
Aero24 Ltd

Annual report and financial statements

For the year ended 30 April 2017

Registered Number 02208787

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Directors' Report

The directors present their report and audited financial statements of Aero24 Ltd ('the Company') for the year ended 30 April 2017.

Principal activities

The principal activity of the Company is the provision of contact centre outsourced solutions to the travel industry in the UK and Europe, as part of a global network of associated companies in the USA and South Africa.

Proposed dividend

The directors do not propose the payment of a dividend (2016: £nil).

Directors

The directors who held office during the year, and subsequent to the year end, were as follows:

C R Evans
M R Hampton

Financial instruments

The Company's principal financial instruments comprise cash, debtors and creditors arising in the normal course of business. The main financial risks to which the Company is exposed include liquidity and cash flow risk. These risks are managed by ensuring sufficient liquidity is available to meet liabilities as they fall due.

Small company provisions

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

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the board on 19 October 2017 and signed on its behalf.



M R Hampton
Director

Cutlers Exchange
123 Houndsditch
London, EC3A 7BU

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 (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 and 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; 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Aero24 Limited

We have audited the financial statements of Aero24 Ltd for the year ended 30 April 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. 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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities set out on page 2, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 April 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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

Independent auditor's report to the members of Aero24 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing a Directors' Report.



Richard Hagley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
19 October 2017

Statement of Comprehensive Income

For the year ended 30 April 2017

	Note	2017 £	2016 £
Revenue	3	1,396,200	1,260,463
Cost of sales		<u>(1,087,198)</u>	(830,527)
Gross profit		309,002	429,936
Administrative expenses		<u>(470,992)</u>	(616,037)
Operating loss		(161,990)	(186,101)
Interest payable and similar charges	4	<u>(22,394)</u>	(5,395)
Loss on ordinary activities before taxation	5	(184,384)	(191,496)
Taxation	8	58,738	3,353
Loss for the year		<u>(125,646)</u>	<u>(188,143)</u>
Other comprehensive income		-	-
Total comprehensive income		<u>(125,646)</u>	<u>(188,143)</u>

The notes on pages 8 to 17 are an integral part of these financial statements.

Statement of Financial Position

As at 30 April 2017

	Note	2017 £	2016 £
Non-current assets			
Intangible assets	10	-	40,625
		-	40,625
Current assets			
Receivables	11	177,351	660,748
Cash and cash equivalents		86,310	266,995
		263,661	927,743
Current liabilities			
Trade and other payables	12	(1,437,253)	(2,016,314)
		(1,173,592)	(1,088,571)
Net liabilities		(1,173,592)	(1,047,946)
Capital and reserves			
Share capital	13	50,000	50,000
Retained earnings		(1,223,592)	(1,097,946)
		(1,173,592)	(1,047,946)
Shareholders' deficit		(1,173,592)	(1,047,946)

These financial statements were approved by the board of directors and authorised for issue on 19 October 2017.



M R Hampton
Director

The notes on pages 8 to 17 are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 30 April 2017

	Share capital	Retained earnings	Total
	£	£	£
At 1 May 2015	50,000	(909,803)	(859,803)
Loss for the year	-	(188,143)	(188,143)
Total comprehensive income	-	(188,143)	(188,143)
At 30 April 2016	<u>50,000</u>	<u>(1,097,946)</u>	<u>(1,047,946)</u>
Loss for the year	-	(125,646)	(125,646)
Total comprehensive income	-	(125,646)	(125,646)
At 30 April 2017	<u>50,000</u>	<u>(1,223,592)</u>	<u>(1,173,592)</u>

The notes on pages 8 to 17 are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 April 2017

1 Accounting policies

1.1 General information

Aero24 Ltd is a limited company incorporated in the United Kingdom. The address of its registered office and principal place of business is Cutlers Exchange, 123 Houndsditch, London, EC3A 7BU.

1.2 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' ('FRS 102') and applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical cost convention.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. The Company is included in the consolidated financial statements of its parent undertaking, The Collinson Group Limited. Note 19 provides details of where those consolidated financial statements may be obtained from.

In preparing these financial statements, the Company has taken advantage of the following exemptions:

- I. from presenting a statement of cash flows, as required by Section 7 'Statement of Cash Flows';
- II. from disclosing key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- III. from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by FRS 102 paragraph 4.12.

