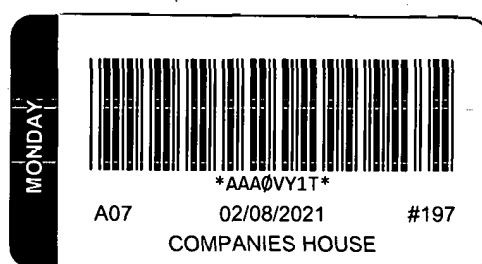


# **Air Safety Support International Limited**

## **Annual Report and Financial Statements**

**Year ended 31 March 2021**

**Company Registration No: 4104063**



# **Air Safety Support International Limited**

## **Report and Financial Statements**

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# **Air Safety Support International Limited**

## **Report and Financial Statements**

### **Officers and Advisors**

The directors of the company who were in office during the year and up to the date of signing the financial statements, unless otherwise noted were:

#### **Chairman**

Mr G Copeland

#### **Directors**

Mr B Alcott

Ms M Boyle

Mr G Copeland

Mr D Harding

Mr A Pile

#### **Company Secretary & General Counsel**

Ms L Milton - Appointed on 11 September 2020

Ms K Staples - Resigned on 11 September 2020

#### **Registered Office**

Aviation House

Beehive Ring Road

Crawley, West Sussex

RH6 0YR

#### **Advisors**

##### **Independent Auditors**

BDO LLP

55 Baker Street

London W1U 7EU

##### **Bankers**

National Westminster Bank PLC

PO Box 158

214 High Holborn

London WC1V 7BX

# Air Safety Support International Limited

## Report and Financial Statements

### Strategic Report

#### Air Safety Support International's Purpose

Air Safety Support International (ASSI), a not-for-profit organisation, is a wholly owned subsidiary company of the UK Civil Aviation Authority (UK CAA). ASSI's purpose is to provide a cohesive system of civil aviation safety and security regulation in the UK's Overseas Territories (OT) thereby improving safety and security standards and providing assurance that the UK's obligations under the Chicago Convention are upheld across the Territories. Our remit is defined in the Directions from the Secretary of State to the UK CAA and can be broadly summarised into four main areas: Policy and Rule-making; Direct Regulation; Training and Support; and Assessment of the OT Aviation Authorities (OTAA).

There are eight OTs with active civil aviation industries and our relationship with them differs according to the OT's level of civil aviation regulation maturity and capability. Four Territories have their own regulator, three of which have the competence and resources to regulate across all the technical areas relating to safety. The remaining Territory has partial capability. In this case, we regulate in those areas where the local authority does not have competence. The remaining four Territories do not have any regulatory capability and so we fulfil this role in its entirety. Additionally, across all eight OTs with active civil aviation industries, we are the regulator for Aviation Security (Av Sec).

#### Strategic Intent

Our strategic intent is to enhance aviation safety and security performance and build greater regulatory autonomy in the Territories through positive safety leadership. We aim to build competence through training, advice and coaching. Our strategy drives our efforts in progressing towards risk and performance based oversight, in line with requirements within Annex 19, Safety Management, to the Chicago Convention as set out by the International Civil Aviation Organisation (ICAO). Allied to this, our strategy also includes the development of our support and advisory role to build greater competence within our small industry so that service providers are proactive in identifying and mitigating their own risks. In time this will enable the identification of meaningful Safety Performance Indicators (SPIs) to measure the effectiveness of their risk management. In this way, industry's SPIs, will dovetail into our SPIs, which in turn will feed into the UK State SPIs.

Last year we identified three key areas of focus for the next three years. These were: building our own resilience and optimising our governance process; enhancing our oversight system to progress towards a performance-based approach; and, promoting aviation best practice through targeted influencing and support of stakeholders. While these are still valid, we will continue to consider the impact of the COVID-19 pandemic within the context of our strategy to ensure that we capture lessons learned within our processes and procedures.

# Air Safety Support International Limited

## Report and Financial Statements

### Strategic Report (continued)

#### Review of business activity against the backdrop of the COVID-19 pandemic

The aviation industry has been particularly hard hit by the COVID-19 pandemic. Latest figures from the International Civil Aviation Organisation (ICAO) estimate an overall reduction of 50% of seats offered by airlines, a 60% reduction in passengers and a USD 371 billion loss of gross passenger operating revenues for airlines for 2020 compared with 2019 levels. International passenger traffic saw an overall reduction of 66% of seats offered by airlines, a reduction of 74% of passengers and losses of USD 250 billion for airlines. Domestic travel was also impacted although to a lesser extent with a reduction of 38% of seats offered by airlines, a reduction of 50% in passengers and a loss of USD 120 billion for airlines. Global tourism has declined significantly with tourism receipts of between USD 910 to 1,170 billion in 2020 compared to USD 1.5 trillion generated during 2019. Aviation is a major economic driver for States and ICAO estimates that for every job in aviation around five others are supported in tourism, hospitality, the supply chain and services etc. There is no doubt therefore that the pandemic has had a very profound impact on the Territories many of which rely heavily on tourism as the cornerstone of their economy. It is likely that the effects will be long-lasting as the world adjusts. While the aviation industry in the Territories has continued to operate, it has been on a much reduced basis and has been mainly confined to cargo and repatriation/humanitarian flights. At the time of writing, border control and travel restrictions are still in place across the Territories and it is not yet clear when these will be lifted.

