
AC AERONAUTICAL LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

AC AERONAUTICAL LIMITED
REGISTERED NUMBER: 07273220

BALANCE SHEET
AS AT 30 JUNE 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	4	448,474	479,287
		<u>448,474</u>	<u>479,287</u>
Current assets			
Debtors: amounts falling due within one year	6	2,415	13,822
Cash at bank and in hand	7	3,119	3,404
		<u>5,534</u>	<u>17,226</u>
Creditors: amounts falling due within one year	8	(1,000)	-
Net current assets		<u>4,534</u>	<u>17,226</u>
Total assets less current liabilities		<u>453,008</u>	<u>496,513</u>
Creditors: amounts falling due after more than one year	9	(548,717)	(544,917)
Net liabilities		<u>(95,709)</u>	<u>(48,404)</u>
Capital and reserves			
Called up share capital	12	100,000	100,000
Profit and loss account		(195,709)	(148,404)
		<u>(95,709)</u>	<u>(48,404)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2017.

AC AERONAUTICAL LIMITED
REGISTERED NUMBER: 07273220

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2017

D A Wild

Director

The notes on pages 5 to 13 form part of these financial statements.

AC AERONAUTICAL LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2016	100,000	(148,404)	(48,404)
Comprehensive income for the year			
Loss for the year	-	(47,305)	(47,305)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(47,305)	(47,305)
Total transactions with owners	-	-	-
At 30 June 2017	100,000	(195,709)	(95,709)

AC AERONAUTICAL LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	100,000	(73,227)	26,773
Comprehensive income for the year			
Loss for the year	-	(75,177)	(75,177)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(75,177)	(75,177)
Total transactions with owners	-	-	-
At 30 June 2016	100,000	(148,404)	(48,404)

The notes on pages 5 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. General information

AC Aeronautical Limited is a company limited by shares incorporated in England and Wales. The registered office is East House, 109 South Worple Way, London, SW14 8TN.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Intellectual property rights	-	20	years
Prototype, patent and design	-	20	years

In the opinion of the directors, due to the longevity of the intangible assets, a 20 year period reflects a more appropriate charge for the use of assets.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.4 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.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.6 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.7 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.

2.8 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

2.9 Taxation

Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Employees

The average monthly number of employees, including directors, during the year was 0 (2016 - 0).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

4. Intangible assets

	Prototype, patent and design £
Cost	
At 1 July 2016	616,258
At 30 June 2017	<u>616,258</u>
Amortisation	
At 1 July 2016	136,971
Charge for the year	30,813
At 30 June 2017	<u>167,784</u>
Net book value	
At 30 June 2017	<u><u>448,474</u></u>
<i>At 30 June 2016</i>	<u><u>479,287</u></u>

AC AERONAUTICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

5. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 July 2016	4,305
At 30 June 2017	4,305
Depreciation	
At 1 July 2016	4,305
At 30 June 2017	4,305
Net book value	
At 30 June 2017	-
At 30 June 2016	-

6. Debtors

	2017 £	2016 £
Other debtors	2,415	13,822
	<u>2,415</u>	<u>13,822</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	3,119	3,404
	<u>3,119</u>	<u>3,404</u>

AC AERONAUTICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	1,000	-
	<u>1,000</u>	<u>-</u>

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other loans	541,995	538,195
Other creditors	6,722	6,722
	<u>548,717</u>	<u>544,917</u>

Secured loans

Included in other loans is a secured, interest free loan of £449,000 (2016 - £449,000) from Mr J T H McAlpine.

10. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due 1-2 years		
Other loans	541,995	538,195
	<u>541,995</u>	<u>538,195</u>
	<u>541,995</u>	<u>538,195</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

11. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	3,119	3,404
	<u>3,119</u>	<u>3,404</u>

Financial assets measured at fair value through profit or loss comprise the cash balances at year end.

12. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
5,100,000 A Ordinary shares of £0.01 each	51,000	51,000
4,900,000 B Ordinary shares of £0.01 each	49,000	49,000
	<u>100,000</u>	<u>100,000</u>

13. Related party transactions

	2017 £	2016 £
J T H McAlpine		
Director and shareholder		
Loan to the company which is secured, interest-free and has no fixed repayment date		
Amount due to the related party	521,191	521,191
S C Noujaim		
Director and shareholder		
Loan to the company which is secured, interest-free and has no fixed repayment date.		
Amount due to the related party	15,863	14,063
D A Wild		
Director and shareholder		
Loan to the company which is secured, interest-free and has no fixed repayment date.		
Amount due to the related party	<u>4,941</u>	<u>2,941</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

14. Controlling party

The company is controlled by Mr J T H McAlpine, a director and owner of 51% of the issued share capital of the company.

AC AERONAUTICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

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