

Registered number: 06825749

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**ACC AVIATION LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**ACC AVIATION LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Phillip Aird-Mash Philip Mathews Richard Daniel
<b>Registered number</b>	06825749
<b>Registered office</b>	Belgrave House 39-43 Monument Hill Weybridge Surrey KT13 8RN
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2nd Floor St. John's House Haslett Avenue West Crawley RH10 1HS
<b>Business address</b>	Priory Gate 18 Castlefield Road Reigate Surrey RH2 0AP

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**ACC AVIATION LIMITED**

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**ACC AVIATION LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present the Strategic Report for ACC Aviation Limited (the Company) for the year ended 31 December 2022.

**Fair review of the business**

The principal activity of the Company continued to be that of the provision of services to airlines and the charter of aircraft.

2022 saw significantly improved trading following the removal of the final Covid-19 restrictions at the end of Q1. As a result Gross Profit improved from £2.6m in 2021 to £4.7m in 2022.

The outlook for 2023 is strong with the aviation market and customer demand expecting to be operating back at pre-pandemic levels.

**Key Performance Indicators**

The directors use and review many performance measures. The Company's key performance indicators are gross profit and headcount:

	<b>2022</b>	<b>2021</b>
Gross profit	<b>£4.7m</b>	<b>£2.6m</b>
Headcount	<b>33</b>	<b>34</b>

The directors consider the track of these KPI's indicates that the Company is achieving its business objectives.

**Principal risks and uncertainties**

*Economic uncertainty*

The impact of the ongoing global economic volatility and uncertainty is being closely monitored. There does not appear to have been a significant direct impact on the Group thus far.

*Financial instruments*

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 group's operations.

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 has overdraft facilities in different currencies that are used periodically in managing its cash flows.

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**ACC AVIATION LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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*Currency risk*

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.

*Customer concentration risk*

The directors no longer consider customer concentration as a risk due to the progress made on product and geographic diversification.

**Statement by directors in performance of their statutory duties in accordance with 172(1) Companies Act 2006**

The directors consider, both individually and together that they have acted in the way they consider in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2021 and in creating future business plans ("our plans"):

- a) Our plans are designed to have a long-term beneficial impact on the Group and to contribute to its success by providing high quality services to our customers.
- b) Our employees are fundamental to the delivery of our plans. We aim to be a responsible and attractive employer in our approach to pay and the benefits our employees receive and the opportunities they have to develop their careers.
- c) Our plans rely on developing long term relationships with suppliers and customers, enabling us to gain a detailed understanding of their requirements and priorities. We aim to act responsibly and fairly in how we engage with all stakeholders.
- d) Our plans consider the impact of the Group's operations on the community and the environment. We encourage our employees to support the communities in which they work.
- e) As directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating with the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plans.
- f) As directors, our intention is to behave responsibly to our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plans.

This report was approved by the board on 26/5/2023 and signed on its behalf.

*Philip Mathews*

**Philip Mathews**  
Director

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**ACC AVIATION LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their report and the financial statements for the year ended 31 December 2022.

**Results and dividends**

The profit for the year, after taxation, amounted to £802,697 (2021: £393,530).

Ordinary dividends were paid amounting to £Nil (2021: £Nil). The directors do not recommend payment of a final dividend.

**Directors**

The directors who served during the year were:

Phillip Aird-Mash  
Philip Mathews  
Richard Daniel

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**ACC AVIATION LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Going concern**

As noted in the Strategic report the Company continues to take appropriate actions to secure its long-term viability.

The Group has reviewed its trading forecast for the rest of 2023 and its strategic plan and financial expectations to 31 May 2024 and run downside sensitivities of a reduction in Gross Profit of between 56%-58%, to levels broadly in line with the covid trading periods of 2020 and 2021. The directors consider these downside scenarios to be both severe and plausible and these downside scenarios indicate that the Group will continue to have positive cash reserves throughout the assessment period.

