

Alpha Aviation Academy (Europe) Limited
Financial Statements
31 March 2016



SLAVEN JEFFCOTE LLP
Chartered Certified Accountants & statutory auditor
1 Lumley Street
Mayfair
London
W1K 6TT

Alpha Aviation Academy (Europe) Limited

Financial Statements

Year ended 31 March 2016

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Alpha Aviation Academy (Europe) Limited

Officers and Professional Advisers

The board of directors

B Choudhrie
C P Thomas

Company secretary

S Pudaruth

Registered office

1 Vincent Square
Victoria
London
SW1P 2PN

Auditor

Slaven Jeffcote LLP
Chartered Certified Accountants & statutory auditor
1 Lumley Street
Mayfair
London
W1K 6TT

Bankers

Bank of Scotland
Pentland House
8 Lochside Avenue
Edinburgh
EH12 9DJ

Alpha Aviation Academy (Europe) Limited

Directors' Report

Year ended 31 March 2016

The directors present their report and the financial statements of the company for the year ended 31 March 2016.

Directors

The directors who served the company during the year were as follows:

B Choudhrie

C P Thomas

L Garcia

(Retired 7 April 2015)

Directors' responsibilities statement

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 of the company and 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;
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all 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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

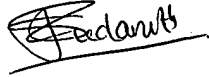
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Alpha Aviation Academy (Europe) Limited

Directors' Report *(continued)*

Year ended 31 March 2016

This report was approved by the board of directors on 27 January 2017 and signed on behalf of the board by:



S Pudaruth
Company Secretary

Registered office:
1 Vincent Square
Victoria
London
SW1P 2PN

Alpha Aviation Academy (Europe) Limited

Independent Auditor's Report to the Shareholders of Alpha Aviation Academy (Europe) Limited

Year ended 31 March 2016

We have audited the financial statements of Alpha Aviation Academy (Europe) Limited for the year ended 31 March 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows 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 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 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 shareholders 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 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 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 31 March 2016 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Alpha Aviation Academy (Europe) Limited

Independent Auditor's Report to the Members of Alpha Aviation Academy (Europe) Limited *(continued)*

Year ended 31 March 2016

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; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.



Stephen Terence Costar (FCCA) (Senior Statutory Auditor)

For and on behalf of
Slaven Jeffcote LLP
Chartered Certified Accountants & statutory auditor
1 Lumley Street
Mayfair
London
W1K 6TT

30/01/17

Alpha Aviation Academy (Europe) Limited

Statement of Income and Retained Earnings

Year ended 31 March 2016

		2016			2015	
	Note	Continuing operations £	Discont'd operations £	Total £	Continuing operations £	Discont'd operations £
Administrative expenses		6,074	–	6,074	–	431,589
Other operating income	4	–	785,414	785,414	–	–
Operating profit/(loss)	5	(6,074)	785,414	779,340	–	(431,589)
Other interest receivable and similar income		91,667	–	91,667	1,323	–
Profit/(loss) on ordinary activities before taxation		85,593	785,414	871,007	1,323	(431,589)
Tax on profit/(loss) on ordinary activities	7	–	–	–	–	–
Profit/(loss) for the financial year and total comprehensive income		<u>85,593</u>	<u>785,414</u>	<u>871,007</u>	<u>1,323</u>	<u>(431,589)</u>
Retained earnings at the start of the year				376,301		806,567
Retained earnings at the end of the year				<u>376,301</u>		<u>806,567</u>

The notes on pages 9 to 13 form part of these financial statements.

Alpha Aviation Academy (Europe) Limited

Statement of Financial Position

31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	–	1,814,586
Current assets			
Debtors	9	2,629,122	22,751
Cash at bank and in hand		17,804	19,734
		<u>2,646,926</u>	<u>42,485</u>
Creditors: amounts falling due within one year	10	<u>623,618</u>	<u>213,257</u>
Net current assets/(liabilities)		2,023,308	(170,772)
Total assets less current liabilities		2,023,308	1,643,814
Creditors: amounts falling due after more than one year	11	–	491,513
Net assets		<u>2,023,308</u>	<u>1,152,301</u>
Capital and reserves			
Called up share capital	14	8,278	8,278
Share premium account	15	767,722	767,722
Profit and loss account	15	1,247,308	376,301
Shareholders funds		<u>2,023,308</u>	<u>1,152,301</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 27/11/2017, and are signed on behalf of the board by:



B Choudhrie
Director

Company registration number: 05603076

The notes on pages 9 to 13 form part of these financial statements.

Alpha Aviation Academy (Europe) Limited

Statement of Cash Flows

Year ended 31 March 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit/(loss) for the financial year	871,007	(430,266)
<i>Adjustments for:</i>		
Depreciation of tangible assets	–	258,993
Other interest receivable and similar income	(91,667)	(1,323)
Accrued income	(1,500)	(1,480)
<i>Changes in:</i>		
Trade and other debtors	(2,606,371)	27,195
Trade and other creditors	(176,665)	3,446
Cash generated from operations	(2,005,196)	(143,435)
Interest received	91,667	1,323
Net cash used in operating activities	(1,913,529)	(142,112)
Cash flows from investing activities		
Proceeds from sale of tangible assets	1,814,586	–
Net cash from investing activities	1,814,586	–
Cash flows from financing activities		
Proceeds from borrowings	(340,088)	(1)
Proceeds from loans from group undertakings	437,101	151,425
Net cash from financing activities	97,013	151,424
Net (decrease)/increase in cash and cash equivalents	(1,930)	9,312
Cash and cash equivalents at beginning of year	19,734	10,422
Cash and cash equivalents at end of year	17,804	19,734

The notes on pages 9 to 13 form part of these financial statements.

