

Airways Aero Associations Limited

Financial Statements

for the Year Ended 31 December 2015



Airways Aero Associations Limited

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Airways Aero Associations Limited

Company Information

Directors S J A Brown (Managing Director)
C E W Peel
D E S Sarney
A M Sarney
S J Atkins

Company secretary S A Bonney

Registered office Wycombe Air Park Booker
Marlow
Buckinghamshire
SL7 3DP

Auditors Hawsons Chartered Accountants
Jubilee House
32 Duncan Close
Moulton Park
Northampton
NN3 6WL

Airways Aero Associations Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Airways Aero Associations Limited

(Registration number: 00447296) Statement of Financial Position as at 31 December 2015

		2015	(As restated)
	Note	£	2014
			£
Non-Current Assets			
Intangible assets	7	5,993	8,759
Property, Plant and Equipment	8	<u>514,744</u>	<u>417,861</u>
		<u>520,737</u>	<u>426,620</u>
Current assets			
Inventories	9	134,525	56,340
Debtors	10	356,000	387,776
Cash at bank and in hand		<u>37,943</u>	<u>39,924</u>
		528,468	484,040
Creditors: Amounts falling due within one year	11	<u>(759,678)</u>	<u>(655,025)</u>
Net current liabilities		<u>(231,210)</u>	<u>(170,985)</u>
Total assets less current liabilities		289,527	255,635
Creditors: Amounts falling due after more than one year	11	(123,750)	(178,750)
Provisions for liabilities		<u>(74,163)</u>	<u>(71,342)</u>
Net assets		<u>91,614</u>	<u>5,543</u>
Equity			
Called up share capital	12	100	100
Revaluation reserve		104,631	118,951
Retained earnings		<u>(13,117)</u>	<u>(113,508)</u>
Total equity		<u>91,614</u>	<u>5,543</u>

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the profit and loss account has been taken.

Approved and authorised by the Board and signed on its behalf by:



S J A Brown (Managing Director)
Managing Director

14 September 2016

Airways Aero Associations Limited

Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Revaluation reserve £	Retained earnings £	Total £
At 1 January 2015	100	118,951	(113,508)	5,543
Profit for the year	-	-	82,928	82,928
Other comprehensive income	-	3,143	-	3,143
Transfer of excess depreciation on revalued assets	-	(17,463)	17,463	-
At 31 December 2015	<u>100</u>	<u>104,631</u>	<u>(13,117)</u>	<u>91,614</u>

	Share capital £	Revaluation reserve £	Retained earnings £	Total £
At 1 March 2014	100	123,027	(70,234)	52,893
Loss for the period	-	-	(49,708)	(49,708)
Other comprehensive income	-	2,358	-	2,358
Transfer of excess depreciation on revalued assets	-	(6,434)	6,434	-
At 31 December 2014	<u>100</u>	<u>118,951</u>	<u>(113,508)</u>	<u>5,543</u>

Airways Aero Associations Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with the Financial Reporting Standard 102. The comparatives for the period ended 31 December 2014 have been restated for the effects of adopting FRS 102. The impact on the financial statements has been summarised in Note 12 of these accounts.

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified by revaluation of certain assets except that, as disclosed in the accounting policies, certain items are shown at fair value.

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Disclosure of short period

As a result of a change in the accounting reference date, the 2014 financial statements were presented for a period of 9 months. The current year financial statements are presented for a period of 12 months, therefore they are not entirely comparable.

Revenue recognition

Revenue represents sales to external customers at invoiced amounts less value added tax on sales. Revenue is recognised when the risks and rewards of owning the goods has passed to the customer.

Goodwill

Positive goodwill is capitalised, classified as an asset on the Statement of Financial Position and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Tax

Current or deferred tax for the year is recognised in the Statement of Comprehensive Income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Goodwill	20% straight line
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Airways Aero Associations Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Short leasehold property	5-27 years straight-line or period of lease
Plant & machinery	4-10 years straight-line
Fixtures, fittings & equipment	3-5 years straight-line
Aircraft	5 years straight-line

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the Statement of Financial Position. All exchange differences are included in the Statement of Comprehensive Income.

Leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

2 Operating profit

Arrived at after charging:

	2015	(As restated) 1 March 2014 to 31 December 2014
	£	£
Operating lease rentals	176,479	125,224
Auditors remuneration	8,484	5,850
Depreciation of tangible fixed assets	54,260	99,841
Amortisation	2,766	2,305
	<u>241,989</u>	<u>333,220</u>

Airways Aero Associations Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

3 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2015	2014
	£	£
Wages and salaries	<u>877,917</u>	<u>872,696</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2015	2014
	No.	No.
Production	8	5
Administration and support	3	-
Research and development	24	23
Sales, marketing and distribution	<u>24</u>	<u>22</u>
	<u>59</u>	<u>50</u>

4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015	2014
	£	£
Remuneration	<u>104,853</u>	<u>-</u>

5 Interest payable and similar charges

	2015	2014
	£	£
Interest expense on other finance liabilities	<u>17,006</u>	<u>15,644</u>

Airways Aero Associations Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

6 Income tax

Tax (credited)/charged in the income statement

		(As restated) 1 March 2014 to 31 December 2014
	2015	2014
	£	£
Deferred taxation		
Arising from origination and reversal of timing differences	<u>5,964</u>	<u>40,605</u>
Deferred tax		
Deferred tax assets and liabilities		Liability
2015		£
Revaluation of plant and equipment		29,253
Accelerated tax depreciation		<u>44,910</u>
		<u>74,163</u>
2014		Liability
Revaluation of plant and equipment		26,111
Accelerated tax depreciation		<u>45,231</u>
		<u>71,342</u>

There are £567,569 of unused tax losses (2014 - £660,789) for which no deferred tax asset is recognised in the Statement of Financial Position.

