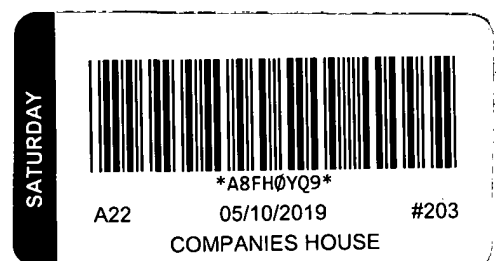


# **Airops Software Limited**

Report and Financial Statements

Year ended 31 December 2018

Company Number 02361953



**Airops Software Limited**  
**Contents**

	<b>Page</b>
Officers and professional advisors	1
Strategic report	2
Directors' report	5
Directors' responsibilities statement	6
Independent auditor's report	7
Income statement	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12-21

**Airops Software Limited**  
**Officers and professional advisors**

<b>Directors</b>	M A Khalek T Ford N S Medley D B Tee
<b>Company Secretary</b>	M Taylor
<b>Registered office</b>	Business Aviation Centre Farnborough Airport Farnborough Hampshire GU14 6XA
<b>Auditor</b>	Menzies LLP Chartered Accountants & Statutory Auditor Ashcombe House 5 The Crescent Leatherhead KT22 8DY
<b>Bankers</b>	Royal Bank of Scotland Global Banking & Markets Banking Operations 2nd Floor Bankside 3 London SE1 0SW

**Airops Software Limited**  
**Strategic Report**  
**Year ended 31 December 2018**

**Principal activities**

The principal activities of Airops Software Limited (the 'Company') are that of the development, distribution and support of computer software in the aviation industry.

**Business review**

The key financial measures demonstrating the Company's performance are:

	2018	2017	% Change
Revenue (£'000)	404	1,524	(73%)
Operating loss (£'000)	(289)	(58)	398%
Net liabilities (£'000)	(719)	(442)	63%

As set out in the 2017 Financial Statements early in 2018, in an effort to align services offered to Group Companies, the Directors moved the operations of ITM services to Gama Group Limited. With this change, the Directors expected a decline in overall revenues.

Whilst revenue has experienced a decrease of 73%, Management note that revenue, net of intra-group activity explained above, has remained stable throughout the year. During the year, the Directors have undertaken a detailed analysis of the current products and proceeded with internally generated products to improve the current product offering with increased emphasis on resale to external parties. With the increased focus on promoting sales to external parties outside the Group of Companies, the Directors have made several key personnel appointments during the year with further appointments envisaged during 2019.

The Company has been scaling for growth in preparation of the launch of its new cloud based products. At 31 December 2018 the total costs which have been capitalised as internally generated intangible assets amount to £2,512,442 (2017: 703,727). The Directors believe the new products will add to the existing service offering and enhance overall services provided by the Company.

**Principal risks and uncertainties**

The Directors consider the principal risks to the business are:

- Poor operational performance damaging the Company's reputation
- Changes in economic climate that make private air transport less attractive
- Increasing regulatory burden and costs of compliance

***Maintenance of the Company's reputation***

The Company's reputation for safety, reliability and high service standards is essential for maintaining customer loyalty and ensuring premium pricing levels. The Company has systems and monitoring processes in place to ensure that high standards are maintained across all aspects of the Company, including customer-facing crew as well as back-office operational staff. The Company carefully reviews any deviations from these standards and implements changes to prevent recurrence.

***Changes in economic climate***

The Company offers air transportation services that provide far greater flexibility, discretion and levels of service than is possible with general aviation services. The Directors recognise that in a challenging economic climate there may be pressure on customers to reduce their use of private aviation services. The Directors mitigate this risk by regularly reviewing current and anticipated activity levels and reducing the Company's cost base accordingly.

***Regulatory burden and costs of compliance***

To ensure very high levels of safety, the aviation industry has significant and complex regulation to cover training, engineering, safety and operations. Breaches of regulations are likely to lead to sanctions such as suspension of operations or other restrictions. The Directors believe that the regulatory burden is likely to increase over time and have members of staff dedicated to liaising with the various regulatory bodies. In addition, staff are regularly trained and appraised to ensure their understanding and compliance.

The Directors aim to maintain the management policies which have resulted in the Company's stability in the year and in the previous decades whilst maintaining the highest standards of safety and customer service.