The Company has also received a letter of support from the directors of NewACC (2018) Limited stating that the Group will not extract cash or working capital from the Company, if it were to result in a position where the Company were not able to meet its obligations and liabilities as they fall due.

In light of these forecasts which have been stress tested with the downside sensitivities noted above, the directors have a reasonable expectation that it will continue to trade for at least the next 12 months and meet its obligations and liabilities as they fall due. Accordingly, these financial statements continue to be prepared on the going concern basis.

**Qualifying third party indemnity provisions**

The Company made qualifying third party indemnity provisions for the benefit of its directors during the year, which remain in force at the date of this report. This is a qualifying provision for the purposes of the Companies Act 2006.

**Matters covered in the Strategic report**

Information in respect of financial risk management and exposure to risks are not shown in the Director's report because they are presented in the Strategic report in accordance with s414c of the Companies Act 2006.

**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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**ACC AVIATION LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26/5/2023 and signed on its behalf.

*Philip Mathews*

**Philip Mathews**  
Director





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

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### **Opinion**

We have audited the financial statements of ACC Aviation Limited (the 'Company') for the year ended 31 December 2022, which comprise the Income statement, the Statement of financial position, the Statement of changes in equity 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 Financial Reporting Standard 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 2022 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.

### **Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



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

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In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the 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.



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

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### **Matter on which we are required to report under the Companies Act 2006**

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 or the Directors' report.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which 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 for the financial statements**

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.



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

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102, the Companies Act 2006 and the relevant tax compliance regulations in the UK).
- We understood how the Company is complying with those legal and regulatory frameworks by making inquiries of management, those charged with governance and other personnel within the organisation.
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand areas where management considered there was a susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to meet external pressures in reporting the financial results to the Group or for personal interest of the directors.
- Audit procedures performed by the engagement team on the areas where fraud might occur included:
  - detailed substantive testing to source documentation to validate that where revenues had been recorded when the flight or service had taken place;
  - evaluation of the design effectiveness of management's controls designed to prevent and detect irregularities;
  - journal entries testing, with a focus on unauthorised user entries and entries determined to be large or relating to unusual transactions;
  - identifying and testing related party transactions
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the Company operates
  - understanding of the legal and regulatory requirements specific to the Company

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



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

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**Use of our report**

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.

A handwritten signature in black ink, appearing to read "Jonathan Maile".

Jonathan Maile BSc (Hons) FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Crawley  
Date: 26/5/2023

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**ACC AVIATION LIMITED**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	Note	2022 £	2021 £
Revenue	4	43,291,594	22,040,042
Cost of sales		(38,579,062)	(19,421,200)
<b>Gross profit</b>		<b>4,712,532</b>	<b>2,618,842</b>
Administrative expenses		(3,300,051)	(2,333,757)
<b>Operating profit</b>	6	<b>1,412,481</b>	<b>285,085</b>
Other income	5	-	178,825
Interest income/(expense)	10	18,130	(2,254)
Other gains and (losses)	11	(435,122)	9,335
<b>Profit before tax</b>		<b>995,489</b>	<b>470,991</b>
Tax on profit	12	(192,792)	(77,461)
<b>Profit for the financial year</b>		<b>802,697</b>	<b>393,530</b>

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

There is no other comprehensive income/(expenses) other than the profit shown above and therefore no separate statement of comprehensive income has been presented.

The notes on pages 14 to 29 form part of these financial statements.

**ACC AVIATION LIMITED**  
**REGISTERED NUMBER:06825749**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	159,765	65,975
		<u>159,765</u>	<u>65,975</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	6,270,292	3,739,889
Cash at bank and in hand		7,750,742	3,700,055
		<u>14,021,034</u>	<u>7,439,944</u>
Creditors: amounts falling due within one year	16	(11,174,001)	(5,312,844)
<b>Net current assets</b>		<u>2,847,033</u>	<u>2,127,100</u>
<b>Total assets less current liabilities</b>		<u>3,006,798</u>	<u>2,193,075</u>
<b>Provisions for liabilities</b>			
Deferred tax	17	(25,007)	(13,981)
		<u>(25,007)</u>	<u>(13,981)</u>
<b>Net assets</b>		<u><u>2,981,791</u></u>	<u><u>2,179,094</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	1	1
Retained earnings	19	2,981,790	2,179,093
		<u><u>2,981,791</u></u>	<u><u>2,179,094</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26/5/2023

*Richard Daniel*  
**Richard Daniel**  
 Director

The notes on pages 14 to 29 form part of these financial statements.

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**ACC AVIATION LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	Share capital £	Retained earnings £	Total equity £
<b>At 1 January 2021</b>	<b>1</b>	<b>1,785,563</b>	<b>1,785,564</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	393,530	393,530
<b>At 1 January 2022</b>	<b>1</b>	<b>2,179,093</b>	<b>2,179,094</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	802,697	802,697
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>802,697</b>	<b>802,697</b>
<b>At 31 December 2022</b>	<b>1</b>	<b>2,981,790</b>	<b>2,981,791</b>

The notes on pages 14 to 29 form part of these financial statements.



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**ACC AVIATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. General 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.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of NewAcc (2018) Limited as at 31 December 2022 and these financial statements may be obtained from Companies House.

**2.3 Going concern**

As noted in the Strategic report the Company continues to take appropriate actions to secure its long-term viability.

The Group has reviewed its trading forecast for the rest of 2023 and its strategic plan and financial expectations to 31 May 2024 and run downside sensitivities of a reduction in Gross Profit of between 56% - 58%, to levels in line with covid impacted trading periods of 2020 and 2021. The directors consider these downside scenarios to be both severe and plausible and these downside scenarios indicate that the Group will continue to have positive cash reserves throughout the assessment period.

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**ACC AVIATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.3 Going concern (continued)**

The Company has also received a letter of support from the directors of NewACC (2018) Limited stating that the Group will continue to support the Company, as necessary, to enable it to meet its liabilities as they fall due.

In light of these forecasts which have been stress tested with the downside sensitivities noted above, the directors have a reasonable expectation that it will continue to trade for at least the next 12 months and meet its obligations and liabilities as they fall due accordingly, these financial statements continue to be prepared on the going concern basis.

**2.4 Revenue**

Revenues are derived from aircraft chartering, asset management and airline advisory services, and Aircraft, Crew, Maintenance and Insurance ("ACMI") services. Where the Company is determined as acting as principal and the Company is responsible for the management of the calculation and settlement of both sides of the contract including 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 as the Company is deemed to be acting as an agent.

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. Amounts receivable in respect of consultancy work are recognised as revenue when the work takes place.

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

**2.5 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:

Depreciation is provided on the following basis:

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.

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**ACC AVIATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.6 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.

**2.7 Government grants**

Government grant income represents the amounts received in respect of the Coronavirus Job Support Scheme and is recognised as the amounts become due.

**2.8 Exceptional costs**

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

**2.9 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.10 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.

**2.11 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.12 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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ACC AVIATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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2. Accounting policies (continued)

2.13 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.

**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.

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ACC AVIATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.13 Financial instruments (continued)**

***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.

**2.14 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.

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**ACC AVIATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.15 Current and deferred 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.

**2.16 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.

**2.17 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

**2.18 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.

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**ACC AVIATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.19 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.

**3. Judgements in applying accounting policies 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.

***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 2. 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 between Group companies, all loans are considered to be repayable on demand and are therefore presented within current assets or liabilities.

**Revenue recognition**

The Company reviews the terms of its contracts against the provisions of FRS102 to assess whether the Company is acting as a Principal or Agent in determining its revenue recognition policy. When it is judged that the Company has on balance exposure to the full risks and rewards associated with the rendering of services then revenue is recognised on a Principal basis.