Airways Aero Associations Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

7 Intangible assets

	Goodwill £
Cost	
At 1 January 2015	13,830
At 31 December 2015	<u>13,830</u>
Amortisation	
At 1 January 2015	5,071
Amortisation charge	<u>2,766</u>
At 31 December 2015	<u>7,837</u>
Net book value	
At 31 December 2015	<u>5,993</u>
At 31 December 2014	<u>8,759</u>

8 Property, Plant and Equipment

	Short leasehold property £	Aircraft £	Fixtures and fittings £	Plant and machinery £	Total £
Cost or valuation					
At 1 January 2015	1,908,832	305,144	6,761	210,999	2,431,736
Additions	<u>32,848</u>	<u>116,211</u>	<u>2,084</u>	-	<u>151,143</u>
At 31 December 2015	<u>1,941,680</u>	<u>421,355</u>	<u>8,845</u>	<u>210,999</u>	<u>2,582,879</u>
Depreciation					
At 1 January 2015	1,908,832	49,114	3,876	52,053	2,013,875
Charge for the year	<u>6,570</u>	<u>7,086</u>	<u>2,093</u>	<u>38,511</u>	<u>54,260</u>
At 31 December 2015	<u>1,915,402</u>	<u>56,200</u>	<u>5,969</u>	<u>90,564</u>	<u>2,068,135</u>
Carrying amount					
At 31 December 2015	<u>26,278</u>	<u>365,155</u>	<u>2,876</u>	<u>120,435</u>	<u>514,744</u>
At 31 December 2014	<u>-</u>	<u>256,030</u>	<u>2,885</u>	<u>158,946</u>	<u>417,861</u>

Airways Aero Associations Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

9 Inventories

	2015 £	2014 £
Inventories	<u>134,525</u>	<u>56,340</u>

10 Debtors

	2015 £	2014 £
Trade debtors	145,617	165,774
Other debtors	<u>210,383</u>	<u>222,002</u>
	<u>356,000</u>	<u>387,776</u>

11 Creditors

	2015 £	2014 £
Due within one year		
Trade creditors	155,589	93,186
Amounts owed to group undertakings	34,981	23,837
Other taxes and social security	67,114	43,245
Other creditors	<u>501,994</u>	<u>494,757</u>
	<u>759,678</u>	<u>655,025</u>
Due after one year		
Other creditors	<u>123,750</u>	<u>178,750</u>

Included within other creditors is a loan of £178,750 from Silton Investments Limited. This loan is secured by way of a fixed charge over the aircraft owned by the company including all the rights, title, interest and benefit in and to them.

On 29 April 2015 the company entered into a cross-guarantee with its fellow subsidiary Heli Air Limited, in favour of Barclays Bank PLC, as security for the liabilities of both companies. The guarantee is secured by way of a fixed and floating charge over the assets of both companies.

12 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Airways Aero Associations Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

13 Related party transactions

The company is a wholly-owned subsidiary of British European Aviation Limited and utilises the exemption contained in Financial Reporting Standard 102 'Related Party Disclosures' not to disclose any transactions with wholly-owned entities that are part of the group.

Other related party transactions

During the year the company made the following related party transactions:

Sabretooth Investments Limited

A company controlled by Charles Peel and his family.

The company paid interest to Sabretooth Investments Limited of £2,455 in respect of a loan advanced in the prior period. At the statement of financial position date the amount due to Sabretooth Limited was £25,000 (2014 - £50,000).

Silton Investments Limited

A company controlled by Charles Peel and his family.

The company paid interest to Silton Investments Limited of £17,408 in respect of a loan advanced in the prior period. At the statement of financial position date the amount due to Silton Investments Limited was £178,750 (2014 - £233,750).

14 Control

The company is controlled by British European Aviation Limited who own 100% of the called up share capital.

Airways Aero Associations Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

15 Transition to FRS 102

The company has elected to use its most recent valuation as at 1 March 2014 as the deemed cost for certain fixed assets include in plant and machinery at that date. Deferred tax has been provided on the unrealised gain on revaluation arising as at the transition date.

Statement of Financial Position at 1 March 2014

	As originally reported £	Reclassification £	Remeasurement £	As restated £
Non-Current Assets				
Intangible assets	11,064	-	-	11,064
Property, Plant and Equipment	57,528	-	151,495	209,023
	<u>68,592</u>	<u>-</u>	<u>151,495</u>	<u>220,087</u>
Current assets				
Inventories	88,699	-	-	88,699
Debtors	374,444	-	-	374,444
Cash at bank and in hand	47,033	-	-	47,033
	510,176	-	-	510,176
Creditors: Amounts falling due within one year	(644,275)	-	-	(644,275)
Net current liabilities	<u>(134,099)</u>	<u>-</u>	<u>-</u>	<u>(134,099)</u>
Total assets less current liabilities	(65,507)	-	151,495	85,988
Provisions for liabilities	-	-	(33,095)	(33,095)
Net (liabilities)/assets	<u>(65,507)</u>	<u>-</u>	<u>118,400</u>	<u>52,893</u>
Equity				
Called up share capital	(100)	-	-	(100)
Revaluation reserve	-	-	(123,027)	(123,027)
Retained earnings	65,607	-	4,627	70,234
Total equity	<u>65,507</u>	<u>-</u>	<u>(118,400)</u>	<u>(52,893)</u>

Airways Aero Associations Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

Statement of Financial Position at 31 December 2014

	As originally reported £	Reclassification £	Remeasurement £	As restated £
Non-Current Assets				
Intangible assets	8,759	-	-	8,759
Property, Plant and Equipment	272,800	-	145,061	417,861
	<u>281,559</u>	<u>-</u>	<u>145,061</u>	<u>426,620</u>
Current assets				
Inventories	56,340	-	-	56,340
Debtors	387,776	-	-	387,776
Cash at bank and in hand	39,924	-	-	39,924
	<u>484,040</u>	<u>-</u>	<u>-</u>	<u>484,040</u>
Creditors: Amounts falling due within one year	<u>(655,025)</u>	<u>-</u>	<u>-</u>	<u>(655,025)</u>
Net current liabilities	<u>(170,985)</u>	<u>-</u>	<u>-</u>	<u>(170,985)</u>
Total assets less current liabilities	110,574	-	145,061	255,635
Creditors: Amounts falling due after more than one year	(178,750)	-	-	(178,750)
Provisions for liabilities	-	-	(71,342)	(71,342)
Net (liabilities)/assets	<u>(68,176)</u>	<u>-</u>	<u>73,719</u>	<u>5,543</u>
Equity				
Called up share capital	(100)	-	-	(100)
Revaluation reserve	-	-	(118,951)	(118,951)
Retained earnings	68,276	-	45,232	113,508
Total equity	<u>68,176</u>	<u>-</u>	<u>(73,719)</u>	<u>(5,543)</u>

Airways Aero Associations Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

Statement of Comprehensive Income for the period from 1 March 2014 to 31 December 2014

	As originally reported £	Reclassification £	Remeasurement £	As restated £
Revenue	2,947,553	-	-	2,947,553
Cost of sales	<u>(1,622,614)</u>	-	-	<u>(1,622,614)</u>
Gross profit	1,324,939	-	-	1,324,939
Administrative expenses	<u>(1,311,964)</u>	-	<u>(6,434)</u>	<u>(1,318,398)</u>
Operating profit/(loss)	<u>12,975</u>	-	<u>(6,434)</u>	<u>6,541</u>
Interest payable and similar charges	<u>(15,644)</u>	-	-	<u>(15,644)</u>
	<u>(15,644)</u>	-	-	<u>(15,644)</u>
Loss before tax	(2,669)	-	(6,434)	(9,103)
Taxation	-	-	<u>(40,605)</u>	<u>(40,605)</u>
Loss for the financial year	<u>(2,669)</u>	-	<u>(47,039)</u>	<u>(49,708)</u>

16 Disclosure under Section 444(5B) CA 2006 relating to the Independent Auditor's Report

As permitted by Section 444 CA 2006, these accounts do not contain a copy of the company's profit and loss account for the year or a copy of the directors' report. Accordingly, the independent auditors' report has also been omitted.

The independent auditors' report opinion has been qualified arising from disagreement about accounting treatment. During the year an additional amount of stock to the value of £103,942 was discovered during the Airways Aero Associations Limited stock take at 31 December 2015. The board have made the decision to recognise this value at the original purchase price where they are happy that the parts are valued at the lower of cost and net realisable value. However as the business was only purchased recently it has not been possible to trace the original payments or invoices for this stock, and therefore the auditors would not normally advise that the stock be revalued upwards. However the board have made the decision to include the additional stock at cost due to there being no known payments outstanding against the stock, and in wanting the accounts to accurately reflect the value to the business. In the auditor's opinion, this does not reflect an appropriate valuation method of stock as at the reporting date and the adjustment should be reversed, reducing profit before tax and net assets by that amount.

The audit report's opinion has been qualified arising from limitation in audit scope. The auditors have been unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2015 due to a limitation of evidence available. Due to the bespoke nature of the two fire trucks owned by the company and despite the board obtaining an independent valuation, the auditors have not obtained all the information and explanations that they considered necessary for the purpose of their audit work on the revaluation of these items, which are included within the plant and machinery category of fixed assets.

The company's auditors are Hawsons Chartered Accountants, and David Owens is the senior statutory auditor.