

Company Registration No. 06825749 (England and Wales)

ACC AVIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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ACC AVIATION LIMITED

COMPANY INFORMATION

Directors	Mr Phillip Aird-Mash Mr Paul Carter Ms Stephanie White
Company number	06825749
Registered office	Belgrave House 39 - 43 Monument Hill Weybridge Surrey KT13 8RN
Auditors	Ward Williams Belgrave House 39-43 Monument Hill Weybridge Surrey KT13 8RN
Business address	Priory Gate 18 Castlefield Road Reigate Surrey RH2 0AP

ACC AVIATION LIMITED

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ACC AVIATION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report for the year ended 31 December 2016.

Fair review of the business

The principal activity of the company continued to be that of the charter of aircraft.

The results for the business are set out on page 6. The company has increased its gross profit in the year in a competitive market by investment in its people, premises, business development and international expansion to grow customer numbers and deliver flight operations of the highest standard. The directors are satisfied with the results and the year-end position and the company's future prospects. The company is in a strong financial position which will enable it to deal with the challenges and take advantage of the opportunities which are expected to arise in the following year.

Key Performance Indicators

The directors use and review many performance measures. The companies key performance indicator is gross profit.

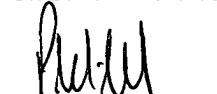
	2016	2015
Gross Profit	£6.5m	£3.3m

The directors consider the track of this KPI indicates that the company is achieving its business objectives.

Principal risks and uncertainties

The principal risk arising for the company is currency risk as it is exposed to foreign exchange transactions. Wherever possible, the company seeks to hedge currency risks by matching outflows with inflows. The company also benefits from the currency matching activity of its customers and suppliers.

On behalf of the board



Mr Phillip Aird-Mash

Director

31/8/17

ACC AVIATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Directors

Mr Phillip Aird-Mash
Mr Paul Carter
Ms Stephanie White

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £1,772,000. The directors do not recommend payment of a final dividend.

Auditor

The auditor, Ward Williams, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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. 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 of 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 judgements 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Foreign branches

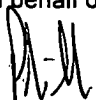
The company have a branch operating in Dubai.

ACC AVIATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

On behalf of the board



.....
Mr Phillip Aird-Mash

Director

31/8/17.....

ACC AVIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACC AVIATION LIMITED

We have audited the financial statements of ACC Aviation Limited for the year ended 31 December 2016 set out on pages 6 to 24. 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 Directors' Responsibilities Statement set out on , 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 annual 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 December 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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 Strategic Report and the Directors' Report.

ACC AVIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ACC AVIATION 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.

Ward Williams

Richard Hayward (Senior Statutory Auditor)
for and on behalf of Ward Williams

Chartered Accountants
Statutory Auditor

18 September 2017
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Belgrave House
39 - 43 Monument Hill
Weybridge
Surrey
KT13 8RN

ACC AVIATION LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Revenue	3	56,930,932	39,559,397
Cost of sales		(50,479,132)	(36,221,585)
Gross profit		6,451,800	3,337,812
Administrative expenses		(3,101,663)	(2,042,789)
Operating profit	4	3,350,137	1,295,023
Investment income	7	18,816	54
Finance costs	8	43,909	5,512
Other gains and losses	9	75,173	22,366
Profit before taxation		3,488,035	1,322,955
Taxation	10	(646,598)	(268,672)
Profit for the financial year	20	2,841,437	1,054,283
Other comprehensive income		-	-
Total comprehensive income for the year		2,841,437	1,054,283

The income statement has been prepared on the basis that all operations are continuing operations.

