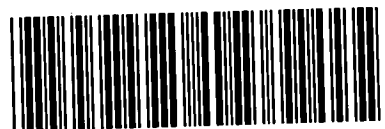


**AIRWAYS AVIATION ACADEMY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

FRIDAY



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27/07/2018  
COMPANIES HOUSE

**AIRWAYS AVIATION ACADEMY LIMITED**  
**REGISTERED NUMBER: 04025680**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	5	2,790,864	1,501,641
		<u>2,790,864</u>	<u>1,501,641</u>
<b>Current assets</b>			
Stocks	6	386,196	10
Debtors: amounts falling due within one year	7	4,654,964	2,557,245
Cash at bank and in hand	8	246,825	18,902
		<u>5,287,985</u>	<u>2,576,157</u>
Creditors: amounts falling due within one year	9	(7,676,592)	(3,852,355)
<b>Net current liabilities</b>		<u>(2,388,607)</u>	<u>(1,276,198)</u>
<b>Total assets less current liabilities</b>		<u>402,257</u>	<u>225,443</u>
<b>Net assets</b>		<u>402,257</u>	<u>225,443</u>
<b>Capital and reserves</b>			
Called up share capital		1,501,005	1,501,005
Share premium account	11	5,666,543	5,666,543
Other reserves	11	404,852	404,852
Profit and loss account	11	(7,170,143)	(7,346,957)
		<u>402,257</u>	<u>225,443</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 June 2018.

**M Atalla**  
Director

The notes on pages 2 to 11 form part of these financial statements.

## **AIRWAYS AVIATION ACADEMY LIMITED**

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

#### **1. General information**

The company is a private limited company, limited by shares, domiciled in England & Wales. Its company number is 04025680 and registered office at Brook Point, 1412 High Road, London N20 9BH and trading address at Airways House, Oxford Airport, Kidlington, Oxfordshire OX5 1RA.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The company has made a profit of £176,814 (2016 - loss of £1,759,934) during the year under review and has a net surplus of £402,257 (2016 - £225,443) and is dependent upon the continued support of its parent which the directors believe will not be withheld for the foreseeable future.

##### **2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

###### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

## **AIRWAYS AVIATION ACADEMY LIMITED**

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

#### **2. Accounting policies (continued)**

##### **2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Simulator and Buildings	- 20% on cost/2.5% on cost
Short-term leasehold property	- Over length of lease
Plant and machinery	- 20% on cost/10% on cost/5% on cost/hours in use
Office equipment	- 20%-33% on cost
Computer equipment	- 33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

##### **2.5 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### **2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **2.8 Financial instruments**

## **AIRWAYS AVIATION ACADEMY LIMITED**

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

#### **2. Accounting policies (continued)**

##### **2.8 Financial instruments (continued)**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## **AIRWAYS AVIATION ACADEMY LIMITED**

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

#### **2. Accounting policies (continued)**

##### **2.10 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

##### **2.11 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### **2.12 Pensions**

The company does not operate a pension scheme but pays contributions to personal pension plans on behalf of employees in terms of their employment contracts. Those charges are shown in the profit and loss account.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### **2.13 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

##### **2.14 Borrowing costs**

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

**AIRWAYS AVIATION ACADEMY LIMITED**

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

**2. Accounting policies (continued)**

**2.15 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**4. Employees**

Staff costs were as follows:

The average monthly number of employees, including directors, during the year was 0 (2016 - 15).

**AIRWAYS AVIATION ACADEMY LIMITED**

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

**5. Tangible fixed assets**

	Simulators and Buildings £	Short-term leasehold property £	Aircraft £	Fixtures and fittings £	Office equipment £
<b>Cost or valuation</b>					
At 1 January 2017	18,443	377,881	1,793,482	99,577	10,798
Additions	493,175	-	1,092,582	22,043	-
Disposals	-	-	(54,786)	(8,632)	-
At 31 December 2017	511,618	377,881	2,831,278	112,988	10,798
<b>Depreciation</b>					
At 1 January 2017	17,754	56,682	757,361	14,937	833
Charge for the year on owned assets	4,088	75,576	204,630	21,248	2,160
Disposals	-	-	(54,786)	(2,158)	-
At 31 December 2017	21,842	132,258	907,205	34,027	2,993
<b>Net book value</b>					
At 31 December 2017	489,776	245,623	1,924,073	78,961	7,805
At 31 December 2016	689	321,199	1,036,121	84,641	9,966



