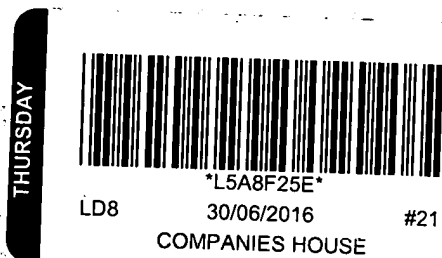


**AIR AND CARGO SERVICES  
LIMITED**

**FINANCIAL STATEMENTS  
YEAR ENDED 30 SEPTEMBER 2015**



**RPG CROUCH CHAPMAN LLP**  
Chartered Accountants  
62 Wilson Street  
London  
EC2A 2BU

## **AIR AND CARGO SERVICES LIMITED**

### **COMPANY INFORMATION**

#### **DIRECTORS**

R. E. C. McCarthy  
R. A. Winmill  
K. D. McLean  
M. J. Campbell-Webster  
C. D. Aspital

#### **COMPANY SECRETARY**

R. A. Winmill

#### **REGISTERED NUMBER**

00401523

#### **REGISTERED OFFICE**

Air and Cargo Services Limited  
Unit 24 Cobham Way  
Crawley  
Sussex  
RH10 9RX

#### **INDEPENDENT AUDITORS**

RPG Crouch Chapman LLP  
Chartered Accountants & Registered Auditors  
62 Wilson Street  
London  
EC2A 2BU

#### **BANKERS**

Barclays Bank Plc  
1 Churchill Place  
London  
E14 5HP

## **AIR AND CARGO SERVICES LIMITED**

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## **AIR AND CARGO SERVICES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015**

The directors present their report and the audited financial statements for the year ended 30 September 2015.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic report, 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 (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

#### **DIVIDENDS**

As at 30th September 2015, the directors' declared a dividend of £447,500 (2014: £1,240,000).

#### **DIRECTORS**

The directors who served during the year were:

R. E. C. McCarthy  
R. A. Winmill  
K. D. McLean  
M. J. Campbell-Webster  
C. D. Aspital

The Secretary who held office during the year was R. A. Winmill.

#### **EVENTS SINCE THE END OF THE YEAR**

There have been no significant events since the year end which require disclosure in the accounts.

**AIR AND CARGO SERVICES LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2015  
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.

**AUDITORS**

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

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

**R. A. Winmill**  
Director

*R. A. Winmill*

Date: *29th June 2016*

Air and Cargo Services Limited  
Unit 24 Cobham Way  
Crawley  
Sussex  
RH10 9RX

## **AIR AND CARGO SERVICES LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015**

The directors present their strategic report on the company for the year ended 30 Sept 2015.

#### **BUSINESS REVIEW**

The performance of the Company during 2015 has produced encouraging results.

Our UK based business has grown with the acquisition of the business of AFS Worldwide Limited and share purchase of ACE Inc in the UK and The United States respectively.

The company has and will continue to expand in 2016 with further acquisitions.

The company will continue to consolidate its position and concentrate its efforts on achieving maximum growth in its existing market segments.

In addition the company constantly reviews its cost base to enhance profitability, as can be seen in the financial statements.

#### **KEY PERFORMANCE INDICATORS**

We have made significant progress throughout the year in relation to key elements of our strategy. The Board monitors the progress of the Company by reference to the following KPIs:

	<b>2015</b>	<b>2014</b>
Turnover	60.55m	56.13m
Gross profit margin	9.4 %	9.0%
Operating profit / (loss)	313,703	495,896

The directors are pleased to report an 18% increase in turnover. In addition to the increase in turnover, gross profit margins have been maintained at a reasonable level and operating profit margins have improved as operating costs have remained stable which has resulted from cost cutting strategies.

#### **PRINCIPLES RISKS AND CERTAINTIES**

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the Company and the board and management team take on an important oversight role in this regard.