Unsurprisingly, the COVID-19 pandemic has significantly impacted how we do all areas of our work. As the virus started to take hold in the UK, we made an early decision for the team to work from home ahead of the Prime Minister's announcement of the first lockdown. Invoking our business continuity plan and with support from CAA IT, we were able to procure the necessary IT equipment to enable remote working for all. We also ensured that all colleagues completed the remote working Risk Assessment; this highlighted a small number of areas where additional equipment was needed. While working from home had been available previously, this had been an ad hoc arrangement and usually only for short periods and for specific work packages. With the working from home situation imposed by the pandemic, we had to adjust to the new way of working to deliver on our remit as best as we could while maintaining good communications within the team and with our stakeholders.

Working from home has also presented challenges for some of the team in terms of mental health and wellbeing. In order to support all colleagues, we stepped up the level of communication with the team, with weekly team meetings rather than monthly, along with far more frequent one-to-one meetings with those identified as finding remote working particularly challenging. This has enabled us to spot issues and support colleagues where necessary. There have been two CAA-wide Wellbeing Surveys over the last year which we took part in. The results of these were mainly very positive with the overwhelming majority (89%) saying that they felt connected with the team while working remotely. On the 'key wellbeing statement', 95% believed that we cared about their wellbeing and offered the right level of support. There were however indications from some that their mental health and sleep had worsened while working from home. Levels of physical movement and exercise had improved for some but worsened for others. We have consistently encouraged the team to take frequent breaks away from their computer to move and to ensure that they take adequate time for lunch taking advantage of daylight hours to get outside and exercise. An initiative to 'walk' around all Territories was successful with around half the team logging distances covered during walking or cycling to achieve the target of the 2,600km combined distance of the coastlines of the Territories.

# **Air Safety Support International Limited**

## **Report and Financial Statements**

### **Strategic Report (continued)**

#### **Review of business activity against the backdrop of the COVID-19 pandemic (continued)**

With the lockdown and our inability to travel, we had to be innovative in how we gained assurance from our industry of compliance with international requirements. We have done this through maintaining frequent contact with Accountable Managers and their teams, increasing the number of audits and changing the nature of these. We concentrated on doing audits with a more limited scope than usual but increasing the frequency of these so that we covered areas of greatest risk over time. We also made more extensive use of video and photographic evidence of compliance. We have introduced no notice audits, again targeting specific areas, whereby we make contact with Accountable Managers and request evidence of compliance within a short time period that same day. Using these techniques, we were able to complete a similar number of audits as the previous year albeit that they had a more specific and targeted scope.

#### **Direct Regulation**

While the COVID-19 pandemic has had an unprecedented impact on the aviation industry, it has not completely halted operations in the Territories. Airports and air traffic service units have continued to operate to support repatriation, cargo and humanitarian flights, mainly serviced by air operators that we regulate who have, in all but one case, continued to fly albeit on a reduced basis. These flights have included the carriage of the COVID-19 vaccines supplied by HMG to the Territories. This continuance of operations mitigates some of the risks associated with a complete cessation of activity allowing personnel to maintain competency and aircraft to maintain airworthiness.

Through our remote oversight activities, we have noted deficiencies, raised findings and monitored progress against corrective action plans. Enforcement action has continued to be needed in some areas. Our enforcement procedure is well developed and has proved very effective over the years in progressing safety improvement. However, we have been very mindful of the difficulties presented by the COVID-19 pandemic in terms of the supply chain for new equipment and resources. We have worked with industry to agree corrective actions that are sensible in the circumstances while mitigating the risks presented by any non-compliances to the greatest extent possible. The increased communications with our service providers have been a valuable part of this process to gain assurance that risks are being managed.

The airports we regulate from a safety perspective are all OT Government owned and run rather than being commercial entities and, as such, often lack the strategic and financial leadership required to manage and maintain these critical assets effectively. However, our work over the last few years in educating and influencing OT leaders, along with support from Governors and Foreign, Commonwealth and Development Office (FCDO) colleagues, is bearing fruit with several major infrastructure projects underway to improve runways and facilities at the airports.

#### **Assessment of local Aviation Authorities**

The programme of assessment of the OT Aviation Authorities (OTAA) for FY 2020/21 should have included a visit to the Cayman Islands. This was not possible due to the pandemic. There had been a major workstream completed at the end of 2019 which entailed the answering of the ICAO Protocol Questions (PQs) by each OTAA in preparation for a forthcoming audit by ICAO of the UK and its constituent parts. The PQs are essentially an exposition of how the regulator functions, testing and assessing compliance with ICAO's Eight Critical Elements of a Safety Oversight System.

## **Air Safety Support International Limited Report and Financial Statements**

### **Strategic Report (continued)**

#### **Assessment of local Aviation Authorities (continued)**

We set up a project to sample the PQ responses from the OTAA's through a series of quality checks. This has led to the formulation of tailored support packages for some of the OTAA's to assist in strengthening the quality of their answers and evidence; we are currently in the process of rolling these out. We recognise that we will only be able to do so much remotely and that there will be great value in visiting some of the OTAA's once travel restrictions are lifted to supplement the work that we have started. It is our intention to use the framework of the PQs as the basis of our assessment programme in the future.

With the unprecedented nature of the pandemic, we also set up meetings across the technical areas so that the subject matter experts from the OTAA's could discuss issues, risks and share experiences and views on mitigations. These have worked really well and we intend to continue with these in the future post pandemic environment.

#### **Policy and Rulemaking**

Having spent considerable time in 2019 preparing for an audit of Bermuda by ICAO under its Universal Safety Oversight System (USOAP), we have found ourselves preparing for more ICAO audits during the last twelve months. The first of these will focus on aviation security oversight under ICAO's Universal Security Audit Programme (USAP). This audit is due in September 2021, having been delayed by ICAO from May 2021 due to uncertainty over the audit team's ability to travel. This will be the first time that ASSI has been audited by ICAO under the USAP. As with any ICAO audit, the preparation required is significant and whilst there is still no clarity from ICAO on the exact scope of the audit, we have continued to prepare ourselves by submitting our detailed responses and evidence to the DfT. Evidence has been provided in various different formats due to a change in view of how answers should be presented. This has been very labour intensive for our small aviation security team.