On the basis that equivalent disclosures are given in the consolidated financial statements the Company has also taken advantage of the exemption not to provide:

- I. the disclosure requirements of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues'.
- II. The disclosure requirement to disclose related party transactions

1.3 Going concern

In determining whether to prepare the financial statements on a going concern basis the directors have considered the Company's developing business opportunities, future cash flow forecasts, continued financial support from The Collinson Group and the Company's participation as a member of centralised treasury and banking arrangements. On the basis of their assessment the directors have assessed that the Company has adequate resources to continue in operational existence for a minimum of 12 months from the signing of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Notes to the Financial Statements

For the year ended 30 April 2017

1 Accounting policies (continued)

1.4 Revenue recognition

The Company generates income from the provision of contact centre solutions to third parties. Revenue is measured at the fair value of the consideration received or receivable and represents amounts for services rendered in the normal course of business, net of discounts and other sales-related taxes. Revenues are recognised in the accounting period in which the Company obtains the right to consideration in exchange for the performance of the related services and is recognised on an accruals basis.

1.5 Interest payable

Interest payable is calculated using the effective interest rate method and recognised on an accruals basis.

1.6 Taxation

Tax expense for the year comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The tax expense is

recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

1.7 Foreign currencies

(i) Functional and presentational currency

The financial statements have been presented in pound sterling, and this is the Company's functional currency, being the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Transactions in foreign currencies other than the functional currency of the Company are translated to the functional currency using the exchange rate prevailing at the date the transactions took place.

Notes to the Financial Statements

For the year ended 30 April 2017

1 Accounting policies (continued)

1.7 Foreign currencies (continued)

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities are reported in the profit or loss account.

1.8 Intangible assets

Goodwill represents the excess of the consideration and directly attributable costs of the purchase consideration over the fair values of the Company's interest in the identifiable assets, liabilities and contingent liabilities attributable to business combinations. Goodwill is amortised on a straight line basis over 2 years and charged to administrative expenses. At 30 April 2017 the net book value of intangible assets is nil.

1.9 Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds only basic financial instruments, which comprise cash and cash equivalents, trade and other receivables, trade and other payables and bank overdrafts. The Company has chosen to apply the measurement and recognition provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' in full.

Financial assets – classified as basic financial instruments

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

(ii) Receivables

Receivables are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

Where a financial asset constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

At the end of each reporting year, the Company assesses whether there is objective evidence that any receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

Notes to the Financial Statements

For the year ended 30 April 2017

1 Accounting policies (continued)

Financial liabilities – classified as basic financial instruments

(i) Bank overdrafts

Bank overdrafts are initially recognised at the transaction price, including any transaction costs. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

(ii) Trade and other payables

Trade and other payables are initially measured at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

1.8 Impairment of assets

At each reporting date the Company reviews the carrying value of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit.

The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss.

An impairment loss recognised for all assets is reversed in a subsequent year if, and only if, the reasons for the impairment loss have ceased to apply.

1.9 Retirement benefits

The Company operates a defined contribution pension plan for its employees. Obligations for contributions to the defined contribution pension plan are charged to the income statement in the year to which the contributions relate.

Notes to the Financial Statements

For the year ended 30 April 2017

2 Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

2.1 Critical judgements in applying the Company's accounting policies

The critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment to assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

2.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Recoverability of receivables

Management estimates the recoverable value of receivables and establishes a provision for the amount that is estimated not to be recoverable. In assessing recoverability management considers the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers. Refer to note 11 for the carrying value of receivables.

Notes to the Financial Statements

For the year ended 30 April 2017

3 Revenue

Revenue arises from services to third party clients.

An analysis of the Company's revenue by geographical market is as follows:

	2017	2016
	£	£
United Kingdom	1,304,646	1,190,754
Rest of Europe	75,908	67,712
Asia including Middle East	2,286	1,997
Africa	13,360	-
	<u>1,396,200</u>	<u>1,260,463</u>

4 Interest payable and similar charges

	2017	2016
	£	£
Interest payable on intercompany balances	22,394	5,395
	<u>22,394</u>	<u>5,395</u>

Notes to the Financial Statements

For the year ended 30 April 2017

5 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/(crediting):

	2017	2016
	£	£
Amortisation of intangible assets	40,625	97,500
Foreign exchange loss	4,869	2,536
Fees payable to the Company's auditors for the audit of the Company's annual accounts	4,150	4,150

Amounts receivable by the Company's auditor and their associates in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is instead disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, The Collinson Group Limited.