**Results and dividends**

The loss for the year, after taxation, amounted to £288,560 (2017: Loss £77,618). The Directors have not recommended a dividend (2017: nil).

**Financial instruments**

Details of the Company's financial risk management objectives and policies are included below. The Company's principal financial instruments comprise:

- Bank balances
- Trade creditors
- Trade debtors; and
- Amounts due/from Group Companies

The main purpose of these instruments is to raise and maintain sufficient funds to finance the Company's operations; for further details, please refer to note 1 of the financial statements. Due to the nature of the financial instruments used by the Company there is no exposure to price risk. Fuel price risk is passed to customers directly via their monthly recharges. The Company's approach to managing other risks applicable to the financial instruments concerned is shown below.

***Bank balances***

The Company has access to financial support from its ultimate parent company, Gama Aviation Plc. General liquidity risk in Gama Aviation Plc is managed by maintaining weekly cash forecasts to ensure positive cash balances through tight management of working capital.

***Trade creditors***

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

***Trade debtors***

Trade debtors are managed in respect of credit and cashflow by regular review of aged debtors and our customers' credit rating. Cashflow risk is mitigated by requiring up-front payment for much of the Company's work and short credit terms for all other customers. Provisions are made against any amount for which the recoverability is uncertain.

***Amounts due to/from group companies***

Amounts due from Group Companies are managed by regular review of each group company's ability to repay the amount due. Provisions are made against any amount for which the recoverability is uncertain. Amounts payable to group companies are managed by ensuring sufficient funds are available to meet the amounts due.

**Airops Software Limited**  
**Strategic Report (continued)**  
**Year ended 31 December 2018**

**Going concern**

The markets in which the Company operates continue to be challenging. Despite the Company making a loss for the year of £288,560 (2017: Loss £77,618) the Directors have, after performing a detailed analysis of the cash flow projections for the Company and obtaining confirmation from the parent company, Gama Aviation Plc, that financial support will be made available if required, concluded that the Company has sufficient assets to meet its obligations for the foreseeable future. The Company had net liabilities of £718,973 (2017: £441,883) at the year-end.

The Directors are therefore of the opinion that in all reasonably foreseeable circumstances the Company will remain a going concern for at least twelve months from the date on which these financial statements have been approved. Accordingly, the going concern basis has been adopted in the preparation of these financial statements.

Signed on behalf of the Directors



M A Khalek

Director

Approved by the Directors on 2/1/2019

**Airops Software Limited**  
**Directors' report**  
**Year ended 31 December 2018**

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2018.

**Employment of disabled persons**

The Company gives full consideration to applications for employment from disabled persons where the requirements of the jobs can be adequately fulfilled by a handicapped or disabled person. Where an existing employee becomes disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

**Employee involvement**

During the year, the policy of providing employees with information about the Company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

**Matters included in the Strategic Report**

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' report) Regulation 2013 to set out within the Company's Strategic Report, information required by Schedule 7 of the large and medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principle risks and uncertainties.

**Qualifying third party indemnity provisions**

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were in place during the year and to the date of this report.

**Charitable and political donations**

The Company made no charitable or political donations (2017: £nil).

**Directors**


The Directors who served the Company during the year were as follows:

M A Khalek	
D B Tee	
J Tregoiing	(resigned 27 July 2018)
K M Godley	(resigned 1 February 2018)
N S Medley	(appointed 18 April 2018)
T Ford	(appointed 18 April 2018)

**Auditor**

Gama Aviation PLC has appointed PricewaterhouseCoopers LLP as the company's auditors for the financial year ending 31 December 2019. The appointment was subject to shareholder approval at the annual general meeting. Approval having been given, Airops Software Limited, having the ultimate parent of Gama Aviation Plc, also appoint PricewaterhouseCoopers LLP as its auditors and give notice to Menzies LLP under section 488 (1) of the Companies Act 2006.

Signed on behalf of the Directors

  
M A Khalek  
Director

Approved by the Directors on 2/10/2019

**Airops Software Limited**  
**Directors' responsibilities statement**  
**Year ended 31 December 2018**

**Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, 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 laws, including FRS101 'Reduced Disclosure Framework'). 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 those 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 confirm that:

- So far as the Directors are aware there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all 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 auditors are aware of that information.