In addition to the USAP in September 2021, we are also preparing for an ICAO audit on safety under the USOAP. This is planned for 2022 and could be as early as January that year. Because we do not know which elements of the UK system ICAO will audit, we have to be prepared for any of the Territories to be in scope; again, this is a significant project and one which is of particular interest to DfT Ministers. Adding to the workload associated with this project, ICAO has issued a new set of PQs. This means that the preparation we did in 2019 for the Bermuda audit and the Online Framework project, will have to be revised across all eight Territories. The limitations of ICAO's online system also add to the complexity of this project as it is not designed for a multi-component State where each constituent part has its own set of responses and evidence.

Our preparations for the ICAO audits have identified legislative changes that are required in order to address some deficiencies in our answers. We have drafted the necessary changes, taking the opportunity to include other amendments of benefit to the Territories, and submitted them to DfT for approval and processing through the legislative process. Unfortunately, due to the pressures on parliamentary time as a result of COVID-19 and UK EU exit, we do not have certainty on when the new legislative instrument will be laid before parliament although we are hopeful that it will be mid-year at the latest.

We have been working on strengthening our processes by the introduction of digital signatures using a commercial supplier to provide authenticated, traceable and attributable signatures for a wide range of our official documentation. This project will provide many benefits including giving us the ability to sign documents securely when we are overseas.

## **Air Safety Support International Limited**

### **Report and Financial Statements**

#### **Strategic Report (continued)**

##### **Policy and Rulemaking (continued)**

The pandemic has resulted in a significant increase in our liaison and interaction with ICAO's North America, Central America and Caribbean (NACC) regional office which has organised frequent virtual meetings to discuss COVID-19 related issues and to advertise and share best practice material with States and Territories. The response to the pandemic is health driven with the advice of chief medical officers being key to the decisions of governments around the world. In terms of aviation, there is a clear need for the close cooperation between the many different government departments, including health, to arrive at sensible and workable control measures. This has presented challenges for us as we do not have direct links to all the relevant parties in the Territories and we do not have expertise or competence in health, border control and immigration matters. We have made use of our existing contacts and fora to get ICAO's messages, recommendations and guidance to those in positions to enact it.

##### **Training and Support**

The training and support role remains critical to all our functions not only in terms of maintaining the competence of our staff and helping the OTAA's do likewise, but also in providing the necessary support to industry. While COVID-19 has curtailed our usual face-to-face training events and seminars, we have conducted on-line refresher training on the oversight of Dangerous Goods and held a series of technical webinars covering Aerodromes and Aviation Security, search and rescue, air traffic services, licensing, radio communication equipment and navigation. These were interactive sessions and were well-supported by the OTAA's.

The pandemic has also created challenges in our on-the-job training for new colleagues who joined the company just before the first national lockdown in March 2020. Ordinarily, we would have completed office-based and formal training combined with visits to the Territories for practical training to enable colleagues to be assessed for award of an authorisation. We have done what we can in terms of coaching through remote auditing combined with targeted assignments requiring the individual to research specific subjects, prepare a presentation and deliver this to a wider group. There is now a need for our team to travel to the Territories to complete the final elements of training prior to gaining authorisation.

We have continued to roll out internal refresher training to our team on subjects such as compliance monitoring, document control, safety management systems and ramp inspection training. This is essential to satisfactorily meet ICAO's training requirements.

Significant progress has been made on improving our training management system using Microsoft SharePoint. This collaborative platform integrates Microsoft Office with our electronic management system, Centrik, to provide one single source of information on training. This has many benefits in terms of easy access to training records, avoiding duplication of documents and facilitating more robust document control processes.

With the continued turnover of Governors and their officials, we have delivered six briefings on our role and the part that Governors play in the aviation regulatory system in the Territories. We have also briefed the new Minister for Transport on our role in supporting the DfT with its responsibility in upholding the UK's international obligations under the Chicago Convention. We are always appreciative of the time commitment from those we brief; we see open communication and strong relationships as key to delivering on our remit in an appropriate and proportionate way.



# Air Safety Support International Limited

## Report and Financial Statements

### Strategic Report (continued)

#### Governance

After a few years of significant change, we have enjoyed stability in the membership of the ASSI Board over the last year with the only change being to the Company Secretary role. This stability has been of great benefit given the unprecedented circumstances of the pandemic. We were also able to complete a Board self-assessment in line with best practice after having to defer this previously due to the frequent changes in Directorship. The self-assessment comprised a questionnaire supplemented by one-to-one discussions between the Chair and the Directors. The results were very positive with the highest scoring areas being the clarity of our remit, the management and organisation of Board meetings and the quality of Board papers. Directors also commented favourably on the open and professional conduct of the meetings. There were however some areas highlighted for improvement including allowing more time for strategic discussions taking account of policy and industrial issues in the Territories and focussing on safety assurance and providing constructive challenge to the executive team. We are in the process of agreeing how best to improve in these areas.

Recognising the challenges presented by COVID-19, the Board agreed that there was a need for more frequent Board meetings and so monthly meetings were introduced at the beginning of the first national lockdown. The additional meetings focus specifically on the impact of the pandemic on aviation and our response to this; they also include discussion on the wellbeing of the team. These meetings have been invaluable in helping us focus on key areas such as recovery and restart, our approach to oversight from afar and colleague health and wellbeing.

Our parent corporation, the UK CAA, is required to audit our activities annually. This year the area of focus was on our oversight of flight operations. Due to the circumstances, this activity was carried out remotely. The CAA auditors had full access to our management system, Centrik, and our shared drive so that they could examine our records ahead of and during the audit. There were no findings raised but there were five recommendations for improvement, all of which have been addressed.