ACC AVIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£	£
Profit for the year	2,841,437	1,054,283
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,841,437</u>	<u>1,054,283</u>

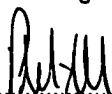
ACC AVIATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Property, plant and equipment	12		176,960		206,321
Current assets					
Trade and other receivables falling due after one year	14	694,493		1,905,177	
Trade and other receivables falling due within one year	14	8,127,437		6,241,023	
Cash at bank and in hand		6,636,760		2,150,684	
		15,458,690		10,296,884	
Current liabilities	15	(11,093,097)		(7,156,951)	
Net current assets			4,365,593		3,139,933
Total assets less current liabilities			4,542,553		3,346,254
Provisions for liabilities	16		(63,416)		-
Net assets			4,479,137		3,346,254
Equity					
Called up share capital	19		1		1
Retained earnings	20		4,479,136		3,346,253
Total equity			4,479,137		3,346,254

The financial statements were approved by the board of directors and authorised for issue on 31/08/17 and are signed on its behalf by:



 Mr Phillip Aird-Mash
 Director

Company Registration No. 06825749

ACC AVIATION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 January 2015		1	2,229,579	2,229,580
Period ended 31 December 2015:				
Profit and total comprehensive income for the year		-	1,054,283	1,054,283
Distribution to parent		-	62,391	62,391
Balance at 31 December 2015		1	3,346,253	3,346,254
Period ended 31 December 2016:				
Profit and total comprehensive income for the year		-	2,841,437	2,841,437
Dividends	11	-	(1,772,000)	(1,772,000)
Distribution to parent		-	63,446	63,446
Balance at 31 December 2016		1	4,479,136	4,479,137

ACC AVIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	25	6,644,558		1,634,253	
Income taxes paid		(250,093)		(240,887)	
Net cash inflow from operating activities		6,394,465		1,393,366	
Investing activities					
Purchase of property, plant and equipment		(27,170)		(150,953)	
Other investments and loans made		(497,824)		(795,707)	
Proceeds on disposal of other investments		-		70,164	
Interest received		18,816		54	
Net cash used in investing activities		(506,178)		(876,442)	
Financing activities					
Dividends paid		(1,772,000)		-	
Net cash used in financing activities		(1,772,000)		-	
Net increase in cash and cash equivalents		4,116,287		516,924	
Cash and cash equivalents at beginning of year		2,150,684		1,620,399	
Effect of foreign exchange rates		369,789		13,361	
Cash and cash equivalents at end of year		6,636,760		2,150,684	

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

ACC Aviation Limited is a company limited by shares incorporated in England and Wales. The registered office is Belgrave House, 39 - 43 Monument Hill, Weybridge, Surrey, KT13 8RN.

1.1 Accounting convention

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 the requirements of the Companies Act 2006.

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 pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenues are derived from aircraft chartering and Aircraft, Crew, Maintenance and Insurance ("ACMI") services. Where a contract has been determined as principal or agent and is responsible for the management of the calculation and settlement of both sides of the contract included the receipt and payment of sums due, the full amount of the invoice is recognised as revenue. Where the Company is acting on a commission only basis, the commission only is recognised as Revenue.

Revenue is recognised as earned when, and to the extent that, the Company obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients excluding value added tax. Amounts receivable in respect of aircraft chartering and ACMI services are recognised as revenue when the economic benefits are deemed to have passed to the customer, which is generally the flight date.

Revenue that is contingent on events outside the control of the company is recognised when the contingent event occurs.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	14 - 20% straight line
Computer equipment	25% straight line

The gain 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 credited or charged to profit or loss.

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Basic financial assets

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 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

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

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful lives of property, plant and equipment

In determining appropriate depreciation rates to apply against property, plant and equipment, the directors have used their knowledge and experience of both the company and the industry to assess the useful lives of each individual asset.

Provision for the impairment of trade receivables

The company establishes a provision for the impairment of trade receivables in accordance with its policy in note 1. The recoverable amount of trade receivables is compared to the carrying amount to determine the amount of impairment. These calculations require the use of estimates.

Intercompany loan

An interest free loan with no fixed repayment date has been made to the parent company. In calculating the value of this loan at amortised cost, assumptions have been made as to the repayment date and the market rate of interest.