The Company has developed a framework for identifying the risks that each business sector, and the Company as a whole, is exposed to and their impact on the company's financial position. This process is managed by the Company Finance Department to establish our capital requirements and to ensure we have the financial strength, capital adequacy and liquidity to support the growth of the business.

The principal risks to our business arise from inaccurate job costing, exchange rate fluctuations and the very competitive nature of the industry.

**AIR AND CARGO SERVICES LIMITED**

STRATEGIC REPORT (continued)  
FOR THE YEAR ENDED 30 SEPTEMBER 2015

**FUTURE DEVELOPMENTS**

The UK economy strengthened in 2015, from which the Company has benefited. However, the risks to UK economic growth remain significant and future prospects may be influenced by developments in the global economy.

The Company will continue to consolidate its position within existing market sectors and look to increase its presence in new markets during 2016 as opportunities arise.

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

**R. A. Winmill**  
Director

R. A. Winmill

Date:

29th June 2016

## **AIR AND CARGO SERVICES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIR AND CARGO SERVICES LIMITED**

We have audited the financial statements of Air and Cargo Services Limited for the year ended 30 September 2015, set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' responsibilities statement, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' 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.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



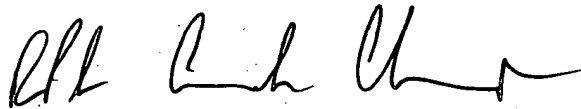
**AIR AND CARGO SERVICES LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIR AND CARGO SERVICES LIMITED**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



RPG Crouch Chapman LLP

Chartered Accountants  
Registered Auditors

62 Wilson Street  
London  
EC2A 2BU

Date:

30<sup>th</sup> June 2016

# AIR AND CARGO SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 £	2014 £
TURNOVER	1,2	60,548,669	56,127,108
Cost of sales		<u>(54,863,604)</u>	<u>(51,055,797)</u>
GROSS PROFIT		5,685,065	5,071,311
Administrative expenses		(5,431,117)	(4,649,159)
Other operating income	3	<u>59,755</u>	<u>73,744</u>
OPERATING PROFIT	4	313,703	495,896
Income from investments		-	4,265
Interest receivable and similar income		268	277
Interest payable and similar charges	7	<u>(8,687)</u>	<u>(5,382)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		305,284	495,056
Tax on profit on ordinary activities	8	<u>(80,966)</u>	<u>(120,093)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		224,318	374,963
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		1,583,322	2,448,359
Dividends: Equity capital		<u>(447,500)</u>	<u>(1,240,000)</u>
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		<u><u>1,360,140</u></u>	<u><u>1,583,322</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 9 to 19 form part of these financial statements.

**AIR AND CARGO SERVICES LIMITED**  
**REGISTERED NUMBER: 00401523**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Intangible assets	9		321,293		86,543
Tangible assets	10		191,679		167,104
Investments	11		259,614		2,930
			<u>772,586</u>		<u>256,577</u>
<b>CURRENT ASSETS</b>					
Stocks	12	4,001		2,270	
Debtors: amounts falling due after more than one year	13	2,392,579		2,396,977	
Debtors: amounts falling due within one year	13	5,892,284		5,303,053	
Investments	14	15,680		47,474	
Cash at bank and in hand		173,000		286,774	
		<u>8,477,544</u>		<u>8,036,548</u>	
CREDITORS: amounts falling due within one year	15	(7,766,156)		(6,578,621)	
<b>NET CURRENT ASSETS</b>			<u>711,388</u>		<u>1,457,927</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,483,974</u>		<u>1,714,504</u>
CREDITORS: amounts falling due after more than one year	16		-		(13,440)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	17		(23,834)		(17,742)
<b>NET ASSETS</b>			<u>1,460,140</u>		<u>1,683,322</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		100,000		100,000
Profit and loss account	19		1,360,140		1,583,322
<b>SHAREHOLDERS' FUNDS</b>	20		<u>1,460,140</u>		<u>1,683,322</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on *29th June, 2016*

**R. A. Winmill**  
 Director

*R. A. Winmill*

The notes on pages 9 to 19 form part of these financial statements.

