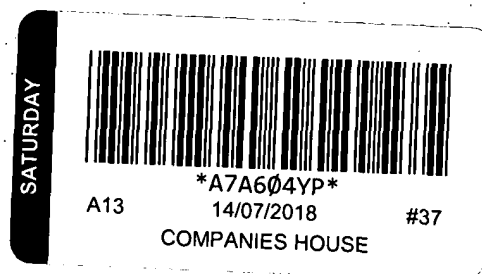


Registered number: 06702675

CEGA AIR AMBULANCE UK LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017



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

The Minster Building
21 Mincing Lane
London
EC3R 7AG

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

CEGA AIR AMBULANCE UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017

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 following the disposal of our own aircraft last 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. The directors consider the financial position of the Company to be satisfactory at the balance sheet date.

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.

Dividends

No interim dividend has been paid (2016: £nil) and the directors do not recommend the payment of a final dividend (2016: £nil)

Financial risk management

The company's operations expose it to a variety of financial risks associated with its business activities. The company monitors such risks in order to limit their adverse effects. The company's exposure to price risk, liquidity risk and interest rate risk are not significant. The company does not use derivative financial instruments.

a) Credit risk

Credit risk arises from cash and cash equivalents held with banks as well as credit exposures to customers. The company undertakes credit checks for new customers and regularly monitors the level of exposure with individual counterparties.

b) Interest rate risk

The Directors regularly monitor the level of any borrowings and interest payments by the company.

Future Developments

CEGA Air Ambulance Limited was established to provide air ambulance services and currently rents out hangar space in Bournemouth to private aircraft. Strategically CEGA Group decided to stop providing air ambulance services through the CEGA Air Ambulance entity, selling its owned air ambulance aircraft and now offers these services through CEGA Group Services Limited. It is likely at some time in the next 24 months it will stop renting hangar space and will then review the need for the CEGA Air Ambulance legal entity.

CEGA AIR AMBULANCE UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 14th June 2018 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 audit of the financial statements

Opinion

In our opinion, Cega Air Ambulance UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet; the statement of comprehensive income, the statement of changes in equity; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

CEGA AIR AMBULANCE UK LIMITED

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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. We have no exceptions to report arising from this responsibility.



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

14 June 2018

CEGA AIR AMBULANCE UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Continuing Operations			
Turnover	5	201,477	353,471
Cost of sales		(168,069)	(269,970)
Gross profit		33,408	83,501
Administrative expenses		(132,794)	(163,356)
Other operating income	6	7,873	1,746
Operating loss	8	(91,513)	(78,109)
Interest payable and similar expenses		-	-
Loss before taxation		(91,513)	(78,109)
Tax on Loss	12	36,596	-
Loss for the financial year from continuing operations		(54,917)	(78,109)
Discontinued Operations			
Profit/(Loss) for the financial year from discontinued operations	7	40,506	(619,280)
Tax on Loss		(7,815)	-
Profit for the financial year - discontinued operations		32,691	(691,280)
Loss for the financial year and total comprehensive expense		(22,226)	(697,389)

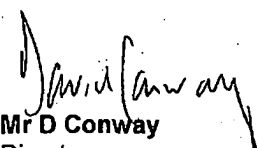
The notes on pages 9 to 22 form part of these financial statements.

CEGA AIR AMBULANCE UK LIMITED**REGISTERED NUMBER:06702675****BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	305	664
		<u>305</u>	<u>664</u>
Current assets			
Debtors	14	73,468	46,634
Cash at bank and in hand	15	1,340	54,592
		<u>74,808</u>	<u>101,226</u>
Creditors: amounts falling due within one year	16	(2,061,456)	(2,066,007)
Net current liabilities		<u>(1,986,648)</u>	<u>(1,964,781)</u>
Total assets less current liabilities		<u>(1,986,343)</u>	<u>(1,964,117)</u>
Creditors: amounts falling due after more than one year		-	-
Provisions for liabilities			
Deferred taxation	17	-	-
		<u>-</u>	<u>-</u>
Net liabilities		<u>(1,986,343)</u>	<u>(1,964,117)</u>
Capital and reserves			
Called up share capital	18	100	100
Profit and loss account		<u>(1,986,443)</u>	<u>(1,964,217)</u>
Total shareholders' deficit		<u>(1,986,343)</u>	<u>(1,964,117)</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 14th June 2018 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 2017**

	Called up share capital £	Profit and loss account £	Total shareholders' deficit £
At 1 January 2017	100	(1,964,217)	(1,964,117)
Comprehensive expense for the year			
Loss for the financial year	-	(22,226)	(22,226)
Total expense for the year	-	(22,226)	(22,226)
At 31 December 2017	100	(1,986,443)	(1,986,343)

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 comprehensive expense for the year	-	(697,389)	(697,389)
At 31 December 2016	100	(1,964,217)	(1,964,117)

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 2017

1. General information

Cega Air Ambulance UK Limited ("The Company") is a private company limited by shares and is incorporated in United Kingdom. The address of the Company's registered office is The Minster Building, 21 Mincing Lane, London, EC3R 7AG.

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.

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, on a going concern basis, under historical cost, 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 as applicable to companies using FRS 101.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Accounting policies (continued)

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 2017 and these financial statements may be obtained from The Minster Building, 21 Mincing Lane, London, EC3R 7AG.