3 Revenue

An analysis of the company's revenue is as follows:

	2016 £	2015 £
Turnover		
Rendering of services	56,930,932	39,559,397
	<u> </u>	<u> </u>
Other revenue		
Interest income	18,816	54
	<u> </u>	<u> </u>

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

3 Revenue (Continued)

Revenue analysed by geographical market

	2016 £	2015 £
United Kingdom	1,282,815	280,533
Europe	50,663,861	33,168,726
Rest of World	4,984,256	6,110,138
	<u>56,930,932</u>	<u>39,559,397</u>

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(241,580)	(146,631)
Fees payable to the company's auditor for the audit of the company's financial statements	18,850	18,000
Depreciation of owned property, plant and equipment	56,531	42,769
(Profit)/loss on disposal of property, plant and equipment	-	15,528
Operating lease charges	52,939	26,248
	<u>56,930,932</u>	<u>39,559,397</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Management and sales	26	21
Administration	6	5
	<u>32</u>	<u>26</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	1,922,669	1,217,569
Social security costs	220,119	152,472
Pension costs	40,694	25,275
	<u>2,183,482</u>	<u>1,395,316</u>

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	422,058	302,034
Company pension contributions to defined contribution schemes	24,600	23,142
	<u>446,658</u>	<u>325,176</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	317,451	160,452
Company pension contributions to defined contribution schemes	15,000	13,542
	<u>332,451</u>	<u>173,994</u>

During the year, consultancy fees of £30,000 were paid for the services of a director.

Remuneration amounting to £0 (2015 - £25,000) has been waived.

7 Investment income

	2016 £	2015 £
Interest income		
Interest on bank deposits	17,623	54
Other interest income	1,193	-
	<u>18,816</u>	<u>54</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>17,623</u>	<u>54</u>
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8 Finance costs

	2016 £	2015 £
Other finance costs:		
Exchange differences on financing transactions	(43,909)	(5,512)
	<u>(43,909)</u>	<u>(5,512)</u>

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Other gains and losses

	2016 £	2015 £
Fair value gains/(losses) on financial instruments		
Exchange differences arising on hedging instrument in cash flow hedge	75,173	22,366

10 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	573,041	270,673
Adjustments in respect of prior periods	10,141	(2,001)
Total current tax	583,182	268,672
Deferred tax		
Origination and reversal of timing differences	63,416	-
Total tax charge	646,598	268,672

The effective tax rate for the year has reduced from 20.25% to 20% due to the rate of UK corporation tax reducing from 21% to 20% with effect from 1 April 2015. From 1 April 2017, the rate of corporation tax is expected to reduce to 19%.

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	3,488,035	1,322,955
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	697,607	267,898
Tax effect of expenses that are not deductible in determining taxable profit	15,931	5,401
Adjustments in respect of prior years	10,141	(2,001)
Group relief	(72,985)	-
Permanent capital allowances in excess of depreciation	(40,648)	(15,258)
Depreciation on assets not qualifying for tax allowances	15,011	-
Research and development tax credit	(41,875)	-
Dividend income	-	12,632
Deferred tax	63,416	-
Taxation for the year	646,598	268,672

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Dividends

	2016 £	2015 £
Interim paid	1,772,000	-

12 Property, plant and equipment

	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost			
At 1 January 2016	109,661	139,282	248,943
Additions	18,276	8,894	27,170
At 31 December 2016	127,937	148,176	276,113
Depreciation and impairment			
At 1 January 2016	8,778	33,844	42,622
Depreciation charged in the year	4,447	52,084	56,531
At 31 December 2016	13,225	85,928	99,153
Carrying amount			
At 31 December 2016	114,712	62,248	176,960
At 31 December 2015	100,883	105,438	206,321

13 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	8,767,591	8,146,200
Instruments measured at fair value through profit or loss	54,339	-
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	-	20,834
Measured at amortised cost	11,093,097	7,136,117

Debt instruments measured at amortised cost includes £694,493 (2015: £1,905,176) due from the parent. This loan is interest free and has no maturity date. It has been measured at amortised cost based on the market rate of interest and on the assumption that it will be repaid in December 2017. During the year, a finance cost of £63,446 (2015: £62,391) was recognised in reserves against income of £289,262 previously recognised. The net amount of £163,425 is not distributable.