6 Staff costs

The average monthly number of employees (including executive directors) was:

	2017	2016
Production	33	29
Administration	2	3
	35	32

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	913,724	977,753
Social security costs	64,729	72,851
Other pension costs	20,020	18,514
	1,038,473	1,069,118

7 Directors' remuneration

Certain directors are also directors of other companies within the Collinson Group. The directors' services to the company do not occupy a significant amount of time. As such the directors do not consider that they receive any remuneration for their incidental services to the Company for the year ended 30 April 2017 and 30 April 2016.

Notes to the Financial Statements

For the year ended 30 April 2017

8 Tax on loss on ordinary activities

The tax charge comprises:

	2017	2016
	£	£
Current tax on loss on ordinary activities		
UK corporation tax	(36,729)	(16,166)
Adjustments in respect of prior years	(22,009)	12,813
Total tax on loss on ordinary activities	(58,738)	(3,353)

Tax on loss on ordinary activities for the year is higher/lower than the standard rate of corporation tax in the UK of 19.92% (2016: 20 %). The differences are reconciled below:

	2017	2016
	£	£
Loss on ordinary activities before taxation	(184,384)	(191,495)
Income tax calculated at 19.92% (2016: 20 %)	(36,729)	(38,299)
Adjustments in respect of prior years	(22,009)	12,813
Utilisation of tax losses	-	22,133
Total Tax credit for the year	(58,738)	(3,353)

The Company has surrendered the benefit of tax losses to other group companies for a consideration of £36,729 (2016: £16,166).

Factors affecting the tax charge

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective from 1 April 2020) was substantively

9 Dividends

No dividends were declared in respect of 2017 (2016: £nil) at the reporting date.

Notes to the Financial Statements

For the year ended 30 April 2017

10 Intangible assets

	Goodwill
	£
Cost	
At 30 April 2016	1,341,234
Additions	-
At 30 April 2017	<u>1,341,234</u>
Amortisation and impairment	
At 30 April 2016	(1,300,609)
Amortisation charge	(40,625)
At 30 April 2017	<u>(1,341,234)</u>
Net book value	
At 30 April 2017	<u>-</u>
At 30 April 2016	<u>40,625</u>

11 Receivables

	2017	2016
	£	£
Trade debtors	114,666	122,718
Amounts owed by group undertakings	58,737	533,678
Other receivables	-	56
Prepayments and accrued income	3,948	4,296
	<u>177,351</u>	<u>660,748</u>

12 Trade and other payables

	2017	2016
	£	£
Trade payables	1,164	3,883
Amounts owing to group undertakings	1,355,354	1,941,149
Other payables	71,714	61,318
Accruals and deferred income	9,021	9,964
	<u>1,437,253</u>	<u>2,016,314</u>

Notes to the Financial Statements

For the year ended 30 April 2017

13 Share capital

	2017	2016
	£	£
Allotted, called-up and fully paid	50,000	50,000
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

14 Commitments

At 30 April 2017 the Company had no annual commitments.

15 Contingent liabilities

There is a fixed and floating charge over all assets of the Company whereby the Company guarantees all amounts due to Barclays Bank Plc by the group. As at the reporting date the amount due to Barclays Bank Plc by certain group companies was £nil (2016: £nil). Under the group banking offset arrangement the Company had no liability to Barclays Bank Plc at the reporting date.

16 Off balance sheet arrangements

The Company has not entered into any off balance sheet arrangements.

17 Post-retirement benefits

The Company operates a defined contribution pension plan for its employees. The pension cost charged represents contributions payable by the Company to the funds and amounted to £20,020 (2016: £18,514). Contributions amounting to £nil (2016:nil) were outstanding at the reporting date.

18 Related party transactions

The Company has taken advantage of the exemption available under FRS 102 Section 33.1A not to disclose related party transactions with other wholly owned group companies.

19 Parent undertaking and ultimate controlling party

The Collinson Group Limited, a company incorporated in England, is the parent undertaking of the largest and smallest group for which group accounts are prepared. Copies of those group accounts may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The directors regard Parminder Limited, a company incorporated in the Isle of Man, to be the Company's ultimate parent undertaking. The ultimate controlling parties identified by the directors are the Trustees of the Colin Evans 1987 Settlement, established under the laws of the Isle of Man, the beneficiary of which is Mr C R Evans.

20 Post balance sheet events

There were no post balance sheet events.