Centrik is now integral to the management of our regulatory oversight, business planning, risk, workflows, and meetings. We continue to fine-tune our use of the system and are in regular discussions with the provider, Total AOC, on improvements. Of particular focus is a workstream on improving the management of public facing forms that are used by industry when applying for certificates, approvals etc. An internal audit highlighted a lack of consistency with our forms and some issues around retention and duplication of information. We are at an advanced point in our discussions with Total AOC and hope that we will have a solution for this soon.

# Air Safety Support International Limited

## Report and Financial Statements

### Strategic Report (continued)

#### Governance (continued)

Previous work on succession planning led to the creation of several resilience posts to mitigate the risks identified with an ageing demographic and a number of simultaneous retirements of very experienced individuals in key positions. These posts have been fundamental in our ability to cope with the retirement in April 2020 of three long-standing colleagues. The retirement of the previous Chief Operating Officer (COO) resulted in an internal promotion which left a vacancy in a management position below the COO role. At the onset of the pandemic it was very clear that the impact on the aviation industry would be significant and that finances would be squeezed across the sector and with HMG and the Territory governments. We felt it was prudent therefore to control expenditure as much as possible. In line with the UK CAA, we asked our team to take a voluntary 5% reduction in pay for 5 months of the year, with the senior management and the Chair taking a 10% reduction for 6 months. We also made the decision to delay the recruitment of the management role resulting from the internal promotion. This led to the need for an interim restructure to help with workload and line management responsibilities. We are grateful to those team members who volunteered to take on additional responsibilities throughout this year. We have found however that the deficit of one management role in an organisation of our size is very significant and that simply trying to spread the work among the team has not worked as effectively as we had hoped. We are therefore in the process of putting together the package of material to recruit to a new management role with wider responsibilities than the previous one. This will further strengthen our resilience going forwards.

Having by and large achieved the aims of our first diversity and inclusion (D&I) action plan, we set up a D&I focus group which has refreshed our plan with an emphasis on inclusion. We have delivered D&I sessions to the wider team and will continue to embed our plan as the year progresses. We recognise that some of the subjects that we would like to tackle around D&I are quite challenging and that it may take some time to shift attitudes and behaviours. We also accept that we may not be equipped to deal effectively with some of the areas and so will look to source expertise to help with these.

#### Future Developments

Our work on how to best ensure the safety of drone operations while supporting the growth of this industry has stalled due to the pandemic. We have however recently formed a working group comprising ASSI and OTAA colleagues to take this work forward. We will be looking at the work of other large regulators in this area to help us define an appropriate way forward for the Territories.

As reported previously, one Territory has expressed a desire to have its own in-house regulator. This is not the first time that this has been mooted in the particular Territory and we spent considerable resource previously on training and advising on what is required for them to be successful in such a venture. We have again provided a comprehensive paper to the Territory Government setting out the various options. Considering the two forthcoming ICAO audits, our recommendation to the OT Government was to delay the start of this project until after the audits.

We are keen to support the wider Science Technology Engineering and Maths (STEM) initiatives to encourage the youth of the Territories to consider the opportunities that a career in aviation brings. This was an aspiration last year which stalled due to the pandemic. We are hopeful that we may be able to start this once travel is possible by combining some events with schools when we are visiting the OTs for our routine oversight. Our oversight of industry will however take priority.

# Air Safety Support International Limited

## Report and Financial Statements

### Strategic Report (continued)

#### Principal Risks

We have continued to fine-tune our business risk and safety risk processes this year. Our risk system follows the UK Government's Management of Risk process which makes the link between achievement of business plan objectives and risk very clear. The business risk process is now working well with meaningful monthly review meetings. These allow us to capture risks, mitigations and further control measures more dynamically than previously.

As part of our migration to a more performance-based approach, we have refined the safety risk register to enhance our understanding of the main safety risks associated with our industry. This has already led to the formulation of business plan objectives and has given us the basis for our Safety Performance Indicators (SPIs) for our State Safety Programme for the OTs. It also informs our oversight priorities.

Our principal risks stem from being a very small organisation with few technical specialists. Through necessity we also 'multi-hat' our team, meaning that the loss of a single specialist may be felt across several areas. The work on resilience over the last few years has mitigated this risk to a certain extent but not entirely. We need to continue to refresh our succession plan, ensuring that we concentrate on areas of greatest risk so that we can build resilience in advance. A workstream on 'single points of failure' has identified twenty five areas which pose a risk if the current incumbent were to leave. Most of these are relatively simple to address by training on a particular subject and we have started this process. There are other areas however that are far more difficult to address and we may have to rely on a Memorandum of Understanding (MoU) or contractors to cover these.

While we are a significant way through our preparation for the two ICAO audits (USAP and USOAP) there is still much to do to be fully audit ready. We have several team members who are relatively new, having joined just prior to the first national lockdown in the UK. The prolonged impact of the pandemic has slowed the progress of their training and there is now a need for them to travel to the Territories for the final stages of training to enable assessment and subsequent authorisation. We also have a need to visit each of our service providers to gain first-hand assurance of their activities to supplement and confirm our remote audit assessments of their levels of compliance. This is especially important as the industry starts to recover from the pandemic. While these two activities will be done concurrently where possible, there is nonetheless significant work ahead for our small team. All of these activities are vitally important, and we will have to ensure that they are all given due consideration to ensure that the risk to UK reputation arising from any potential shortcomings is mitigated.