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**ACC AVIATION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**4. Revenue**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>		
Rendering of services	<b>43,291,594</b>	<b>22,040,042</b>

Analysis of turnover by country of destination:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
United Kingdom	<b>10,857,892</b>	<b>7,842,484</b>
Rest of Europe	<b>30,344,850</b>	<b>11,602,350</b>
Rest of the world	<b>2,088,852</b>	<b>2,595,208</b>
	<b>43,291,594</b>	<b>22,040,042</b>

**5. Other income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Government grants	<b>-</b>	<b>178,825</b>

Other income represents amounts received in respect of the government's Coronavirus Job Support Scheme and is recognised as the amounts become due.



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**ACC AVIATION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**6. Operating profit**

The operating profit is stated after charging:

	2022 £	2021 £
Exchange differences	19,557	34,334
Depreciation of owned property, plant and equipment	34,663	24,406
Other operating lease rentals	54,736	58,365
Exceptional administration costs	284,213	130,785
	<u>284,213</u>	<u>130,785</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 £415,565 (2021: £43,668).

The exceptional costs are non-recurring items which do not reflect the normal ongoing costs of the Group. These include costs incurred by the business to ensure that it is structured to take advantage of future growth opportunities. Costs associated with the liquidation of FlyACC Group Limited and professional fees associated with the NewACC(2018) Ltd share buyback undertaken during the year, are capital in nature and have been disallowed for tax purposes.

**7. Auditor's remuneration**

During the year, the Company obtained the following services from the Company's auditor:

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	46,000	40,000
Fees payable to the Company's auditor and its associates for non audit services	29,800	21,125
	<u>29,800</u>	<u>21,125</u>

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	2,069,025	1,734,548
Social security costs	282,606	201,794
Cost of defined contribution scheme	61,458	66,975
	<u>2,413,089</u>	<u>2,003,317</u>

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**ACC AVIATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**8. Employees (continued)**

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2022 No.</b>	<b>2021 No.</b>
Management and sales	<b>27</b>	<b>29</b>
Administration	<b>6</b>	<b>5</b>
	<b>33</b>	<b>34</b>

**9. Directors' remuneration**

	<b>2022 £</b>	<b>2021 £</b>
Directors' emoluments	<b>551,224</b>	<b>365,524</b>
Company contributions to defined contribution pension schemes	<b>14,114</b>	<b>13,220</b>
	<b>565,338</b>	<b>378,744</b>

During the year retirement benefits were accruing to 2 directors (2021: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £292,570 (2021: £175,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,455 (2021: £7,604).

During the year, consultancy fees of £Nil (2021: £Nil) were paid for the services of a director.

**10. Interest income/(expense)**

	<b>2022 £</b>	<b>2021 £</b>
Bank interest	<b>18,130</b>	<b>(2,254)</b>

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**ACC AVIATION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**11. Other gains and losses**

	2022 £	2021 £
<b>Fair value (losses)/gains on financial instruments</b>		
Fair value (losses)/gains arising on hedging instrument	-	(34,334)
Exchange differences arising on foreign currency balances	(435,122)	43,669
	<u>(435,122)</u>	<u>9,335</u>

**12. Taxation**

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	183,187	74,613
Adjustments in respect of previous periods	(1,421)	-
<b>Total current tax</b>	<u>181,766</u>	<u>74,613</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	8,380	2,848
Adjustments in respect of prior periods	(1)	-
Effect of changes in tax rates	2,647	-
<b>Total deferred tax</b>	<u>11,026</u>	<u>2,848</u>
<b>Total tax charge/(credit)</b>	<u>192,792</u>	<u>77,461</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**12. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021: *lower than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<b>995,489</b>	<b>470,991</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	<b>189,143</b>	<b>89,488</b>
<b>Effects of:</b>		
Tax effect of expenses that are not deductible in determining taxable profit	<b>7,840</b>	4,273
Adjustments in respect of prior periods	<b>(1,421)</b>	<b>(8,587)</b>
Permanent capital allowances in excess of depreciation	<b>(4,655)</b>	<b>(1,193)</b>
Adjustments to tax charge in respect of previous periods - deferred tax	<b>(1)</b>	-
Deferred tax	<b>2,646</b>	3,356
Group relief claimed	<b>(760)</b>	<b>(9,876)</b>
<b>Total tax charge/(credit) for the year</b>	<b>192,792</b>	<b>77,461</b>