## AIR AND CARGO SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards. A summary of the important policies, which have been applied consistently, is set out below:

##### Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### Turnover

Turnover comprises revenue recognised by the company in respect of freight forwarding services to clients and disbursements made on their behalf, exclusive of Value Added Tax and trade discounts. Included within these disbursements are charges for customs duty and import value added tax, which amounts to £38,475,598 (2014 - £35,144,663).

##### Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

##### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	10% on cost
Plant & machinery	-	20% on cost
Motor vehicles	-	25% on cost

## **AIR AND CARGO SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015**

#### **1. ACCOUNTING POLICIES (continued)**

##### **Assets and businesses held for sale**

Investments held as fixed assets are shown at cost less provision for impairment.

Available-for-sale financial assets including investments in privately-held companies that are not associates, and do not have a quoted market price in an active market and whose fair value could not be reliably determined, are carried at cost.

Fair value changes on assets held for sale are recognised directly in equity, through the statement of changes in equity.

Assets and businesses are classified as held for sale if their carrying amount will be recovered or settled principally through a sale transaction rather than through continuing use. The asset or business must be available for immediate sale and the sale must be highly probable within one year.

##### **Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the earlier of the rent review date or the lease term.

Benefits received and receivable (i.e. rent free period or contribution to tenant costs) as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

##### **Stocks**

Stocks of timber are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs expected to be incurred in the sale. Provision is made for obsolete and slow moving items.

##### **Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

## AIR AND CARGO SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 1. ACCOUNTING POLICIES (continued)

##### Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

##### Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

##### Consolidated financial statements

The financial statements contain information about Air and Cargo Services Limited as an individual company and do not contain consolidated financial information as the parent of a group.

#### 2. TURNOVER

An analysis of turnover by location is as follows:

	2015 £	2014 £
United Kingdom	56,484,525	52,943,405
United States	1,573,031	1,922,291
Hong Kong	2,491,113	1,261,412
	<u>60,548,669</u>	<u>56,127,108</u>

#### 3. OTHER OPERATING INCOME

	2015 £	2014 £
Rent receivable	<u>59,755</u>	<u>73,744</u>

# AIR AND CARGO SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 4. OPERATING PROFIT

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

	2015 £	2014 £
Amortisation - intangible fixed assets	48,976	-
Depreciation of tangible fixed assets:		
- owned by the company	62,736	62,849
Auditors' remuneration	15,000	12,060
Operating lease rentals:		
- other operating leases	270,929	248,269
Difference on foreign exchange	(91,003)	18,030
	<u>          </u>	<u>          </u>

### 5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	2,748,897	2,197,139
Social security costs	306,767	275,737
Other pension costs	64,230	34,364
	<u>          </u>	<u>          </u>
	<u>3,119,894</u>	<u>2,507,240</u>

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

	2015 No.	2014 No.
Directors	5	5
Administration	60	54
	<u>          </u>	<u>          </u>
	<u>65</u>	<u>59</u>

### 6. DIRECTORS' REMUNERATION

	2015 £	2014 £
Remuneration	<u>214,382</u>	<u>154,667</u>
Pension contributions	<u>3,440</u>	<u>3,337</u>

During the year retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £120,937 (2014 - £120,534).