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

(Continued)

13 Financial instruments

The company uses derivative financial instruments to hedge against adverse movements in foreign exchange. At the end of the year the company had forward foreign currency contracts in place. These contracts are not traded in active markets. They have been measured at fair value based on forward exchange rate at the maturity of the contract and the spot rate at the year end.

14 Trade and other receivables

	2016 £	2015 £
Amounts falling due within one year:		
Trade receivables	5,241,146	2,251,039
Amounts due from fellow group undertakings	-	34,343
Derivative financial instruments	54,339	-
Other receivables	505,087	659,304
Prepayments and accrued income	2,326,865	3,296,337
	<u>8,127,437</u>	<u>6,241,023</u>
Amounts falling due after more than one year:		
Amount due from parent undertaking	694,493	1,905,177
	<u>694,493</u>	<u>1,905,177</u>
Total debtors	<u>8,821,930</u>	<u>8,146,200</u>

Trade receivables disclosed above are measured at amortised cost.

15 Current liabilities

	2016 £	2015 £
Trade payables	4,323,642	1,988,077
Amounts due to group undertakings	80,231	-
Corporation tax	392,803	59,713
Other taxation and social security	-	91,426
Derivative financial instruments	-	20,834
Other payables	1,112,260	846,084
Accruals and deferred income	5,184,161	4,150,817
	<u>11,093,097</u>	<u>7,156,951</u>

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

16 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	17	63,416	-
		<u>63,416</u>	<u>-</u>

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	<u>63,416</u>	<u>-</u>
Movements in the year:		2016 £
Liability at 1 January 2016		-
Charge to profit or loss		<u>63,416</u>
Liability at 31 December 2016		<u>63,416</u>

18 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>40,694</u>	<u>25,275</u>

The company operates a defined contribution pension scheme for all qualifying employees.

19 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
1 Ordinary Share Capital of £1 each	<u>1</u>	<u>1</u>

The company has only one class of ordinary shares which carry no right to fixed income.

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

20 Retained earnings

The retained earnings account represents cumulative profits and losses net of dividends and other adjustments.

21 Financial commitments, guarantees and contingent liabilities

The Company has guaranteed a loan made to its parent company, NEWACC (2014) Limited totalling £2,304,000. The loan is secured by a debenture dated 21 November 2014, with a fixed and floating charge over all assets of the Company.

22 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties and other assets. The property held under an operating lease is for a term of 5 years with a break clause at 3 years.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	67,406	64,645
Between two and five years	47,373	110,537
	<u>114,779</u>	<u>175,182</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	<u>509,658</u>	<u>397,175</u>

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

23 Related party transactions

(Continued)

Transactions with related parties

The company has taken advantage of the exemption available in FRS 102 Section 33 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group. The consolidated financial statements of NEWACC (2014) Limited are available at Priory Gate, 18 Castlefield Road, Reigate, Surrey, RH2 0AP.

The company has guaranteed a loan made to its parent company, NEWACC (2014) Limited totalling £2,304,000. The loan is secured by a debenture dated 21 November 2014, with a fixed and floating charge over all assets of the company.

24 Controlling party

The ultimate parent company is NEWACC (2014) Limited, a company registered in England and Wales. NEWACC (2014) Limited prepares group accounts and copies are available from headquarters at Priory Gate, 18 Castlefield Road, Reigate, Surrey, RH2 0AP. The directors are of the opinion that there is no ultimate controlling party.

25 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	2,841,437	1,054,283
Adjustments for:		
Taxation charged	646,598	268,672
Investment income	(18,816)	(54)
(Gain)/loss on disposal of property, plant and equipment	-	15,528
Depreciation and impairment of property, plant and equipment	56,531	42,769
Foreign exchange gains on cash equivalents	(369,789)	(13,361)
Other gains and losses	(75,172)	(13,357)
Movements in working capital:		
(Increase) in trade and other receivables	(60,122)	(1,790,515)
Increase in trade and other payables	3,623,891	2,070,288
Cash generated from operations	<u>6,644,558</u>	<u>1,634,253</u>