Under normal circumstances we would significantly reduce the amount of travel we do to the Caribbean region during hurricane season (June to November). However, depending on when we are able to safely resume travel from a COVID-19 perspective, we may find that we have to do more trips through this year. We have a well-developed hurricane watch procedure which will feed into any decisions.

Natural disasters within the Territories also present risks to us as we have to make decisions on the appropriateness of operational compliance but without many facts or a clear picture of the situation on the ground. Communications over the first 24-48 hours are usually compromised. Having air access during these times is critical to the humanitarian relief operations and we need to carefully balance post-disaster support against the potential safety risks resulting from the event. We have been working closely with our HMG colleagues over the last few years to understand their processes in responding to natural disasters so that we are able to establish quick communication links with those on the ground as soon as we can.

# Air Safety Support International Limited

## Report and Financial Statements

### Strategic Report (continued)

#### Key Performance Indicators

KPIs for the company are considered and included within the Annual Report and Accounts of the UK CAA, the company's parent corporation.

#### Finance

Revenue in the year was £2,492,462 (2020: £3,182,720) and the company achieved a breakeven result (2020: breakeven result).

The effective management of finances is required to deliver value for money for DfT, our sponsoring HMG department. The UK CAA provides support in financial reporting and tracking of performance. Reports are provided monthly to senior management and quarterly to DfT through our Sponsorship Meetings as well as to the ASSI Board at each of its meetings. Given the challenging economic environment there has been additional focus at a senior level on cash and working capital management during the year which continues on an ongoing basis.

With the uncertainty over the ability of the Territories to contribute to ASSI's running costs throughout FY 2020/21, the DfT produced a letter of comfort to the CAA which gave assurance of provision of funds; this letter extended to ASSI. A similar letter has been produced for the FY 2021/22 and beyond, again extending to ASSI. Work has also been done this year with the DfT to provide clarity on the management of the reserve funds, including who the funds belong to and the governance arrangements for any drawdown on the reserves. Our internal finance procedure has been updated to include this.

Unsurprisingly our financial results show a significant underspend due to the cost-saving measures put in place earlier in the year (pay reductions for the first 5/6 months and the delayed recruitment of a management position) and our inability to travel for regulatory oversight or training. These underspends are included under contract liabilities and will be utilised in future years.

The Strategic Report was approved by the Board on 15 June 2021 and was signed by order of the Board.



**Ms L Milton - Company Secretary**

**15 June 2021**

## **Air Safety Support International Limited**

### **Report and Financial Statements**

#### **Directors' Report**

The directors present their report and the audited financial statements for the year ended 31 March 2021. A review of business activities is contained within the Strategic Report.

The names of directors who held office for all of the year and up to the date of signing the financial statements are shown within the officers and advisors section.

#### **Directors' indemnities**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the year, directors' and officers' liability insurance in respect of itself and its directors.

#### **Going concern basis**

The financial statements of Air Safety Support International Limited have been prepared on a going concern basis. The directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future (see note 1.1).

#### **Audit information**

So far as the directors are aware:

- a) there is no relevant audit information of which the company's auditors are unaware; and
- b) they have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Directors' Report was approved by the Board on 15 June 2021 and was signed by order of the Board.



**Ms L Milton - Company Secretary**  
**15 June 2021**

## **Air Safety Support International Limited**

### **Report and Financial Statements**

#### **Statement of 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 prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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 year. 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 International Financial Reporting Standards (IFRSs) in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **Air Safety Support International Limited**

## **Report and Financial Statements**

### **Independent Auditor's Report to the Members of Air Safety Support International Limited**

#### **Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its result for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Air Safety Support International Limited ("the Company") for the year ended 31 March 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, 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 International Accounting Standards in conformity 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**

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.

## **Air Safety Support International Limited**

### **Report and Financial Statements**

#### **Independent Auditor's Report to the Members of Air Safety Support International Limited (continued)**

##### **Other information**

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

##### **Other Companies Act 2006 reporting**

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.

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.

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.



## **Air Safety Support International Limited**

### **Report and Financial Statements**

#### **Independent Auditor's Report to the Members of Air Safety Support International Limited (continued)**

##### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, 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.

##### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and industry, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax. The Company is also subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of relevant applicable legislation in the countries where the Company operates.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue, management bias in accounting estimates and the adoption of inappropriate accounting policies.

Audit procedures performed by the engagement team included:

- Inspecting correspondence with tax authorities and lawyers;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Discussions among the engagement team on how and where fraud might occur in the financial statements;
- Inspecting legal and professional fees for indications of non-compliance with laws and regulations;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, journal entries posted to revenue, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

## **Air Safety Support International Limited**

### **Report and Financial Statements**

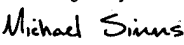
#### **Independent Auditor's Report to the Members of Air Safety Support International Limited (continued)**

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 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.

DocuSigned by:  
  
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**Michael Simms (Senior Statutory Auditor)**  
**For and on behalf of BDO LLP, Statutory Auditor**  
**London, UK**

**Date: 16 June 2021**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Air Safety Support International Limited

## Income Statement

For the years ended 31 March

	Note	2021 £	2020 £
<b>Revenue</b>	<b>2</b>	<b>2,492,462</b>	<b>3,182,720</b>
<b>Operating costs</b>			
Employment costs		(1,729,688)	(1,846,250)
Services and materials		(110,932)	(164,301)
Repairs and maintenance		(17,952)	(12,335)
Depreciation	<b>9</b>	(102,536)	(101,531)
Other (losses)/gains		(11,510)	3,023
Other expenses		(155,416)	(689,649)
Intra group charges	<b>18</b>	(362,566)	(369,144)
<b>Net operating costs</b>		<b>(2,490,600)</b>	<b>(3,180,187)</b>
<b>Operating result</b>		<b>1,862</b>	<b>2,533</b>
Finance income		791	2,229
Finance costs		(2,653)	(4,762)
<b>Finance costs - net</b>		<b>(1,862)</b>	<b>(2,533)</b>
<b>Result before income tax</b>		<b>-</b>	<b>-</b>
<b>Income tax charge</b>		<b>-</b>	<b>-</b>
<b>Result for the financial year, transferred to reserves</b>		<b>-</b>	<b>-</b>

There is no other comprehensive income for the year.