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.

Signed on behalf of the Directors

  
\_\_\_\_\_  
M A Khatek  
Director

Approved by the Directors on 2/10/2019



# **Independent auditor's report to the members of Airops Software Limited**

## **Opinion**

We have audited the financial statements of Airops Software Limited for the year ended 31 December 2018, which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 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 Auditors' 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.

## **Opinion 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.

## Independent auditor's report to the members of Airops Software Limited (continued)

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

In 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.

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

As explained more fully in the Directors' Responsibilities Statement on page 6, 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.

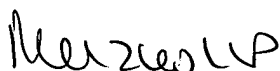
### Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

### 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 Auditors' 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.



Janice Matthews FCA (Senior Statutory Auditor)  
For and on behalf of Menzies LLP  
Chartered Accountants & Statutory Auditor  
Aschombe House  
5 The Crescent  
Leatherhead  
KT22 8DY  
United Kingdom

3 October 2019

**Airops Software Limited**  
**Income Statement**  
**Year ended 31 December 2018**

	Note	2018 £	2017 £
Continuing operations:			
Revenue	3	404,293	1,523,603
Cost of sales		(322,699)	(1,164,537)
<b>Gross profit</b>		<b>81,594</b>	<b>359,066</b>
Administrative expenses		(370,154)	(416,960)
<b>Operating loss</b>	4	<b>(288,560)</b>	<b>(57,894)</b>
<b>Attributable to:</b>			
Operating loss before exceptional items		(176,504)	(57,894)
Exceptional items <sup>1</sup>		(112,056)	-
<b>Operating loss</b>		<b>(288,560)</b>	<b>(57,894)</b>
Finance income		-	-
Finance costs		-	-
<b>Loss before taxation</b>		<b>(288,560)</b>	<b>(57,894)</b>
Taxation	7	-	(19,724)
<b>Loss for the year</b>		<b>(288,560)</b>	<b>(77,618)</b>

All of the activities of the Company are classed as continuing.

The notes on pages 12 to 21 form part of these financial statements.

**Airops Software Limited**  
**Balance Sheet**  
**At 31 December 2018**

	Note	2018 £	2017 £
<b>Non-current assets</b>			
Intangible assets	8	2,512,442	703,727
Property Plant & Equipment	9	16,483	4,993
		<b>2,528,925</b>	<b>708,720</b>
<b>Current assets</b>			
Trade and other receivables	10	408,770	925,238
Cash and bank balances		-	105,884
		<b>408,770</b>	<b>1,031,122</b>
<b>Total assets</b>		<b>2,937,695</b>	<b>1,739,842</b>
<b>Current liabilities</b>			
Trade and other payables	11	(3,524,963)	(2,161,357)
Cash and bank balances		(131,705)	-
		<b>(3,656,668)</b>	<b>(2,161,357)</b>
<b>Net current liabilities</b>		<b>(3,247,898)</b>	<b>(1,130,235)</b>
<b>Total assets less current liabilities</b>		<b>(718,973)</b>	<b>(421,515)</b>
<b>Non-current liabilities</b>			
Borrowings	12	-	(20,368)
<b>Net Liabilities</b>		<b>(718,973)</b>	<b>(441,883)</b>
<b>Shareholder's equity</b>			
Share capital	16	400	400
Share premium	17	14,985	14,985
Profit and loss account	17	(747,910)	(459,350)
Other reserves	17	13,552	2,082
<b>Total shareholder's equity</b>		<b>(718,973)</b>	<b>(441,883)</b>

The financial statements were approved by the Board of Directors and authorised for issue on 21/1/2019, and are signed on their behalf by:

  
M A Khalek  
Director

Company Registration Number: 02361953

The notes on pages 12 to 21 form part of these financial statements.

**Airops Software Limited**  
**Statement of changes in equity**  
**Year ended 31 December 2018**

**Attributable to owners of the Company**

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total £
<b>Balance at 1 January 2017</b>	<b>400</b>	<b>14,985</b>	-	<b>(381,732)</b>	<b>(366,347)</b>
Share-based payment expense	-	-	2,082	-	2,082
Loss for the year	-	-	-	(77,618)	(77,618)
<b>Balance at 31 December 2017</b>	<b>400</b>	<b>14,985</b>	<b>2,082</b>	<b>(459,350)</b>	<b>(441,883)</b>
Share-based payment expense	-	-	11,470	-	11,470
Loss for the year	-	-	-	(288,560)	(288,560)
<b>Balance at 31 December 2018</b>	<b>400</b>	<b>14,985</b>	<b>13,552</b>	<b>(747,910)</b>	<b>(718,973)</b>

The notes on pages 12 to 21 form part of these financial statements.