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**ACC AVIATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**13. Tangible fixed assets**

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	139,110	264,933	404,043
Additions	78,066	50,387	128,453
At 31 December 2022	<u>217,176</u>	<u>315,320</u>	<u>532,496</u>
<b>Depreciation</b>			
At 1 January 2022	136,531	201,537	338,068
Charge for the year on owned assets	11,268	23,395	34,663
At 31 December 2022	<u>147,799</u>	<u>224,932</u>	<u>372,731</u>
<b>Net book value</b>			
At 31 December 2022	<u>69,377</u>	<u>90,388</u>	<u>159,765</u>
At 31 December 2021	<u>2,579</u>	<u>63,396</u>	<u>65,975</u>

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**ACC AVIATION LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**


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**14. Debtors**

	2022 £	2021 £
Trade receivables	1,751,918	1,438,129
Amounts owed by group undertakings	807,708	491,829
Other receivables	1,624,001	763,288
Tax recoverable	-	58,494
Prepayments and accrued income	2,086,665	988,149
	<u>6,270,292</u>	<u>3,739,889</u>

There is a bad debt provision of £55,605 (2021: £62,404) against trade debtors.

Trade receivables disclosed above are measured at amortised cost. Amounts owed by group undertakings are repayable on demand and are interest free.

**15. Cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	<u>7,750,742</u>	<u>3,700,055</u>

**16. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade payables	1,927,360	2,435,834
Amounts owed to group undertakings	3,055,624	41,932
Corporation tax	183,187	-
Other taxation and social security	59,392	55,288
Other payables	1,651,025	726,332
Accruals and deferred income	4,297,413	2,053,458
	<u>11,174,001</u>	<u>5,312,844</u>

Amounts owed to group undertakings are repayable on demand and are interest free.

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**ACC AVIATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**17. Deferred taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At beginning of year	<b>(13,981)</b>	<b>(11,133)</b>
Charged to profit or loss	<b>(11,026)</b>	<b>(2,848)</b>
<b>At end of year</b>	<b><u>(25,007)</u></b>	<b><u>(13,981)</u></b>

The provision for deferred taxation is made up as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b><u>(25,007)</u></b>	<b><u>(13,981)</u></b>

**18. Share capital**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1 (2021: 1) Ordinary share of £1	<b><u>1</u></b>	<b><u>1</u></b>

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

**19. Reserves****Profit and loss account**

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

**20. Retirement benefit schemes**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<b><u>61,458</u></b>	<b><u>66,975</u></b>

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

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**ACC AVIATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Operating lease commitments**

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Within one year	4,323	47,792
Between two and five years	88,616	140,489
	<u>          </u>	<u>          </u>

**22. Related party transactions**

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 (2018) Limited are available at Belgrave House, 39-43 Monument Hill, Weybridge, Surrey, KT13 8RN.

Fees of £49,439 (2021: £45,728) were paid to YFM Equity Partners LLP, British Smaller Companies VCT Plc and British Smaller Companies VCT 2 Plc.

**23. Controlling party**

The immediate parent entity is ACC Aviation Group Limited, a company registered in England and Wales.

The ultimate parent company is NewACC (2018) Limited, a company registered in England and Wales. NewACC (2018) Limited prepares group accounts and copies are available from headquarters at Belgrave House, 39-43 Monument Hill, Weybridge, Surrey, KT13 8RN. The directors are of the opinion that there is no ultimate controlling party.