CEGA AIR AMBULANCE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 2017

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.

CÉGA AIR AMBULANCE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017**

5. Turnover

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

	2017	2016
	£	£
Income from fellow group undertakings:		
Hangarage Income	85,708	101,308
Intercompany Revenue	<u>115,769</u>	<u>252,163</u>
	<u>201,477</u>	<u>353,471</u>

6. Other operating income

	2017	2016
	£	£
Other operating income	<u>7,873</u>	<u>1,746</u>

CEGA AIR AMBULANCE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Profit/(Loss) for the financial year from discontinued operations

	2017	2016
	£	£
Discontinued Operations:-		
Turnover	-	389,497
Cost of Sales	<u>40,506</u>	<u>(407,512)</u>
Gross Profit/(Loss)	<u>40,506</u>	<u>(18,015)</u>
Other Income	-	-
Administrative Expenses	-	(581,477)
Operating Profit/(Loss)	<u>40,506</u>	<u>(599,492)</u>
Interest Payable and similar charges	-	(58,428)
Profit /(Loss) on ordinary activities before taxation	<u>40,506</u>	<u>(657,920)</u>
Tax on Profit	(7,815)	38,640
Profit/(Loss) for the financial year	<u>32,691</u>	<u>(619,280)</u>

Interest payable and similar charges in discontinued operations comprises of:

	2017	2016
	£	£
Bank interest payable	-	12,881
Exchange translation of loan balances	<u>-</u>	<u>45,547</u>
	<u>-</u>	<u>58,428</u>

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 2017**

8. Operating loss

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

	2017 £	2016 £
Depreciation of tangible fixed assets	359	82,649
Operating lease rentals	137,102	154,228
Gain on disposal of tangible fixed assets	<u>-</u>	<u>(5,143)</u>

9. Auditors' remuneration

	2017 £	2016 £
Fees payable to the company's auditors and its associates for the audit of the company's financial statements	5,000	5,000
Fees payable to the company's auditors in respect of :		
Tax compliance services	-	-
All other services	-	-

10. Employees

Staff costs for continued and discontinued operations were as follows:

	2017 £	2016 £
Wages and salaries	-	127,849
Social security costs	-	12,703
Other pension costs	-	1,847
	<u>-</u>	<u>142,399</u>

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

	2017 No.	2016 No.
Administration	-	1
Aviation	-	1
Other medical staff	-	-
	<u>-</u>	<u>2</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 in 2016.

CEGA AIR AMBULANCE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	(27,227)	-
Adjustments in respect of prior years	-	-
Total current tax	(27,227)	-
Deferred Tax		
Adjustments in respect of prior year	(9,369)	-
Tax on loss	(36,596)	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%). The differences are explained below:

	2017 £	2016 £
Loss before taxation	(91,513)	(78,109)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)	(17,616)	(15,622)
Effects of:		
Effect of changes in tax rates	-	4,439
Expenses not deductible for tax purposes	849	-
Transfer Pricing Adjustment for imputed interest	(10,460)	-
Adjustments in respect of prior years	(9,369)	-
Effects of Group relief surrendered for nil consideration	-	11,183
Total tax credit for the year	(36,596)	-

Factors that may affect future tax charges

The main rate of corporation tax will change 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.

CEGA AIR AMBULANCE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. Tangible Assets

	Fixtures and Fittings
Cost or valuation	
At 1 January 2017	416,270
Additions	-
Disposals	(3,922)
At 31 December 2017	<u>412,348</u>
Accumulated depreciation	
At 1 January 2017	415,606
Charge for the year	359
Disposals	(3,922)
At 31 December 2017	<u>412,043</u>
Net Book Value	
At 31 December 2017	<u><u>305</u></u>
At 31 December 2016	<u><u>664</u></u>

CEGA AIR AMBULANCE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. Debtors

	2017 £	2016 £
Trade debtors	9,439	11,719
Amounts owed by group undertakings	19,412	5,000
Deferred Tax	9,369	-
Prepayments and accrued income	35,248	29,915
	<u>73,468</u>	<u>46,634</u>

15. Cash at bank and in hand

	2017 £	2016 £
Cash at bank and in hand	<u>1,340</u>	<u>54,592</u>

16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	-	-
Bank loans	-	-
Trade creditors	19,662	8,022
Amounts owed to group undertakings	1,979,618	1,916,978
Other creditors	-	-
Accruals and deferred income	62,176	141,007
	<u>2,061,456</u>	<u>2,066,007</u>

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

CEGA AIR AMBULANCE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. Deferred taxation

	Deferred Tax £
At 1 January 2017	-
Credit to profit and loss	<u>9,369</u>
At 31 December 2017	<u>9,369</u>

	2017 £	2016 £
Accelerated capital allowances	9,369	-
Short term timing differences	-	-
	<u>9,369</u>	<u>-</u>

18. Called up share capital

	2017 £	2016 £
Authorised, allotted, called up and fully paid		
100 (2016: 100) Ordinary shares of £1 (2016: £1) each	<u>100</u>	<u>100</u>

19. 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 £Nil (2016: £1,847).

CEGA AIR AMBULANCE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

20. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
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	2,662,933	2,692,196
Total	2,809,248	2,838,511

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.

21. Ultimate parent undertaking and controlling party

At 31 December 2017 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 The Minster Building, 21 Mincing Lane, London, EC3R 7AG.