**Airops Software Limited**  
**Notes to the financial statements**  
**Year ended 31 December 2018**

**1. Company Information**

Airops Software Limited (the 'Company') is a private company limited by shares and is incorporated and domiciled in England and Wales and its registered office is disclosed on page 1. The principal activities of the Company relate to the development, distribution and support of computer software in the aviation industry.

**2. Accounting policies**

**Statement of Compliance**

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 'The Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated. The financial statements have been prepared on a historical cost basis. The Company's financial statements are presented in Sterling, except otherwise indicated.

**New standards, amendments and IFRIC interpretations**

IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' are new accounting standards that are effective for the year ended 31 December 2018. The impact of these standards is detailed below. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2018, which have had a material impact on the Company.

**Adoption of new and revised standards**

***IFRS 9 'Financial Instruments'***

For the Company, transition to IFRS 9 is effective from 1 January 2018.

IFRS 9 provides a new expected losses impairment model for financial assets, including trade receivables, and includes amendments to classification and measurement of financial instruments. An accounting policy choice is available with regards to applying the new hedge accounting requirements or retaining IAS 39. The Company has elected to retain IAS 39.

Prior to adoption of IFRS 9 the Company has undertaken an impact assessment of this new standard on its financial statements. The Company's use of financial instruments is limited to short-term trading balances such as receivables and payables and therefore, the standard impacts the Company's classification of financial instruments and the measurement of impairment of short-term financial assets.

As part of the impact assessment, using the simplified approach allowed by the standard, the Group established an appropriate impairment model and accompanying processes to be applied to receivables by its companies. The impact of applying this by the Company was immaterial.

***IFRS 15 'Revenue from Contracts with Customers'***

For the Company, transition to IFRS 15 is effective from 1 January 2018.

IFRS 15 replaces existing revenue guidance including:

- IAS 18 Revenue
- IAS 11 Construction contracts
- IFRIC 13 Customer loyalty programmes

IFRS 15 sets out the requirements for recognising revenue from contracts with customers. The standard requires entities to apportion revenue earned from contracts to individual promises, or performance obligations, on a stand-alone selling price basis, based on a five-step model.

The Company has successfully completed its transition exercise in quantifying the full impact of this standard. Having performed an impact assessment in 2017, during 2018 the Company has worked through a comprehensive transition exercise. The transition exercise has involved scoping the Company's revenues to identify revenue streams with similar commercial terms and performing sample contract reviews to determine the appropriate revenue recognition under IFRS 15. Based on this work, the revenue recognised by the Company is unaffected. However, process changes have been implemented to comply with IFRS 15 now and in the future.

**Parent company**

The Company is a wholly owned subsidiary of Gama Group Limited, a company incorporated in England and Wales. Gama Group Limited is a wholly owned subsidiary of Gama Aviation Plc, which prepares publicly available consolidated financial statements in accordance with IFRS. The Company is included in the consolidated financial statements of Gama Aviation Plc for the year ended 31 December 2018. These financial statements are available from the Gama Aviation website: [www.gamaaviation.com](http://www.gamaaviation.com).

**2. Accounting policies (continued)**

**Disclosure exemptions adopted**

The financial statements have been prepared in accordance with the Companies Act 2006 and the principal accounting policies as summarised below. They have all been applied consistently throughout the year.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of paragraph 33(c) of IFRS 5 'Non current Assets Held for Sale and Discontinued Operations' to disclose the net cash flows attributable to the operating, investing and financing activities of discontinued operations, given that equivalent disclosures are provided by the parent entity;
- (b) the requirements of IFRS 7 'Financial Instruments: Disclosures' due to the fact that equivalent disclosures are provided by the parent entity;
- (c) the requirement of paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1 denoting a reconciliation of the number of shares outstanding at the beginning and end of the year; and
  - (ii) paragraph 73(e) of IAS 16 'Property, Plant and Equipment'
- (d) the requirements of paragraphs 134 to 136 of IAS 1 'Presentation of Financial Statements' relating to capital management disclosures;
- (e) the requirements of IAS 7 'Statement of Cash Flows' to disclose a statement of cash flows; and
- (f) the requirements of IAS 24 'Related Party Disclosure' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) the requirements of IAS 24 'Related Party Disclosure' to disclose the compensation of key management personnel.
- (h) disclosure in respect of standards in issue not yet effective
- (i) Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).