The supporting notes on pages 21 to 44 are an integral part of these financial statements.

# Air Safety Support International Limited

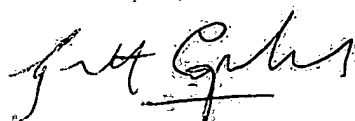
## Statement of Financial Position

As at 31 March

	Note	2021 £	2020 £
<b>Non-current assets</b>			
Property, plant and equipment	9	87,098	168,027
Trade and other receivables	10	1	35,616
<b>Total non-current assets</b>		<b>87,099</b>	<b>203,643</b>
<b>Current assets</b>			
Trade and other receivables	10	1,758,160	1,635,775
Cash and cash equivalents	11	760,352	54,977
<b>Total current assets</b>		<b>2,518,512</b>	<b>1,690,752</b>
<b>Total assets</b>		<b>2,605,611</b>	<b>1,894,395</b>
<b>Capital and reserves</b>			
Share capital	12	1	1
Retained earnings		-	-
<b>Total capital and reserves</b>		<b>1</b>	<b>-1</b>
<b>Total equity</b>		<b>1</b>	<b>1</b>
<b>Non-current liabilities</b>			
Trade and other payables	13	-	84,615
Provisions for other liabilities and charges	14	-	-
<b>Total current liabilities</b>		<b>-</b>	<b>84,615</b>
<b>Current liabilities</b>			
Trade and other payables	13	2,605,610	1,809,779
<b>Total current liabilities</b>		<b>2,605,610</b>	<b>1,809,779</b>
<b>Total liabilities</b>		<b>2,605,610</b>	<b>1,894,394</b>
<b>Total equity and liabilities</b>		<b>2,605,611</b>	<b>1,894,395</b>

The supporting notes on pages 21 to 44 are an integral part of these financial statements.

These financial statements were authorised for issue by the Board on 15 June 2021 and were signed on its behalf.



Mr G Copeland  
Chairman

Company Registration No: 4104063

## Air Safety Support International Limited

### Statement of Changes in Equity

For the years ended 31 March

	Note	Share Capital £	Retained Earnings £	Total Equity £
<b>Balance as at 1 April 2019</b>		<b>1</b>	<b>-</b>	<b>1</b>
Prior year movements for IFRS 16 implementation		-	31,018	<b>31,018</b>
Break even adjustment to IFRS 16 implementation movements		-	(31,018)	<b>(31,018)</b>
Result for the year		-	-	-
<b>Balance as at 31 March 2020</b>		<b>1</b>	<b>-</b>	<b>1</b>
<b>Balance as at 1 April 2020</b>		<b>1</b>	<b>-</b>	<b>1</b>
Result for the year		-	-	-
<b>Balance as at 31 March 2021</b>		<b>1</b>	<b>-</b>	<b>1</b>

For the year ended 31 March 2020, adjustments were made to retained earnings for the implementation of IFRS 16 at 1 April 2019 (£31,018). No adjustments were required to retained earnings this year.

The supporting notes on pages 21 to 44 are an integral part of these financial statements.

# Air Safety Support International Limited

## Statement of Cash Flows

For the years ended 31 March

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	15	798,214	45,119
<b>Net cash generated from operating activities</b>		<b>798,214</b>	<b>45,119</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(21,607)	-
<b>Net cash used in investing activities</b>		<b>(21,607)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Lease payments	17	(68,671)	(71,232)
Lease interest expense	17	(2,561)	(3,910)
<b>Net cash used in financing activities</b>		<b>(71,232)</b>	<b>(75,142)</b>
Net increase/(decrease) in cash and cash equivalents		705,375	(30,023)
Cash and cash equivalents at beginning of year		54,977	85,000
<b>Cash and cash equivalents at end of year</b>	<b>11</b>	<b>760,352</b>	<b>54,977</b>

# Air Safety Support International Limited

## Notes to the Financial Statements

### 1. General information and significant accounting policies

Air Safety Support International Limited is a company incorporated in the United Kingdom and is limited by shares. The principal business activity, under the direction of the Secretary of State for Transport, is the enhancement of regulatory oversight of aviation safety and aviation security (thereby providing further assurance of safety standards) in the UK's Overseas Territories (OTs).

The address of the company's registered office is shown on page 1.

#### 1.1 Basis of preparation

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.15.

The financial statements, prepared on the going concern basis, assume that the company will generate sufficient working capital to continue operational existence for the foreseeable future. The directors have, at the time of approving the financial statements, an expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The directors acknowledge the ongoing COVID-19 pandemic and the resulting collapse in aviation demand. There is still significant uncertainty about how quickly the sector will recover which has a bearing on the company's financial position and performance. The company is funded by the UK's Overseas Territories (OT) and grants from the Department for Transport (DfT). Whilst the downturn in aviation activity resulting from the COVID-19 pandemic is unlikely to have a direct impact on the company's revenues, the OT's are operating under financial pressure and their ability to settle charges to term may be negatively impacted by a prolonged downturn in the global aviation sector. The company has obtained assurances from the DfT that financial support will be provided for any resultant funding shortfall.

The directors are closely monitoring all aspects of the company's operations to mitigate the impact from the COVID-19 pandemic.

