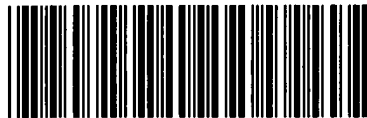


Company Registration No. 06825749 (England and Wales)

ACC AVIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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COMPANIES HOUSE

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 2017

The directors present the strategic report for the year ended 31 December 2017.

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 had a exceptional year and has taken advantage of opportunities which have enabled it to increase its turnover by 60.8%. The company have continued to invest in its people, premises, business development and international expansion to grow customer numbers and deliver flight operations of the highest standard in a competitive market. The directors are satisfied with the results and the year-end position and the company's future prospects, although this rate of growth is not expected to continue into the coming year. The company is in a strong financial position with good cash balances 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.

	2017	2016
Gross Profit	£7.8m	£6.5m

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

Principal risks and uncertainties

The company uses various financial instruments such as cash, trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the groups operations.

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 benefits from the currency matching activity of its customers and suppliers. Forward contracts are also obtained to fix the rates for the purchase of foreign currencies at future dates.

Trade debtors are constantly monitored in respect of credit and cash flow risk policies. Customers' balances are regularly monitored for amounts outstanding.

Trade creditors are managed by ensuring that sufficient funds are available to meet amounts due within stated terms.

Due to the nature of the financial instruments used by the company, there is no exposure to price risk. The company maintains sufficient bank balances to finance its continuing activities.

The company have a risk of reliance on key customers. During the year, a small number of customers were responsible for a large proportion of revenue. The company is addressing this risk in the coming year.

ACC AVIATION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Future development

The directors intend to continue to develop the business through investment in people, business development and international expansion to grow customer numbers and deliver flight operations of the highest standard.

On behalf of the board



Mr Phillip Aird-Mash

Director

25/5/2018

ACC AVIATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

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 £2,554,425. 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.

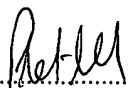
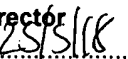
Statement of disclosure to auditor

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 established in Dubai. At the year end, this branch was not trading.

On behalf of the board


.....
Mr Phillip Aird-Mash
Director

.....

ACC AVIATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACC AVIATION LIMITED

Opinion

We have audited the financial statements of ACC Aviation Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ACC AVIATION LIMITED

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

Opinions 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.

Matters on which we are required to report by exception

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 material misstatements in the Strategic Report and the Directors' Report.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



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

Chartered Accountants
Statutory Auditor

30 May 18

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

ACC AVIATION LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Revenue	3	91,547,531	56,930,932
Cost of sales		(83,751,780)	(50,479,132)
Gross profit		7,795,751	6,451,800
Administrative expenses		(3,971,189)	(3,101,663)
Operating profit	4	3,824,562	3,350,137
Investment income	7	31,812	18,816
Finance costs	8	(235,511)	43,909
Other gains and losses	9	(43,280)	75,173
Profit before taxation		3,577,583	3,488,035
Tax on profit	10	(583,477)	(646,598)
Profit for the financial year		2,994,106	2,841,437

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 2017

	2017	2016
	£	£
Profit for the year	2,994,106	2,841,437
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,994,106</u>	<u>2,841,437</u>

ACC AVIATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Property, plant and equipment	12		135,698		176,960
Current assets					
Trade and other receivables falling due after more than one year	14	-		694,493	
Trade and other receivables falling due within one year	14	11,850,781		8,127,437	
Cash and cash equivalents		8,906,241		6,636,760	
		20,757,022		15,458,690	
Current liabilities	15	(15,786,280)		(11,093,097)	
Net current assets			4,970,742		4,365,593
Total assets less current liabilities			5,106,440		4,542,553
Provisions for liabilities	16		(24,197)		(63,416)
Net assets			5,082,243		4,479,137
Equity					
Called up share capital	19		1		1
Retained earnings	20		5,082,242		4,479,136
Total equity			5,082,243		4,479,137

The financial statements were approved by the board of directors and authorised for issue on 25/5/15 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 2017

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 January 2016		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
Period ended 31 December 2017:				
Profit and total comprehensive income for the year		-	2,994,106	2,994,106
Dividends	11	-	(2,554,425)	(2,554,425)
Distribution to parent		-	163,425	163,425
Balance at 31 December 2017		1	5,082,242	5,082,243

ACC AVIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	25	6,394,121		6,644,558	
Interest paid		(585)		-	
Corporation tax paid		(704,476)		(250,093)	
Net cash inflow from operating activities		<u>5,689,060</u>		<u>6,394,465</u>	
Investing activities					
Purchase of property, plant and equipment		(19,700)		(27,170)	
Other investments and loans made		(547,009)		(497,824)	
Interest received		31,812		18,816	
Net cash used in investing activities		<u>(534,897)</u>		<u>(506,178)</u>	
Financing activities					
Dividends paid		(2,554,425)		(1,772,000)	
Net cash used in financing activities		<u>(2,554,425)</u>		<u>(1,772,000)</u>	
Net increase in cash and cash equivalents		<u>2,599,738</u>		<u>4,116,287</u>	
Cash and cash equivalents at beginning of year		6,636,760		2,150,684	
Effect of foreign exchange rates		(330,257)		369,789	
Cash and cash equivalents at end of year		<u><u>8,906,241</u></u>		<u><u>6,636,760</u></u>	

ACC AVIATION LIMITED

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

1 Accounting policies

Company information

ACC Aviation Limited is a private 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 2017

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 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.

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.

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 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.

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.

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

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 payments 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.

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

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.

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

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

In the absence of any loan agreements for the loan made to NewACC (2014) Limited, the ultimate parent company, this loan is considered to be repayable on demand and is therefore presented within current assets.

3 Revenue

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

	2017 £	2016 £
Turnover		
Rendering of services	91,547,531	56,930,932
	<u> </u>	<u> </u>
Other revenue		
Interest income	31,812	18,816
	<u> </u>	<u> </u>

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

3 Revenue (Continued)

Revenue analysed by geographical market

	2017 £	2016 £
United Kingdom	1,710,463	1,282,815
Europe	86,118,397	50,663,861
Rest of World	3,718,671	4,984,256
	<u>91,547,531</u>	<u>56,930,932</u>

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(283,338)	(241,580)
Fees payable to the company's auditor for the audit of the company's financial statements	19,195	18,850
Depreciation of owned property, plant and equipment	60,962	56,531
Operating lease charges	59,005	52,939
	<u>91,547,531</u>	<u>56,930,932</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £48,412 (2016 - £285,489).

5 Employees

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

	2017 Number	2016 Number
Management and sales	34	26
Administration	4	6
	<u>38</u>	<u>32</u>

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

5 Employees (Continued)

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	2,459,882	1,922,669
Social security costs	274,167	220,119
Pension costs	49,381	40,694
	<u>2,783,430</u>	<u>2,183,482</u>

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	456,222	422,058
Company pension contributions to defined contribution schemes	23,640	24,600
	<u>479,862</u>	<u>446,658</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2016 - 2).

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

	2017 £	2016 £
Remuneration for qualifying services	321,178	317,451
Company pension contributions to defined contribution schemes	15,000	15,000
	<u>336,178</u>	<u>332,451</u>

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

7 Investment income

	2017 £	2016 £
Interest income		
Interest on bank deposits	31,812	17,623
Other interest income	-	1,193
	<u>31,812</u>	<u>18,816</u>

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

(Continued)

7 Investment income

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	31,812	17,623
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8 Finance costs

	2017 £	2016 £
Other finance costs:		
Exchange differences on financing transactions	234,926	(43,909)
Other interest	585	-
	<u>235,511</u>	<u>(43,909)</u>

9 Other gains and losses fixed asset investments

	2017 £	2016 £
Fair value gains/(losses) on financial instruments		
Exchange differences arising on hedging instrument in cash flow hedge	(43,280)	75,173

10 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	620,117	573,041
Adjustments in respect of prior periods	2,579	10,141
Total current tax	<u>622,696</u>	<u>583,182</u>
Deferred tax		
Origination and reversal of timing differences	(39,219)	63,416
Total tax charge	<u>583,477</u>	<u>646,598</u>

The effective tax rate for the year has reduced from 20% to 19.25% due to the rate of UK corporation tax reducing from 20% to 19% with effect from 1 April 2017. The rate of corporation tax is expected to remain at 19% throughout 2018.