Alpha Aviation Academy (Europe) Limited

Notes to the Financial Statements

Year ended 31 March 2016

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Business review

Alpha Aviation Academy (Europe) Limited is a company Limited by shares, incorporated in England & Wales. During the year under review the company has leased out the flight simulator and was receiving rental income from it.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors have assessed the company's ability to continue to adopt the going concern basis of accounting. The directors of the company are of the opinion that the company will continue to receive interest income for at least another 12 month from the date of signing the accounts and therefore make it appropriate to prepare the financial statement on a going concern basis.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 18.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant & Machinery - 15 years Straight line basis

Alpha Aviation Academy (Europe) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts as lessor are recognised in the statement of financial position as receivables at the value of the net investment in the lease. Any initial direct costs are included in the receivable.

Lease income is recognised so as to reflect a constant periodic rate of return on the net investment in the lease.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

4. Other operating income

	2016 £	2015 £
Other operating income	<u>785,414</u>	<u>–</u>

Included in other operating income there is a sum of £785,414 relates to the gain on disposal of flight training simulator.

5. Operating profit

Operating profit or loss is stated after (crediting)/charging:

	2016 £	2015 £
Depreciation of tangible assets	–	258,993
Foreign exchange differences	<u>(4,326)</u>	<u>(4,503)</u>

6. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>2,500</u>	<u>5,500</u>

Alpha Aviation Academy (Europe) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

7. Tax on profit/(loss) on ordinary activities

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016 £	2015 £
Profit/(loss) on ordinary activities before taxation	871,007	(430,266)
Profit/(loss) on ordinary activities by rate of tax	174,201	(90,356)
Effect of different UK tax rates on some earnings	–	56,209
Utilisation of tax losses	(174,201)	–
Depreciation for period in excess of capital allowances	–	34,147
Tax on profit/(loss) on ordinary activities	–	–

8. Tangible assets

	Plant and machinery £	Total £
Cost		
At 1 April 2015	3,655,258	3,655,258
Disposals	(3,655,258)	(3,655,258)
At 31 March 2016	–	–
Depreciation		
At 1 April 2015	1,840,672	1,840,672
Disposals	(1,840,672)	(1,840,672)
At 31 March 2016	–	–
Carrying amount		
At 31 March 2016	–	–
At 31 March 2015	1,814,586	1,814,586

On the 29 April 2015 the company has entered into finance lease agreement with Quadrant system Limited for a period of 5 years for principle sum of £2.6 million, the legal title to the simulator will pass to Quadrant systems Limited upon receiving final payment, the risks and rewards associated to the asset has been transferred to Quadrant system Limited as such the asset has been derecognised in the balance sheet of the company.

9. Debtors

	2016 £	2015 £
Trade debtors	600	14,370
Assets held under finance leases and hire purchase contracts	2,626,937	–
Other debtors	1,585	8,381
	2,629,122	22,751

Alpha Aviation Academy (Europe) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

10. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	22,592	151,707
Amounts owed to group undertakings	588,526	–
Other creditors	12,500	61,550
	<u>623,618</u>	<u>213,257</u>

11. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	–	151,425
Other creditors	–	340,088
	<u>–</u>	<u>491,513</u>

12. Finance leases and hire purchase contracts

The company as lessor

	2016 £	2015 £
Gross investment in finance leases	3,072,382	–
Less : unearned finance income	(445,445)	–
Present value of minimum lease payments	<u>2,626,937</u>	<u>–</u>

The gross investment in finance leases and present value of minimum lease payments receivable are aged as follows at the year end:

	Gross investment		Present value of minimum lease payments	
	2016 £	2015 £	2016 £	2015 £
Not later than 1 year	614,436	–	585,177	–
Later than 1 year and not later than 5 years	<u>2,457,946</u>	<u>–</u>	<u>2,041,760</u>	<u>–</u>
	<u>3,072,382</u>	<u>–</u>	<u>2,626,937</u>	<u>–</u>

13. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>2,646,926</u>	<u>42,485</u>
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	<u>(623,618)</u>	<u>(704,770)</u>

Alpha Aviation Academy (Europe) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

14. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £0.0001 each	<u>82,781,332</u>	<u>8,278</u>	<u>82,781,332</u>	<u>8,278</u>

15. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

16. Related party transactions

In the opinion of the director there is no one controlling party.

The company has taken advantage of the exemption from reporting related party transactions between Alpha Aviation Academy (Europe) Limited and other members of the C&C Alpha group of companies, conferred by FRS 102 Sec 33 1A, on the grounds that the company is a wholly owned subsidiary and the parent undertaking prepares consolidated financial statements which include the company.

17. Controlling party

The company's ultimate parent undertaking at the balance sheet date is Harberry Investments Limited, a company incorporated in the British Virgin Islands.

The Company's immediate parent undertaking at the balance sheet date is Alpha Aviation Group Limited, a company registered in England and Wales.

At the balance sheet date, the parent undertaking of the largest group for which group accounts including Alpha Aviation Academy (Europe) Limited are drawn up is C&C Alpha Group Limited, a company registered in England and Wales. Copies of the consolidated accounts are available from Companies House or from the registered office:

1 Vincent Square
Victoria
London
SW1P 2PN

18. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2014.

No transitional adjustments were required in equity or profit or loss for the year.

Alpha Aviation Academy (Europe) Limited

Management Information

Year ended 31 March 2016

The following pages do not form part of the financial statements.