**Significant accounting policies**

**(a) Turnover**

Turnover is stated net of VAT and trade discounts. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date, turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors.

**(b) Operating expenses**

Operating expenses are recognised in profit and loss upon utilisation of the service or as incurred.

**(c) Tangible fixed assets and depreciation**

Fixed assets are stated at cost less depreciation and impairment losses. Depreciation is provided to write off the cost less estimated residual values of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Computer equipment	33% straight line
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**(d) Intangible assets and amortisation**

Internally generated intangible assets are recognised only if they satisfy the IAS 38 criteria in that a separately identifiable asset is created from which future economic benefits are expected to flow and the cost can be measured reliably. The life of each asset is assessed individually. Where the life is considered to be indefinite no amortisation is charged. Included in intangible assets are internally generated assets relating to the costs incurred to develop new computer software for resale.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are not amortised until they are in use. Once in use amortisation is charged over the intangible assets evenly over their expected useful lives. It is calculated at the following rate:

Software development	20% straight line
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**2. Accounting policies (continued)**

**Significant accounting policies (continued)**

**(e) Impairment of assets**

At each balance sheet date, the Company reviews the carrying amounts of its fixed 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 to determine the extent of the impairment loss (if any). Where the asset does not generate cashflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cashflows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in profit or loss.

**(f) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with a maturity of three months or less from inception, which are subject to an insignificant risk of changes in value.

**(g) Pension costs**

The Company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account in the year in which they are incurred. The assets of the scheme are held separately in an independently administered fund. Prepaid contributions are recognised as an asset. Unpaid contributions are recognised as a liability.

**(h) Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

**(i) Taxation**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.



**2. Accounting policies (continued)**

**(j) Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

**Financial assets**

Trade receivables and other receivables are measured at amortised cost less provision for doubtful debts, determined as set out below in "impairment of financial assets". Any write-down of these assets is expensed to the income statement.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each balance sheet 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 cashflows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted at the financial asset's original effective interest rate.

**Financial liabilities and equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**Other financial liabilities**

Other financial liabilities, including borrowings and payables, are initially measured at fair value and subsequently at amortised cost, net of transaction costs.

**Amounts due/from group companies**

Amounts due/from group companies which are due/payable on demand or where there is no significant difference between the amount due/payable and fair value on initial recognition are carried at the amount due/payable on an amortised cost basis.

**Derecognition of financial assets and financial liabilities**

The Company derecognises a financial asset only when the contractual rights to the cashflows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**(k) Key accounting estimates and judgements**

When preparing financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements:

- The allowance for doubtful debts is calculated based on management's best estimate of the amounts which will be recovered from trade receivables. A proportion of the trade receivables balance is with individuals, for whom it is more difficult to establish a credit rating. Management are in constant communication with all debtors and assess the likelihood of recoverability on a regular basis. The estimate of the allowance for doubtful debts may vary from the actual amounts recovered if an individual becomes unable to pay.

**Airops Software Limited**  
**Notes to the financial statements (continued)**  
**Year ended 31 December 2018**

**2. Accounting policies (continued)**

**(I) Share based payments**

Where equity settled share options are awarded by the parent company to employees of this Company the fair value of the options at the date of grant is charged to profit or loss over the vesting period with a corresponding entry in retained earnings.

Non-market vesting options are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

Recharges from the parent company for the use of options over the parent company shares are deducted from equity.

**3. Revenue**

The revenue and profit before tax are attributable to the principal activities of the Company, which continued to be that of the development, distribution and support of computer software in the aviation industry. All revenue originates in the United Kingdom and is in respect of sale of services.