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

10 Taxation

(Continued)

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:

	2017 £	2016 £
Profit before taxation	3,577,583	3,488,035
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	688,685	697,607
Tax effect of expenses that are not deductible in determining taxable profit	38,569	15,931
Adjustments in respect of prior years	2,578	10,141
Group relief	(45,615)	(72,985)
Permanent capital allowances in excess of depreciation	(4,145)	(40,648)
Depreciation on assets not qualifying for tax allowances	11,681	15,011
Research and development tax credit	(69,057)	(41,875)
Deferred tax	(39,219)	63,416
Taxation charge for the year	583,477	646,598

11 Dividends

	2017 £	2016 £
Interim paid	2,554,425	1,772,000

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

12 Property, plant and equipment

	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost			
At 1 January 2017	127,937	148,176	276,113
Additions	6,881	12,819	19,700
At 31 December 2017	134,818	160,995	295,813
Depreciation and impairment			
At 1 January 2017	31,747	67,406	99,153
Depreciation charged in the year	25,865	35,097	60,962
At 31 December 2017	57,612	102,503	160,115
Carrying amount			
At 31 December 2017	77,206	58,492	135,698
At 31 December 2016	114,712	62,248	176,960

13 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	11,839,723	8,767,591
Instruments measured at fair value through profit or loss	11,059	54,339
Carrying amount of financial liabilities		
Measured at amortised cost	15,782,047	11,093,097

Debt instruments measured at amortised cost includes £1,241,502 (2016: £694,493) 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 2018. During the year, a finance income of £163,425 (2016: £63,446) was recognised in reserves against a cost of £163,425 previously recognised.

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.

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

14 Trade and other receivables

	2017 £	2016 £
Amounts falling due within one year:		
Trade receivables	4,029,902	5,241,146
Amounts owed by group undertakings	1,356,198	-
Derivative financial instruments	11,059	54,339
Other receivables	1,909,281	505,087
Prepayments and accrued income	4,544,341	2,326,865
	<u>11,850,781</u>	<u>8,127,437</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	-	694,493
	<u>-</u>	<u>694,493</u>
Total debtors	<u>11,850,781</u>	<u>8,821,930</u>

Trade receivables disclosed above are measured at amortised cost.

15 Current liabilities

	2017 £	2016 £
Trade payables	4,799,696	4,323,642
Amounts due to group undertakings	-	80,231
Corporation tax	311,023	392,803
Other taxation and social security	53,191	-
Other payables	2,841,313	1,112,260
Accruals and deferred income	7,781,057	5,184,161
	<u>15,786,280</u>	<u>11,093,097</u>

16 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	17	<u>24,197</u>	<u>63,416</u>

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

17 Deferred taxation

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

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Accelerated capital allowances	24,197	63,416
Movements in the year:		2017 £
Liability at 1 January 2017		63,416
Credit to profit or loss		(39,219)
Liability at 31 December 2017		24,197

18 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	49,381	40,694

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

19 Share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid		
1 Ordinary Share Capital of £1 each	1	1
	1	1

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

20 Retained earnings

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

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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:

	2017 £	2016 £
Within one year	68,849	67,406
Between two and five years	111,984	173,701
	<u>180,833</u>	<u>241,107</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	<u>578,862</u>	<u>509,658</u>

ACC AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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

	2017 £	2016 £
Profit for the year after tax	2,994,106	2,841,437
Adjustments for:		
Taxation charged	583,477	646,598
Finance costs	585	-
Investment income	(31,812)	(18,816)
Depreciation and impairment of property, plant and equipment	60,962	56,531
Foreign exchange gains on cash equivalents	330,257	(369,789)
Other gains and losses	43,280	(75,172)
Movements in working capital:		
(Increase) in trade and other receivables	(2,361,697)	(60,122)
Increase in trade and other payables	4,774,963	3,623,890
Cash generated from operations	6,394,121	6,644,558