

COMPANY REGISTRATION NUMBER: 05603076

Alpha Aviation Academy (Europe) Limited
Financial Statements
31 March 2017



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 2017

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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	23 Buckingham Gate London SW1E 6LB
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 2017

The directors present their report and the financial statements of the company for the year ended 31 March 2017.

Directors

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

B Choudhrie
C P Thomas

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.

Small company provisions

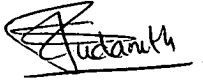
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Alpha Aviation Academy (Europe) Limited

Directors' Report *(continued)*

Year ended 31 March 2017

This report was approved by the board of directors on 7/11/2017 and signed on behalf of the board by:



S Pudaruth
Company Secretary

Registered office:
23 Buckingham Gate
London
SW1E 6LB

Alpha Aviation Academy (Europe) Limited

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

Year ended 31 March 2017

We have audited the financial statements of Alpha Aviation Academy (Europe) Limited for the year ended 31 March 2017 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the 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 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 2017 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, and the Directors Report has been prepared in accordance with applicable legal requirements.

Alpha Aviation Academy (Europe) Limited

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

Year ended 31 March 2017

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 and take advantage of the small companies exemption from the requirement to prepare a strategic 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

Alpha Aviation Academy (Europe) Limited

Statement of Income and Retained Earnings

Year ended 31 March 2017

	Note	2017 £	2016 £
Administrative expenses		4,961	6,074
Other operating income		<u>853,443</u>	<u>785,414</u>
Operating profit	6	848,482	779,340
Other interest receivable and similar income		<u>131,329</u>	<u>91,667</u>
Profit before taxation		979,811	871,007
Tax on profit	9	<u>—</u>	<u>—</u>
Profit for the financial year and total comprehensive income		<u>979,811</u>	<u>871,007</u>
Retained earnings at the start of the year		<u>1,247,308</u>	<u>376,301</u>
Retained earnings at the end of the year		<u>2,227,119</u>	<u>1,247,308</u>

The notes on pages 8 to 12 form part of these financial statements.

Alpha Aviation Academy (Europe) Limited

Statement of Financial Position

31 March 2017

	Note	2017 £	2016 £
Current assets			
Debtors	10	2,903,298	2,629,122
Cash at bank and in hand		<u>130,363</u>	<u>17,804</u>
		3,033,661	2,646,926
Creditors: amounts falling due within one year	11	<u>30,542</u>	<u>623,618</u>
Net current assets		3,003,119	2,023,308
Total assets less current liabilities		3,003,119	2,023,308
Net assets		<u>3,003,119</u>	<u>2,023,308</u>
Capital and reserves			
Called up share capital		8,278	8,278
Share premium account		767,722	767,722
Profit and loss account		<u>2,227,119</u>	<u>1,247,308</u>
Members funds		<u>3,003,119</u>	<u>2,023,308</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 7/11/2017, and are signed on behalf of the board by:



B Choudhrie
Director

Company registration number: 05603076

Alpha Aviation Academy (Europe) Limited

Notes to the Financial Statements

Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 23 Buckingham Gate, London, SW1E 6LB.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. 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.

4. 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 continue to receive the support of its parent company and 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.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

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
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Alpha Aviation Academy (Europe) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

4. Accounting policies *(continued)*

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

Basic financial assets, which include debtors cash and bank balances and creditors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

5. Other operating income

Other operating income of £853,443 relates to assignment of credit of €1,000,000 with CAE CFT B.V. to a fellow subsidiary (Alpha Aviation Group (Philippines) Inc).

This credit was granted to Alpha Aviation Academy (Europe) Limited by CAE CFT B.V. in 2009 for the second purchase of full flight simulator from CAE CFT B.V.

6. Operating profit

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

	2017	2016
	£	£
Foreign exchange differences	<u>(224)</u>	<u>(4,326)</u>

7. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>2,650</u>	<u>2,500</u>

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to Nil (2016: Nil).

Alpha Aviation Academy (Europe) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

9. Tax on profit

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	979,811	871,007
Profit on ordinary activities by rate of tax	195,962	174,201
Utilisation of tax losses	(195,962)	(174,201)
Tax on profit	—	—

10. Debtors

	2017 £	2016 £
Trade debtors	360	600
Amounts owed by group undertakings	262,644	—
Assets held under finance leases and hire purchase contracts	2,638,711	2,626,937
Other debtors	1,583	1,585
	2,903,298	2,629,122

Included in other debtors an amount equal to the net investment of the finance lease of £2.6 million, interest of 5% per annum charged to the outstanding balance at end of each quarter and shown as interest income in the period it relates to and the amount recoverable more than 1 year is £2,249,165.

11. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	22,592	22,592
Amounts owed to group undertakings	—	588,526
Accruals and deferred income	7,950	12,500
	30,542	623,618

12. Finance leases and hire purchase contracts

The company as lessor

	2017 £	2016 £
Gross investment in finance leases	2,953,651	3,072,382
Less : unearned finance income	(314,940)	(445,445)
Present value of minimum lease payments	2,638,711	2,626,937

Alpha Aviation Academy (Europe) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

12. Finance leases and hire purchase contracts *(continued)*

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	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	409,024	614,436	389,547	585,177
Later than 1 year and not later than 5 years	2,544,627	2,457,946	2,249,164	2,041,760
	<u>2,953,651</u>	<u>3,072,382</u>	<u>2,638,711</u>	<u>2,626,937</u>

On the 29 April 2015 Alpha Aviation Academy Europe Limited has entered into finance lease agreement with Quadrant System Limited for a period of 5 years for principle sum of £2.6 million, the rental payments are due quarterly and calculated based on the percentage of earned revenue, the legal title to the simulator will pass to Quadrant System Limited upon receiving the consideration payment and the final rental amount.

13. Financial instruments

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

	2017	2016
	£	£
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through profit or loss	<u>3,033,661</u>	<u>2,646,926</u>
Financial liabilities measured at fair value through profit or loss		
Financial liabilities measured at fair value through profit or loss	<u>30,542</u>	<u>623,618</u>

14. 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.

Alpha Aviation Academy (Europe) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

15. 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:

23 Buckingham Gate
London
SW1E 6LB

Alpha Aviation Academy (Europe) Limited

Management Information

Year ended 31 March 2017

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