# AIR AND CARGO SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 7. INTEREST PAYABLE

	2015 £	2014 £
Other interest payable	<u>8,687</u>	<u>5,382</u>

### 8. TAXATION

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	74,874	124,666
Deferred tax (see note 17)		
Origination and reversal of timing differences	<u>6,092</u>	<u>(4,573)</u>
Tax on profit on ordinary activities	<u>80,966</u>	<u>120,093</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.5% (2014 - 22%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>305,284</u>	<u>495,056</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2014 - 22%)	62,583	109,001
Effects of:		
Expenses not deductible for tax purposes	9,858	16,550
Capital allowances for year in excess of depreciation	(5,119)	157
Adjustments to tax charge in respect of prior periods	(1,431)	-
Other timing differences leading to an increase (decrease) in taxation	9,534	-
Dividends from UK companies	(391)	(1,042)
Other differences leading to an increase (decrease) in the tax charge	(5)	-
Marginal relief	(155)	-
Current tax charge for the year (see note above)	<u>74,874</u>	<u>124,666</u>

On 1 April 2015 the standard rate of corporation tax reduced from 21% to 20%. The effective rate of corporation tax for the year ended 30 September 2015 was 20.5%.



# AIR AND CARGO SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 8. TAXATION (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

### 9. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 October 2014	86,543
Additions	283,726
At 30 September 2015	<u>370,269</u>
Amortisation	
At 1 October 2014	-
Charge for the year	48,976
At 30 September 2015	<u>48,976</u>
Net book value	
At 30 September 2015	<u>321,293</u>
At 30 September 2014	<u>86,543</u>

### 10. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Total £
Cost				
At 1 October 2014	269,251	534,891	25,207	829,349
Additions	7,461	80,127	-	87,588
At 30 September 2015	<u>276,712</u>	<u>615,018</u>	<u>25,207</u>	<u>916,937</u>
Depreciation				
At 1 October 2014	211,444	429,906	20,895	662,245
Charge for the year	11,338	50,607	1,068	63,013
At 30 September 2015	<u>222,782</u>	<u>480,513</u>	<u>21,963</u>	<u>725,258</u>
Net book value				
At 30 September 2015	<u>53,930</u>	<u>134,505</u>	<u>3,244</u>	<u>191,679</u>
At 30 September 2014	<u>57,807</u>	<u>104,985</u>	<u>4,312</u>	<u>167,104</u>

# AIR AND CARGO SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 11. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2014	2,930
Additions	256,684
At 30 September 2015	<u>259,614</u>
Net book value	
At 30 September 2015	<u>259,614</u>
At 30 September 2014	<u>2,930</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Air and Cargo Services Perishables Inc (Registered in The United States) - Dormant company	Ordinary shares	80%
Air and Cargo Services HK Limited (Registered in Honk Kong) - Dormant company	Ordinary shares	80%
Air and Cargo Services Scotland Limited (Registered in Scotland) - Dormant company	Ordinary shares	80%
Air and Cargo Services Atlanta LLC	Corporate Partner	80%
Air and Cargo Services Inc (Registered in The United States) - acquired by Air and Cargo Services Atlanta LLC (see above) on 1 May 2015	Ordinary shares	100%

The aggregate of the share capital and reserves as at 30 September 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves US\$/HK\$/£	Profit/(loss) US\$/HK\$/£
Air and Cargo Services Perishables Inc (Registered in The United States) - Dormant company	100	-
Air and Cargo Services HK Limited (Registered in Honk Kong) - Dormant company	100	-
Air and Cargo Services Scotland Limited (Registered in Scotland) - Dormant company	100	-
Air and Cargo Services Atlanta LLC	-	-
Air and Cargo Services Inc (Registered in The United States) - acquired by Air and Cargo Services Atlanta LLC (see above) on 1 May 2015	<u>237,595</u>	<u>(87,405)</u>

# AIR AND CARGO SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 12. STOCKS

	2015 £	2014 £
Timber stock	<u>4,001</u>	<u>2,270</u>

### 13. DEBTORS

	2015 £	2014 £
Due after more than one year		
Amounts owed by group undertaking	<u>2,392,579</u>	<u>2,396,977</u>
Due within one year		
Trade debtors	4,796,705	4,465,462
Amounts owed by group undertakings	352,300	-
Value added tax	35,594	28,257
Other debtors	481,401	574,542
Prepayments and accrued income	226,284	234,792
	<u>5,892,284</u>	<u>5,303,053</u>

The amount owed by the parent company has no fixed date for repayment and is non-interest bearing.

