax charge and deferred tax charge. Current tax is based on the taxable profit for the year or prior years. Taxable profit differs from total comprehensive income because it equals taxable income adjusted for amounts determined in accordance with the rules established by the taxation authorities.

Deferred tax is calculated at the average tax rates that are expected to apply to the periods in which the asset is realised or the liability is settled based on tax rates that have been enacted or substantially enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets are recognised when tax paid exceeds the tax payable. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

CEGA AIR AMBULANCE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. Accounting policies (continued)

3.10 Financial instruments

(a) Financial assets classification

The company classifies its financial assets in the following categories: at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current investments.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise receivables, cash and commercial paper in the balance sheet.

(b) Financial assets recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within interest income or expenses in the period in which they arise.

(c) Financial liabilities

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

CEGA AIR AMBULANCE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

3. Accounting policies (continued)

3.10 Financial instruments (continued)

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

3.11 Pensions

The Company operates defined contribution schemes. The assets of the scheme are held separately from those of the Company in independently administered funds. Contributions are charged directly to the statement of comprehensive income as an expense as they fall due.

3.12 Contingent assets and liabilities

Contingent assets are not recognised, but are disclosed in the financial statements when an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in the financial statements unless the probability of an outflow of resources is remote. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control.

3.13 Trade and other debtors

Trade and other debtors are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.14 Related party policy

The company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the company's financial statements.

4 Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenue and expenses during the year. Judgements and estimates are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

However, the nature of estimation means that actual outcomes are likely to differ from those estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are noted below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

CEGA AIR AMBULANCE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. Turnover

The whole of the turnover is attributable to the principal activity of the company. All turnover arose within the United Kingdom.

	2016	Restated 2015
	£	£
Turnover from continuing operations:		
Hangarage Income	101,308	92,023
Intercompany Revenue	<u>252,163</u>	<u>209,111</u>
	<u>353,471</u>	<u>301,134</u>

Intercompany Revenue of £209,111 for 2015 received from fellow group company Cega Group Services Limited for the rental of part of the company's property in Bournemouth has been reclassified from administration expenses.

6. Other operating income

	2016 £	2015 £
Other operating income	<u>1,746</u>	<u>1,431</u>

CEGA AIR AMBULANCE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Discontinued Operations Profit and Loss

	2016	2015
	£	£
Discontinued Operations:-		
Turnover	389,497	2,920,897
Cost of Sales	<u>(407,512)</u>	<u>(2,054,871)</u>
Gross (Loss)/Profit	<u>(18,015)</u>	<u>866,026</u>
Other Income	-	200,000
Administrative Expenses	(581,477)	(1,304,256)
Operating Loss	<u>(599,492)</u>	<u>(238,230)</u>
Interest Payable and similar charges	(58,428)	(116,866)
Loss on ordinary activities before taxation	<u>(657,920)</u>	<u>(355,096)</u>
Tax on Profit	38,640	(1,042)
Loss for the financial year	<u>(619,280)</u>	<u>(356,138)</u>

Interest payable and similar charges in discontinued operations comprises of:

	2016	2015
	£	£
Bank interest payable	12,881	53,039
Exchange translation of loan balances	<u>45,547</u>	<u>63,827</u>
	<u>58,428</u>	<u>116,866</u>

The value of depreciation for discontinued operations in 2016 was £54,966 (2015 -£237,725).

Discontinued operations relate to air ambulance services which are no longer operated following the disposal of the aircraft fleet in 2016.

CEGA AIR AMBULANCE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. Operating loss

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

	2016	Restated 2015
	£	£
Depreciation of tangible fixed assets	82,649	52,892
Operating lease rentals	154,228	124,555
Gain on disposal of tangible fixed assets	<u>(5,143)</u>	<u>(1,858)</u>

9. Auditors' remuneration

	2016 £	2015 £
Fees payable to the company's auditors and its associates for the audit of the company's financial statements	5,000	9,000
Fees payable to the company's auditors in respect of :		
Tax compliance services	-	3,000
All other services	-	1,750

10. Employees

Staff costs for continued and discontinued operations were as follows:

	2016 £	2015 £
Wages and salaries	127,849	477,131
Social security costs	12,703	46,989
Other pension costs	1,847	7,039
	<u>142,399</u>	<u>531,159</u>

In addition to the above costs there were £123,934 of redundancy costs as a result of the discontinued

The average monthly number of employees during the year was as follows:

	2016 No.	2015 No.
Administration	1	5
Aviation	1	4
Other medical staff	-	3
	<u>2</u>	<u>12</u>

At the 31 December 2016 there were no remaining employees of the company. All employee costs are included in discontinued operations in the statement of comprehensive income.