**AIRWAYS AVIATION ACADEMY LIMITED**

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

**5. Tangible fixed assets (continued)**

	Computer equipment £	Total £
<b>Cost or valuation</b>		
At 1 January 2017	81,154	2,381,335
Additions	26,717	1,634,517
Disposals	(35,336)	(98,754)
At 31 December 2017	<u>72,535</u>	<u>3,917,098</u>
<b>Depreciation</b>		
At 1 January 2017	32,130	879,697
Charge for the year on owned assets	31,116	338,818
Disposals	(35,336)	(92,280)
At 31 December 2017	<u>27,910</u>	<u>1,126,235</u>
<b>Net book value</b>		
At 31 December 2017	<u>44,625</u>	<u>2,790,863</u>
At 31 December 2016	<u>49,025</u>	<u>1,501,641</u>

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Freehold	489,777	690
Short leasehold	245,623	321,199
	<u>735,400</u>	<u>321,889</u>

**6. Stocks**

	2017 £	2016 £
Parts for maintenance	386,196	10
	<u>386,196</u>	<u>10</u>

**AIRWAYS AVIATION ACADEMY LIMITED**

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

**7. Debtors**

	2017 £	2016 £
Trade debtors	2,406,273	13,367
Amounts owed by group undertakings	1,906,700	2,245,654
Other debtors	266,395	249,557
Prepayments and accrued income	75,596	48,667
	<u>4,654,964</u>	<u>2,557,245</u>

**8. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	246,825	18,903
Less: bank overdrafts	-	(7)
	<u>246,825</u>	<u>18,896</u>

**9. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Bank overdrafts	-	7
Payments received on account	-	300
Trade creditors	195,491	74,113
Amounts owed to group undertakings	2,455,411	11,570
Other taxation and social security	53,673	61,651
Other creditors	944	7,122
Accruals and deferred income	4,971,073	3,697,592
	<u>7,676,592</u>	<u>3,852,355</u>

## AIRWAYS AVIATION ACADEMY LIMITED

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

#### 10. Financial instruments

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	246,825	18,903
	<u>246,825</u>	<u>18,903</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

#### 11. Reserves

##### Share premium account

Share premium represents surpluses on share issues net of issue costs..

##### Other reserves

The other reserves comprise capital received from the company's parent.

##### Profit and loss account

The profit and loss account comprises historic cumulative retained profits and losses.

#### 12. Pension commitments

The company does not operate a pension scheme but pays contributions to personal pension plans on behalf of employees in terms of their employment contracts. Those charges are shown in the profit and loss account. At the balance sheet date an amount of £801 (2016 - £895) was outstanding.

#### 13. Related party transactions

The company has taken advantage of the provisions of FRS102 not to disclose transactions between group entities.

#### 14. Controlling party

The directors regard the ultimate parent company and controlling party as being Riana Investments Limited, a company incorporated in the British Virgin Islands, whose principal place of business and registered office is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

## **AIRWAYS AVIATION ACADEMY LIMITED**

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

#### **15. Auditors' information**

The financial statements were audited by Ashings Limited, Chartered Accountants and the Senior Statutory Auditors was Darryl Ashing FCA. The audit report was unqualified but an emphasis of matter paragraph was included and is reproduced here (note 2.3 is note 2.2 in these accounts):

"In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.2 concerning the company's ability to continue as a going concern. The company incurred a profit of £176,814 during the year ended 31 December 2017 and, at that date, the company had net current liabilities of £2,388,607. In order to continue operations for the next 12 months the company is dependent upon continuing support from its ultimate parent which has been indicated will be forthcoming. This condition indicates the existence of a material uncertainty which may cast significant doubt as to the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern."