

REGISTERED NUMBER: 03089944 (England and Wales)

Financial Statements for the Year Ended 31 August 2017

for

Specialist Aviation Ltd

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for the Year Ended 31 August 2017**

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Specialist Aviation Ltd

**Company Information
for the Year Ended 31 August 2017**

DIRECTOR:

D F Hammond

REGISTERED OFFICE:

Aerospace Logistics Centre
Fifth Avenue
Letchworth
Hertfordshire
SG6 2TS

REGISTERED NUMBER:

03089944 (England and Wales)

AUDITORS:

Godfrey Laws & Co Limited
69 Knowl Piece
Wilbury Way
Hitchin
Hertfordshire
SG4 0TY

Specialist Aviation Ltd (Registered number: 03089944)

Balance Sheet
31 August 2017

	Notes	31.8.17 £	£	31.8.16 £	£
FIXED ASSETS					
Intangible assets	4		6,400		8,000
Tangible assets	5		131,729		234,592
Investment property	6		<u>1,025,000</u>		<u>1,025,000</u>
			1,163,129		1,267,592
CURRENT ASSETS					
Stocks		233,580		133,697	
Debtors	7	795,499		1,120,755	
Cash at bank and in hand		<u>259,644</u>		<u>97,391</u>	
		1,288,723		1,351,843	
CREDITORS					
Amounts falling due within one year	8	<u>740,551</u>		<u>853,187</u>	
NET CURRENT ASSETS			548,172		498,656
TOTAL ASSETS LESS CURRENT LIABILITIES			1,711,301		1,766,248
CREDITORS					
Amounts falling due after more than one year	9		(470,947)		(535,212)
PROVISIONS FOR LIABILITIES			(10,209)		(23,597)
NET ASSETS			<u>1,230,145</u>		<u>1,207,439</u>
CAPITAL AND RESERVES					
Called up share capital			501		501
Capital redemption reserve			499		499
Retained earnings			<u>1,229,145</u>		<u>1,206,439</u>
SHAREHOLDERS' FUNDS			<u>1,230,145</u>		<u>1,207,439</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director on 31 May 2018 and were signed by:

D F Hammond - Director

**Notes to the Financial Statements
for the Year Ended 31 August 2017**

1. STATUTORY INFORMATION

Specialist Aviation Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

This is the first year in which the financial statements have been prepared in accordance with FRS 102, at the date of transition the property was reclassified as an Investment Property and revalued to market value.

Turnover

Turnover represents net invoiced sales of goods and management fees, excluding value added tax.
Operating income includes net rental income for storage, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2011, is being amortised evenly over its estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- 10% on cost
Improvements to property	- 10% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 13 (2016 - 14) .

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 September 2016 and 31 August 2017	<u>16,000</u>
AMORTISATION	
At 1 September 2016	8,000
Amortisation for year	<u>1,600</u>
At 31 August 2017	<u>9,600</u>
NET BOOK VALUE	
At 31 August 2017	<u>6,400</u>
At 31 August 2016	<u>8,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

5. TANGIBLE FIXED ASSETS

	Short leasehold £	Improvements to property £	Plant and machinery £
COST			
At 1 September 2016	26,317	31,531	625,976
At 31 August 2017	26,317	31,531	625,976
DEPRECIATION			
At 1 September 2016	13,753	16,001	536,535
Charge for year	2,237	3,153	62,867
Eliminated on disposal	-	-	-
At 31 August 2017	15,990	19,154	599,402
NET BOOK VALUE			
At 31 August 2017	10,327	12,377	26,574
At 31 August 2016	12,564	15,530	89,441

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2016	271,438	118,794	95,736	1,169,792
Additions	-	-	2,398	2,398
Disposals	-	(9,000)	-	(9,000)
At 31 August 2017	271,438	109,794	98,134	1,163,190
DEPRECIATION				
At 1 September 2016	187,001	101,043	80,867	935,200
Charge for year	13,926	13,198	8,530	103,911
Eliminated on disposal	-	(7,650)	-	(7,650)
At 31 August 2017	200,927	106,591	89,397	1,031,461
NET BOOK VALUE				
At 31 August 2017	70,511	3,203	8,737	131,729
At 31 August 2016	84,437	17,751	14,869	234,592