CEGA AIR AMBULANCE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

11. Directors' remuneration

The directors' emoluments and company contributions to pension schemes are paid by Cega Group Services Limited and no amounts are recharged to the company. Their remuneration, including pension benefits, is deemed to be wholly attributable to their services to other group companies. Accordingly, none of the directors received any remuneration for their services as a director of the company during the year.

12. Tax on loss

	2016 £	2015 £
Deferred tax		
Origination and reversal of timing differences	-	-
Effects of changes in tax rates	-	-
Adjustments in respect of prior years	-	-
Total deferred tax	-	-
Tax on loss	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Loss before tax	(78,109)	(66,339)
Loss multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	(15,622)	(13,434)
Effects of:		
Effect of changes in tax rates	4,439	(4,357)
Effects of Group relief surrendered for nil consideration	11,183	17,791
Total tax charge for the year	-	-

CEGA AIR AMBULANCE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. Tax on loss (continued)

Factors that may affect future tax charges

The main rate of corporation tax will change to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using 17% as this is the period in which the Directors estimate the Company's deferred taxes will be utilized.

13. Tangible assets

	Aircraft Engines	Motor vehicles	Fixtures and fittings	Medical equipment	Aircraft equipment	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2016	-	9,290	418,314	4,680	7,305	439,589
Additions	-	-	1,846	210	-	2,056
Transfers intra group	-	-	-	(4,890)	-	(4,890)
Disposals	-	(9,290)	(3,890)	-	(7,305)	(20,485)
At 31 December 2016	-	-	416,270	-	-	416,270
Accumulated depreciation						
At 1 January 2016	-	1,834	336,858	3,889	-	342,581
Charge for the year	-	-	82,649	-	-	82,649
Transfers intra group	-	-	-	(3,889)	-	(3,889)
Disposals	-	(1,834)	(3,901)	-	-	(5,735)
At 31 December						
2016	-	-	415,606	-	-	415,606
Net book value						
At 31 December						
2016	-	-	664	-	-	664
At 31 December 2015	-	7,456	81,456	791	7,305	97,008

14. Non-current Assets

Non-current assets held for sale at 31 December 2015 relate to 3 aircraft and associated equipment, which were disposed of in the first half of 2016 for consideration of £2,593,300.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. Debtors

	2016 £	2015 £
Trade debtors	11,719	70,465
Amounts owed by group undertakings	5,000	60,779
Other debtors	-	511
Prepayments and accrued income	29,915	81,773
	<u>46,634</u>	<u>213,528</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

16. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>54,592</u>	<u>164,594</u>

17. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	-	42,763
Bank loans	-	284,763
Trade creditors	8,022	230,238
Amounts owed to group undertakings	1,916,978	2,178,635
Other creditors	-	11,210
Accruals and deferred income	141,007	219,110
	<u>2,066,007</u>	<u>2,966,719</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Bank Loans were repaid in full in 2016 following the sale of the aircraft.

18. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	<u>-</u>	<u>1,430,217</u>

Bank Loans were repaid in full in 2016 following the sale of the aircraft.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

19. Deferred taxation

	Deferred Tax £
At 1 January 2016	38,640
Credited to statement of comprehensive income - discontinued operations (note 7)	<u>(38,640)</u>
At 31 December 2016	<u>-</u>

	2016 £	2015 £
Accelerated capital allowances	-	38,745
Short term timing differences	-	(105)
	<u>-</u>	<u>38,640</u>

20. Called up share capital

	2016 £	2015 £
Authorised, allotted, called up and fully paid		
100 (2015: 100) Ordinary shares of £1 (2015: £1) each	<u>100</u>	<u>100</u>

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £1,847 (2015: £7,039).

CEGA AIR AMBULANCE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

22. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	29,263	29,263
Later than 1 year and not later than 5 years	117,052	117,052
Later than 5 years	2,692,196	2,721,459
Total	2,838,511	2,867,774

The lease commitment is in relation to rent payable by the company for the long leasehold property at Bournemouth airport, owned by the company's parent, which runs until 2113.

23. Ultimate parent undertaking and controlling party

At 31 December 2016 the ultimate parent company and controlling party was Charles Taylor Plc, a company incorporated in the United Kingdom. Cega Holdings Limited is the immediate parent company.

Charles Taylor plc is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. The consolidated financial statements of Charles Taylor plc can be obtained from Standard House, 12-13 Essex Street, London, WC2R 3AA.

24. First time adoption of FRS 101

This is the first year that the Company has presented its results under FRS 101. The last Financial Statements prepared under FRS 102 were for the year ended 31 December 2015. The date of transition was 1 January 2015. There are no changes to accounting policies that adjust either the profit for the year ended 31 December 2015, or the total equity at 1 January 2015 and 31 December 2015, between FRS 102 as previously reported and FRS 101 except for the classification of aircraft assets held for sale at 31 December 2015 which were previously shown as part of tangible fixed assets at 31 December 2015. The net book value of this reclassification was £2,693,718.