Whilst it remains difficult to predict accurately how and when the global aviation industry will be able to recover, industry forecasts have been used as a guide to stress test the likely impact on receipts from the OT's that form the basis of the company's cash projections through to 30 June 2022. Based on these stress tests and the financial support provided by the DfT, the directors of the company believe that the company will have sufficient cash flows available to continue to operate for at least twelve months from the approval of these financial statements.

# Air Safety Support International Limited

## Notes to the Financial Statements

### 1. General information and significant accounting policies (continued)

#### 1.1.1 Changes in accounting policies and disclosures

##### Adoption of new and revised standards

New standards impacting the company that have been adopted in the financial statements for the year ended 31 March 2021 are:

- Definition of a Business (Amendments to IFRS 3);
- COVID-19-Related Rent Concessions (Amendments to IFRS 16);
- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Disclosure Initiative - Definition of Material); and
- Revised Conceptual Framework for Financial Reporting.

The above amendments had a transition date of 1 April 2020. There has been no impact on the financial statements as a result of these amendments, nor is there expected to be any impact in the coming financial year.

##### New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the company has decided not to adopt early. The following amendments are effective for the company for the period beginning 1 April 2021:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

The above accounting standards are not expected to have a material impact on the company.

### 1.2 Segment reporting

The Board of Directors has determined that there are no operating segments within the company for strategic decision making purposes.

### 1.3 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. The company's financial statements are presented in pounds sterling which is also the functional currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

All foreign exchange gains and losses are presented in the Income Statement within 'Other losses - net'.



# Air Safety Support International Limited

## Notes to the Financial Statements

### 1. General information and significant accounting policies (continued)

#### 1.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount, or recognised as separate assets, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance costs are charged to the Income Statement during the financial year in which they are incurred.

Right-of-use assets are initially measured at the total value of the remaining lease obligations, including lease instalments, provisions for expenditure and net of any inducements. Right-of-use assets are depreciated using the straight-line method from the start of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of right-of-use assets are determined on the same basis as those of similar plant and equipment. In addition, the carrying amount of the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Depreciation is calculated using the straight-line method to allocate asset costs or revalued amounts to their residual values over their estimated useful lives, as follows:

- Plant and equipment	3-10 years
- Furniture, fixtures and fittings	5-10 years
- Right of use assets	Length of lease (5 years)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Depreciation, amortisation, impairments and disposals' in the Income Statement.

#### 1.5 Government grants

Government grants are recognised in the Income Statement on a systematic basis over the years in which the entity recognises as expenses the related costs for which the grant is intended to compensate.

#### 1.6 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are separately distinguished at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Assets in the course of construction are reviewed for impairment at each balance sheet date. Impairment losses are recognised in the Income Statement where required. Assets that are subject to impairment are reviewed at each balance sheet date to ensure the impairment continues to be appropriate. If necessary, the value of any impairment is reduced or extended through the Income Statement.

# Air Safety Support International Limited

## Notes to the Financial Statements

### 1. General information and significant accounting policies (continued)

#### 1.7 Financial instruments

Financial assets and liabilities are initially recognised in the statement of financial position at fair value when the company has become party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Classification of financial assets

Financial instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

The company's financial assets are categorised as financial assets held at amortised cost. Such assets are subsequently carried at amortised cost using the effective interest method, if the time value of money may have a significant impact on their value, less allowances for any expected lifetime credit losses.

The company's financial assets measured at amortised cost comprise trade and other receivables, contract assets, receivables from related parties and cash and cash equivalents in the statement of financial position.

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

#### Impairment of financial assets

The company recognises a loss allowance for expected credit losses on investments in financial instruments that are measured at amortised cost including trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The company assesses at the reporting date whether there is objective evidence that there has been an increase in the credit risk of its financial assets. The company uses criteria such as significant financial difficulty of the counterparty, the disappearance of an active market for that financial asset because of financial difficulties and breaches of contract as objective evidence.

# Air Safety Support International Limited

## Notes to the Financial Statements

### 1. General information and significant accounting policies (continued)

#### 1.7 Financial instruments (continued)

##### Definitions of default and write off

The company considers a financial asset in default when contractual payments are 365 days past due. In certain cases, however, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows 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. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Income Statement within 'Other losses' in the year in which they arise.

##### Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

##### Liquidity risk

The company monitors its liquidity position on a regular basis. Excess funds are placed on deposit but can be called back if required. The company is exposed to risks relating to the current economic climate, but its cash and cash equivalents are adequate to meet its commitments and finance its operations.

##### Capital Management

The capital structure of the company consists of share capital and retained earnings with a net surplus of £1 (2020: £1). The company's main objective when managing capital is to safeguard its ability to continue as a going concern.

The company reviews its capital structure regularly. The company is not subject to any externally imposed capital requirements.

# Air Safety Support International Limited

## Notes to the Financial Statements

### 1. General information and significant accounting policies (continued)

#### 1.8 Contract balances

##### Contract asset

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Trade receivables

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the company performs under the contract.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and other short term highly liquid investments with original maturities of three months or less.

#### 1.10 Current and deferred income tax

The company is not trading with a view to a profit, with all operating costs being met by way of a grant from the UK Department for Transport. The company is deemed not to have any taxable activities and therefore has no taxable profits.

#### 1.11 Employee benefits

##### (a) Short-term employee benefits

The cost of short-term employee benefits (wages, salaries, social security contributions, annual leave, bonuses and non-monetary benefits) is recognised in the year in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognised as an expense as the employees render service that increases their entitlement, or in the case of non-accumulating absences, when the absences occur.

# Air Safety Support International Limited

## Notes to the Financial Statements

### 1. General information and significant accounting policies (continued)

#### 1.11 Employee benefits (continued)

##### (b) Post-employment benefits - pension obligations

The seconded employees of the company are eligible to participate in the UK Civil Aviation Authority's pension scheme.