**4. Loss for the year**

Loss for the year is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	<b>3,428</b>	2,289
Operating lease costs:		
- Land and buildings	<b>58,062</b>	53,463
- Other	-	5,647
Auditor's remuneration <sup>1</sup>	<b>8,058</b>	6,993
Loss on disposal of assets	-	1,261
Net foreign exchange loss	<b>5,418</b>	748
Exceptional items	<b>112,056</b>	-
Amortisation	<b>18,449</b>	-

Exceptional items include integration and business reorganisation costs of £111,556 (2017: nil) and £500 (2017: nil) in professional fees in relation to ongoing litigation.

<sup>1</sup>The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services separately as these are disclosed in the group accounts of its parent Gama Aviation Plc.

**Airops Software Limited**  
**Notes to the financial statements (continued)**  
**Year ended 31 December 2018**

**5. Staff costs**

The average number of staff employed by the Company, including Directors, during the financial year amounted to:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Operations and administration	<b>20</b>	<b>22</b>

The aggregate payroll costs of the above were:

	<b>Year ended 2018</b>	<b>Year ended 2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>281,637</b>	557,893
Social security costs	<b>43,569</b>	84,947
Other pension costs in respect of defined contribution schemes	<b>10,704</b>	31,409
	<b>335,910</b>	674,249

**6. Directors' remuneration**

The Directors are executives of Airops Software Limited and certain other companies. They receive remuneration for their services to all Group Companies but it is not practicable to allocate this between their services as director for each Company. The aggregate remuneration paid in respect of qualifying services was:

	<b>Year ended 2018</b>	<b>Year ended 2017</b>
	<b>£</b>	<b>£</b>
Remuneration receivable	<b>158,810</b>	121,528
Value of Company pension contributions to money purchase schemes	<b>20,458</b>	5,311
Compensation received following loss of office	<b>36,517</b>	-
	<b>215,785</b>	126,839

**Remuneration of highest paid Director:**

	<b>Year ended 2018</b>	<b>Year ended 2017</b>
	<b>£</b>	<b>£</b>
Total remuneration (excluding pension contributions)	<b>111,877</b>	92,270
Value of Company pension contributions to money purchase schemes	<b>10,650</b>	4,106
	<b>122,527</b>	96,376

The number of Directors who accrued benefits under money pension schemes was as follows:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Money purchase schemes	<b>2</b>	<b>2</b>

None of the Directors held or exercised any share options in the Company (2017: nil).

**Airops Software Limited**  
**Notes to the financial statements (continued)**  
**Year ended 31 December 2018**

**7. Taxation**

	Year ended 2018 £	Year ended 2017 £
Corporation tax:		
Current year charge	-	-
Adjustment in respect of prior years	-	19,724
Deferred tax	-	-
<b>Total current tax</b>	<b>-</b>	<b>19,724</b>

The tax charge for the year, based on the results for the year at 19% (2017: 19%), can be reconciled to the profit per the income statement as follows:

	Year ended 2018 £	Year ended 2017 £
Loss before tax	(288,560)	(77,618)
Tax at the corporation tax rate of 19% (2017: 19%)	(54,826)	(14,747)
Effects of:		
Expenses not deductible for tax purposes	-	492
Differences between capital allowances and depreciation	(505)	(79)
Group relief (received)/surrendered for nil consideration	55,331	4,760
Other timing differences	-	9,574
Utilisation of tax losses	-	-
Understatement of prior year assessments	-	19,724
<b>Total tax charge for the year</b>	<b>-</b>	<b>19,724</b>

The standard rate of corporation tax in the UK will be reduced by 2% to 17% in 2020.

There is an unrecognised deferred tax asset of £857 (2017: £nil) due to losses and other temporary differences, because the future recoverability of the asset is uncertain.

**8. Intangible assets**

**Software development**

	£
<b>Cost</b>	
Balance as at 1 January 2018	703,727
Additions	1,827,164
<b>Balance at 31 December 2018</b>	<b>2,530,891</b>
<b>Accumulated amortisation</b>	
Balance as at 1 January 2018	-
Amortisation	18,449
<b>Balance at 31 December 2018</b>	<b>18,449</b>
<b>Carrying amount</b>	
<b>At 31 December 2018</b>	<b>2,512,442</b>
At 31 December 2017	703,727

During the year development of new computer software for resale commenced with a total of £1,827,164 (2017: £703,727) costs meeting the criteria in accordance with IAS 38 Intangible assets for capitalisation. The directors have considered the recoverability of the costs incurred using value in use calculations and no impairment is deemed necessary.