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

5. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 September 2016 and 31 August 2017	<u>36,185</u>
DEPRECIATION	
At 1 September 2016	27,139
Charge for year	<u>7,237</u>
At 31 August 2017	<u>34,376</u>
NET BOOK VALUE	
At 31 August 2017	<u>1,809</u>
At 31 August 2016	<u>9,046</u>

6. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
At 1 September 2016 and 31 August 2017	<u>1,025,000</u>
NET BOOK VALUE	
At 31 August 2017	<u>1,025,000</u>
At 31 August 2016	<u>1,025,000</u>

The investment property has been measured at fair value which is the open market value of the property.

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.17 £	31.8.16 £
Trade debtors	549,943	806,892
Amounts owed by group undertakings	111,175	126,205
Amounts owed by associates	32,593	-
Other debtors	<u>101,788</u>	<u>187,658</u>
	<u>795,499</u>	<u>1,120,755</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2017

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17	31.8.16
	£	£
Bank loans and overdrafts	285,080	223,034
Hire purchase contracts (see note 10)	19,296	44,317
Trade creditors	248,267	364,199
Amounts owed to group undertakings	6,325	50,325
Taxation and social security	52,147	88,077
Other creditors	129,436	83,235
	<u>740,551</u>	<u>853,187</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.17	31.8.16
	£	£
Bank loans	466,667	513,333
Hire purchase contracts (see note 10)	4,280	21,879
	<u>470,947</u>	<u>535,212</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more 5 yr by instal	<u>466,667</u>	<u>513,333</u>

10. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.8.17	31.8.16
	£	£
Net obligations repayable:		
Within one year	19,296	44,317
Between one and five years	4,280	21,879
	<u>23,576</u>	<u>66,196</u>

	Non-cancellable operating leases	
	31.8.17	31.8.16
	£	£
Within one year	7,880	5,330
Between one and five years	233,324	46,828
In more than five years	-	266,666
	<u>241,204</u>	<u>318,824</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

11. SECURED DEBTS

The following secured debts are included within creditors:

	31.8.17	31.8.16
	£	£
Bank overdrafts	238,413	176,367
Bank loans	513,334	560,000
Hire purchase contracts	23,576	66,196
	<u>775,323</u>	<u>802,563</u>

Securities include:

Fixed and floating charge created in favour of Svenska Handelsbanken AB (PUBL) to cover all property or undertaking of the company. The charge includes a negative pledge.

Fixed charge created in favour of Svenska Handelsbanken AB (PUBL) on the leasehold property, The Roofing Centre, Works Road, Letchworth Garden City, Herts SG6 1JY.

The company has a charge in the form a rent deposit deed in favour of Davis Schottlander & Davis Limited. A deposit sum of £12,487 plus vat is included in other debtors. The amount is secured over all monies due or become due to the company.

The company has a cross guarantee with it's subsidiary companies:

Cabinair Services Ltd

SATTO Solutions Ltd

Specialist Aviation Manufacturing Ltd.

HSM Aero Ltd

Specialist Aviation Holding Ltd

Hermitage S M Ltd

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was qualified on the following basis:

Basis for qualified opinion on financial statements

Howard Ashmore FCA (Senior Statutory Auditor)
for and on behalf of Godfrey Laws & Co Limited

We were initially appointed auditors on 25th August 2017, therefore we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of inventories and work in progress appearing in the balance sheet at 31st August 2016. Consequently we were unable to determine whether any adjustments to the accounts were necessary.

13. RELATED PARTY DISCLOSURES

At the balance sheet date, the following amounts are due from companies under common control:

Specialist Aviation Holdings Limited - £42,485

Specialist Aviation Manufacturing Limited - £935

HSM Aero Limited - £59,371

SATTO Solutions Limited - £8,384

At the balance sheet date the following amounts are due to companies under common control

Cabinair Limited - £6,325

The controlling party is D F Hammond.

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2017**

14. ULTIMATE PARENT COMPANY

The ultimate parent company is Specialist Aviation Holdings Limited, the registered office is: Aerospace Logistics Centre, Fifth Avenue, Letchworth Garden City, Herts, SG6 2TS.

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.