

REGISTERED NUMBER: 06738425 (England and Wales)

PROPTECH AERO LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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PROPTECH AERO LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018**

DIRECTORS:

R A Sheffield
C Choules

REGISTERED OFFICE:

Unit 5-6 Spitfire Way
Solent Airport
Lee-On-The-Solent
Hampshire
PO13 9FY

REGISTERED NUMBER:

06738425 (England and Wales)

AUDITORS:

Hopper Williams & Bell Limited
Statutory Auditor
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Hampshire
SO53 4AR

BALANCE SHEET
31 DECEMBER 2018

		2018	2017
	Notes	£	£
FIXED ASSETS			
Intangible assets	4	8	8
Tangible assets	5	<u>929,993</u>	<u>799,991</u>
		<u>930,001</u>	<u>799,999</u>
CURRENT ASSETS			
Stocks		2,016,769	2,013,486
Debtors	6	823,772	946,320
Cash at bank and in hand		<u>257,830</u>	<u>473,488</u>
		3,098,371	3,433,294
CREDITORS			
Amounts falling due within one year	7	<u>(1,585,600)</u>	<u>(2,159,032)</u>
NET CURRENT ASSETS		<u>1,512,771</u>	<u>1,274,262</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,442,772	2,074,261
CREDITORS			
Amounts falling due after more than one year	8	(881,261)	(539,184)
PROVISIONS FOR LIABILITIES	11	<u>(20,460)</u>	<u>-</u>
NET ASSETS		<u>1,541,051</u>	<u>1,535,077</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Reserves - non-distributable		222,914	245,604
Retained earnings		<u>1,318,037</u>	<u>1,289,373</u>
SHAREHOLDERS' FUNDS		<u>1,541,051</u>	<u>1,535,077</u>

The notes form part of these financial statements

BALANCE SHEET - continued
31 DECEMBER 2018

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 9 April 2019 and were signed on its behalf by:

R A Sheffield - Director

C Choules - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. STATUTORY INFORMATION

Proptech Aero Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with "The Financial Reporting Standards applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax. Income is recognised in the profit and loss account in the period at which the services have been completed and when the goods are ready for distribution.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- Over the length of the lease
Improvements to property	- Straight line over 15 years
Plant and machinery	- 10% to 33% Straight line and Straight line over 15 years
Fixtures and fittings	- 10% to 20% Straight line and 33% Straight line
Motor vehicles	- 20% Straight line
Computer equipment	- 25% and 33% Straight line

Upon adoption of FRS 102, the company has revalued some items of tangible fixed assets to fair value. The increase in fair value will be released to the profit and loss account over the remaining useful life of the Assets. The net book value of assets that have been revalued is held within non-distributable reserves.

The profit or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES - continued

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

The nature of the industry dictates that the company are required to provide modular stock to the customers immediately on request. The modular stock is held at fair value on the balance sheet and is effectively swapped for the customers items, which require repair / renovation. The modular stock is loaned to the customer until the customers items are repaired / renovated, and at the point that the work is completed and invoiced, the repaired / renovated stock replaces the stock item that was sent out the customer initially.

A provision for slow moving and obsolete stock is provided for in the valuation.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Hire purchase and leasing commitments

Where assets are financed by leasing agreements that give rights approximating to the ownership (finance lease), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of the estimated useful economic life and the period of the lease.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs and other post-retirement benefits

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES - continued

Financial assets

The Company has elected to apply the provision of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets, which include trade and other receivables and cash and bank balances 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 financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities

Basic financial liabilities which include trade and other payables, are initially measured at transaction price and subsequently measured at amortised cost, unless the arrangement constitutes a financing transaction where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of the proceeds received net of direct issue costs. Dividend's payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 33 (2017 - 31) .

4. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 January 2018	
and 31 December 2018	8
NET BOOK VALUE	
At 31 December 2018	8
At 31 December 2017	8

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

5. TANGIBLE FIXED ASSETS

	Short leasehold £	Improvements to property £	Plant and machinery £
COST			
At 1 January 2018	50,278	336,392	681,176
Additions	303	26,055	103,837
Disposals	-	(336)	-
At 31 December 2018	<u>50,581</u>	<u>362,111</u>	<u>785,013</u>
DEPRECIATION			
At 1 January 2018	838	4,646	297,298
Charge for year	3,372	23,982	65,165
Eliminated on disposal	-	-	-
At 31 December 2018	<u>4,210</u>	<u>28,628</u>	<u>362,463</u>
NET BOOK VALUE			
At 31 December 2018	<u>46,371</u>	<u>333,483</u>	<u>422,550</u>
At 31 December 2017	<u>49,440</u>	<u>331,746</u>	<u>383,878</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2018	25,808	30,426	105,273	1,229,353
Additions	72,388	-	45,499	248,082
Disposals	(6,184)	(12,931)	(20,711)	(40,162)
At 31 December 2018	<u>92,012</u>	<u>17,495</u>	<u>130,061</u>	<u>1,437,273</u>
DEPRECIATION				
At 1 January 2018	16,993	19,292	90,295	429,362
Charge for year	5,792	3,499	15,309	117,119
Eliminated on disposal	(5,559)	(12,931)	(20,711)	(39,201)
At 31 December 2018	<u>17,226</u>	<u>9,860</u>	<u>84,893</u>	<u>507,280</u>
NET BOOK VALUE				
At 31 December 2018	<u>74,786</u>	<u>7,635</u>	<u>45,168</u>	<u>929,993</u>
At 31 December 2017	<u>8,815</u>	<u>11,134</u>	<u>14,978</u>	<u>799,991</u>

Included within tangible fixed assets above are assets held under finance leases with a net book value of £75,096 (2017: £98,686). Depreciation charged on these assets during the year equated to £23,590 (2017: £23,526).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade debtors	618,452	763,156
Amounts owed by group undertakings	42,069	84,677
Other debtors	373	-
Other taxation and social security	49,551	24,647
Prepayments and accrued income	113,327	73,840
	<u>823,772</u>	<u>946,320</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Bank loans and overdrafts	335,836	185,699
Hire purchase contracts (see note 9)	28,520	28,519
Trade creditors	371,703	741,910
Amounts owed to group undertakings	463,706	650,890
Taxation and social security	47,660	81,959
Other creditors	338,175	470,055
	<u>1,585,600</u>	<u>2,159,032</u>

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£	£
Hire purchase contracts (see note 9)	13,684	42,204
Amounts owed to group undertakings	787,016	414,567
Other creditors	80,561	82,413
	<u>881,261</u>	<u>539,184</u>

9. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	28,520	28,519
Between one and five years	13,684	42,204
	<u>42,204</u>	<u>70,723</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

9. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	225,632	188,592
Between one and five years	540,464	765,855
	<u>766,096</u>	<u>954,447</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Hire purchase contracts	42,204	70,723
Invoice discounting	335,836	185,699
	<u>378,040</u>	<u>256,422</u>

On 2 May 2014, HSBC Invoice Finance (UK) Limited issued a fixed and floating charge over all company property and assets both present and future.

11. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax		
Deferred tax on accelerated capital allowances	92,486	-
Deferred tax on losses	(72,026)	-
	<u>20,460</u>	<u>-</u>
		Deferred tax
		£
Accelerated capital allowances		92,486
Deferred tax on losses		(72,026)
Balance at 31 December 2018		<u>20,460</u>

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

David Brookes (FCA) (Senior Statutory Auditor)
for and on behalf of Hopper Williams & Bell Limited

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

14. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date the company has terminated its Invoice Discounting agreement with HSBC Invoice Finance (UK) Limited. In its place the company entered into an agreement with HSBC UK Bank Plc for the provision of a facility in the form of a Multi-Currency International Business Overdraft.

15. ULTIMATE CONTROLLING PARTY

The controlling party is Aviation Industrial Group Inc.

The company is a subsidiary of Segers Group which is the ultimate parent company and which was Incorporated in the British Virgin Islands.

The largest and smallest group in which the results of the company are consolidated is that headed by Segers Group, incorporated in the British Virgin Islands. The consolidated accounts of this company are available to the public and may be obtained from Unit 5-6 Spitfire Way, Solent Airport, Lee-On-The-Solent, Hampshire, PO13 9FY. No other group accounts include the results of the company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.