**Airops Software Limited**  
**Notes to the financial statements (continued)**  
**Year ended 31 December 2018**

**9. Property, plant and equipment**

	Computer equipment £	Total £
<b>Cost</b>		
At 1 January 2018	5,287	5,287
Additions	19,911	19,911
Disposals	-	-
Transfers	(4,993)	(4,993)
<b>At 31 December 2018</b>	<b>20,205</b>	<b>20,205</b>
<b>Accumulated depreciation</b>		
At 1 January 2018	294	294
Charge for the year	3,428	3,428
<b>At 31 December 2018</b>	<b>3,722</b>	<b>3,722</b>
<b>Carrying amount</b>		
<b>At 31 December 2018</b>	<b>16,483</b>	<b>16,483</b>
At 31 December 2017	4,993	4,993

**10. Trade and other receivables**

	2018 £	2017 £
Amount receivable for the sale of services	29,572	36,322
Amounts owed by group undertakings	218,358	750,526
Other debtors	63,210	58,289
Taxation and social security	78,969	-
Prepayments	18,661	80,101
	<b>408,770</b>	<b>925,238</b>

The net carrying value of trade debtors is considered a reasonable approximation of fair value. All of the Company's trade debtors have been reviewed for indicators of impairment. Amounts due from group companies are repayable on demand and do not carry any interest charge.

**11. Trade and other payables**

	2018 £	2017 £
Trade creditors	95,916	129,229
Amounts owed to group undertakings	3,263,532	1,916,564
Other taxation and social security	30,850	33,230
Other creditors	22,082	3,478
Accruals and deferred income	112,583	78,856
	<b>3,524,963</b>	<b>2,161,357</b>

Amounts owed to Group Companies are repayable on demand and do not carry any interest charge.

**12. Borrowings**

	2018 £	2017 £
Other creditors	-	20,368

**Airops Software Limited**  
**Notes to the financial statements (continued)**  
**Year ended 31 December 2018**

**13. Commitments under operating leases**

	2018	2017
	Land and buildings £	Land and buildings £
Lease payments under operating leases recognised as an expense in the year	58,062	53,462

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

	2018	2017
	Land and buildings £	Land and buildings £
Within one year	14,555	13,531
In the second to fifth years inclusive	-	-
After five years	-	-
	14,555	13,531

**14. Contingent liabilities**

The Company's banking facilities are secured by a fixed and floating charge over the assets of the Company and its immediate parent and fellow subsidiary undertakings. The Directors consider it to be highly improbable that any liability will crystallise for the Company as a result of the composite company unlimited multi-lateral guarantee.

**15. Pension commitment**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £10,704 (2017: £31,409).

**16. Share capital**

**Authorised, allotted, and fully paid:**

	2018 £	2017 £
400 Ordinary shares of £1 each	400	400

Share capital represents the amount subscribed for share capital at nominal value. The Company has one class of ordinary share with a nominal value of £1 with no right to fixed income.

**17. Reserves**

The share premium reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

The Profit and loss reserve represents the cumulative net profits and losses of the Company.

Other reserves represents share option costs associated with share options granted to Airops Software Limited employees.

**Airops Software Limited**  
**Notes to the financial statements (continued)**  
**Year ended 31 December 2018**

**18. Related Party Transactions**

At 31 December 2018, the Company owed M A Khalek, a director of the Company, £21,367 (2017: £20,368).

As permitted by FRS 101, related party transactions with wholly owned members of the Gama Aviation Plc group have not been disclosed.

**19. Ultimate parent company**

The Company is controlled by its immediate parent company, Gama Group Limited, a company incorporated in England and Wales. The ultimate parent undertaking is Gama Aviation Plc. There is deemed to be no ultimate controlling party of Gama Aviation Plc.

The largest and smallest group in which the results of the Company are consolidated is that headed by the ultimate parent company: Gama Aviation Plc, a company incorporated in England and Wales. The consolidated accounts of Gama Aviation Plc are available from the Gama Aviation website: [www.gamaaviation.com](http://www.gamaaviation.com).