Included within other debtors is -£888 (2014 - £11,479) relating to directors' loan accounts. Directors' loan accounts are non interest bearing with no fixed date for repayment.

### 14. CURRENT ASSET INVESTMENTS

	2015 £	2014 £
At cost - Unlisted investments	<u>15,680</u>	<u>47,474</u>

Included within current asset investments is £15,680 (2014: £47,474) relating to assets Held for Sale.

The assets Held for Sale were disposed off in March 2015 for £31,794. The directors do not consider the difference in fair value to be material.

# AIR AND CARGO SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 15. CREDITORS:

Amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts	17,325	70,139
Trade creditors	5,342,754	4,877,204
Corporation tax	76,304	125,713
Other taxation and social security	83,599	74,304
Advances under invoice discounting facility	1,843,425	1,133,205
Other creditors	182,359	181,184
Accruals and deferred income	220,390	116,872
	<u>7,766,156</u>	<u>6,578,621</u>

The bank overdraft facility is personally secured by the shareholders of the company up to the value of £200,000.

Air and Cargo Services Limited is party to a cross guarantee arrangement with Air and Cargo Services (Holdings) Limited, its parent company, and all subsidiary undertakings in Barclays Bank Plc's standard form by way of debenture over the assets of all group companies.

### 16. CREDITORS:

Amounts falling due after more than one year

	2015 £	2014 £
Bank loans	<u>-</u>	<u>13,440</u>

### 17. DEFERRED TAXATION

	2015 £	2014 £
At beginning of year	17,742	22,315
Charge for/(released during) year (P&L)	6,092	(4,573)
At end of year	<u>23,834</u>	<u>17,742</u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>23,834</u>	<u>17,742</u>

# AIR AND CARGO SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 18. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid 100,000 Ordinary shares shares of £1 each	<u>100,000</u>	<u>100,000</u>

### 19. RESERVES

	Profit and loss account £
At 1 October 2014	1,583,322
Profit for the year	224,318
Dividends: Equity capital	(447,500)
At 30 September 2015	<u>1,360,140</u>

### 20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	1,683,322	2,548,359
Profit for the financial year	224,318	374,963
Dividends (Note 21)	(447,500)	(1,240,000)
Closing shareholders' funds	<u>1,460,140</u>	<u>1,683,322</u>

### 21. DIVIDENDS

	2015 £	2014 £
Dividends paid on equity capital	<u>447,500</u>	<u>1,240,000</u>

### 22. 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 to the fund and amounted to £64,230 (2014 - £34,364). Contributions totalling £19,269 (2014 - £12,696) were payable to the fund at the balance sheet date and are included in creditors.

## AIR AND CARGO SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 23. OPERATING LEASE COMMITMENTS

At 30 September 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2015 £	Other 2014 £
	2015 £	2014 £		
Expiry date:				
Within 1 year	40,000	-	8,711	37,092
Between 2 and 5 years	2,000	40,000	60,298	42,224
After more than 5 years	122,535	122,535	-	4,692

#### 24. FUTURE COMMITMENTS

The company is not committed to any future commitments other than those already disclosed in the financial statements.

#### 25. RELATED PARTY TRANSACTIONS

During the year Air and Cargo Services Limited paid consultancy fees of £62,571 (2014 - £55,300) to Executive Flight Services (Gatwick) Limited a company in which Mr P. Shotter, Director (resigned 31 January 2014), has a 20% shareholding.

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

#### 26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Air & Cargo Services Limited is wholly owned by Air & Cargo Services (Holdings) Limited, a company registered in England and Wales.

The shareholders of Air & Cargo Services (Holdings) Limited are the ultimate owners of Air & Cargo Services Limited. The ultimate parent company is controlled collectively by its shareholders with no one party having overall control.