The Civil Aviation Authority Pension Scheme is a fully funded defined benefit scheme providing benefits based on final pensionable pay. The assets of the scheme are held in a separate trustee administered fund.

The Civil Aviation Authority Pension Scheme was closed to new entrants on 30 November 2012. After that date new entrants have been able to join a defined contribution plan where contributions are paid into an independently administered fund.

The pension cost for Air Safety Support International Limited is restricted to the contributions payable to the scheme for employees seconded to the company (note 3). The ultimate liability for pensions of these employees remains with the UK Civil Aviation Authority.

##### (c) Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits when it is demonstrably committed to, either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

#### 1.12 Dilapidations provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Where a dilapidations provision is included as part of a lease liability recognised under IFRS 16, the value of the provision is included within the right of use asset and lease liability balances in the Statement of Financial Position. These are measured at their present value, discounted by the interest rate implicit in the lease contract. The right of use asset is released to the Income Statement evenly over the lifetime of the lease. An estimate has been made in relation to the dilapidations provision in line with the expected cost to restore the leased building to its original state. The estimate is based on the experience of the estates department and is deemed to be fair and appropriate by management.

# Air Safety Support International Limited

## Notes to the Financial Statements

### 1. General information and significant accounting policies (continued)

#### 1.13 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the company's activities. Revenue is shown net of value added tax, credits and discounts and after eliminating sales within the company.

The company recognises revenue at the transaction price, in line with progress towards the completion of the performance obligation of the particular service being provided. The company contracts with the Department for Trade and OT Aviation Authorities and uses both input and output methods to assess both the transaction price and the point of revenue recognition, using the most appropriate for each individual service. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### 1.14 Leases

IFRS 16 'Leases' was adopted on 1 April 2019, replacing IAS 17.

At the inception of the contract, the company assesses whether the contract contains any element relating to the lease of a specific asset. This is defined by the company obtaining the right to use a specific asset for a defined year of time, in exchange for consideration. The following exception criteria have been applied when determining whether to recognise a liability for the lease contract:

- At the date of transition, 1 April 2019, if the contract has expired within the following 12 months the contract has not been considered as it is deemed as short-term at the point of transition.
- Any contract which, at the point of inception, is deemed to be short-term (i.e. expected to expire in the following 12 months) has not been considered.
- Where the contract defines the lease of an asset which is considered to be low-value the lease has not been considered. Low-value in relation to the company is any amount, or aggregate amounts, which are considered immaterial to these Financial Statements. A lease liability value of £5k has been used for this assessment.
- Where the company is not reasonably certain that a short-term lease (less than 12 months) will be extended beyond its non-cancellable term the contract has not been considered.

Any leases in line with the exception criteria above are recognised as incurred through services and materials in the Income Statement.

As a lessee, if the company identifies a contract which contains an identifiable lease in line with the conditions above, a right-of-use asset and a lease liability is recognised. The right-of-use assets are separately identified under property, plant and equipment within the Statement of Financial Position. These are recognised at the value of the remaining lease commitments at the point of commencement of the lease. These assets are depreciated on a straight-line basis over the lifetime of the lease, or the remaining useful economic life of the asset, whichever is shorter. The lease liability is recognised within trade and other payables, with a split between the current and non-current element. The value of this is determined from the remaining lease commitments at the point of commencement of the lease, measured at amortised cost using the effective interest method. The effective interest rate for leases is the company's incremental borrowing rate, which is in line with those advised by HM Treasury for the financial year ended 31 March 2021.

# Air Safety Support International Limited

## Notes to the Financial Statements

### 1. General information and significant accounting policies (continued)

#### 1.15 Significant accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Expected credit losses**

The company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the company's historical credit losses. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the company's customers.

##### **Fair value measurement**

Assets and liabilities for which fair value is measured or disclosed in the financial statements are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Air Safety Support International Limited

### Notes to the Financial Statements

#### 2. Revenue

The Board of Directors has determined that there are no operating segments within the company for strategic decision making purposes. A breakdown of income received is given below:

	2021	2020
	£	£
Department for Transport grant	2,056,486	2,028,932
Income from Overseas Territories	1,234,739	1,234,739
Contract liability	(798,763)	(80,951)
<b>Total revenue</b>	<b>2,492,462</b>	<b>3,182,720</b>

A significant source of income for the company is by way of a grant from the Department for Transport (DfT). The remaining income is from the UK's Overseas Territories.

The DfT provided £2,056,486 of cash resources during the year (2020: £2,028,932), £243,326 of which was in respect of the regulatory oversight of the overseas territories aviation security function (2020: £250,000).

£401,163 of the DfT funding contract liability from prior years has been deferred this year to be utilised against operating expenditure in future years (2020: £103,168 was released against excess expenditure).

£397,600 of the income from Overseas Territories has been deferred to be utilised against operating expenditure in future years (2020: £184,119).



## Air Safety Support International Limited

### Notes to the Financial Statements

#### 3. Employment costs

In respect of the employees included in the table below the related employee benefits expenses are as follows:

	2021	2020
	£	£
Wages and salaries	1,333,951	1,386,282
Social security costs	159,151	169,904
Defined benefit pension plan costs	194,384	257,998
Defined contribution pension plan costs	33,427	16,770
Other employee benefits expenses	8,775	15,296
<b>Total employment costs</b>	<b>1,729,688</b>	<b>1,846,250</b>

Other employee benefits expenses include professional subscriptions, car leasing and allowance costs.

The monthly average number of employees (including directors) during the year was:

	2021	2020
	Employees	Employees
<b>Average number of employees</b>	<b>22</b>	<b>21</b>

The above disclosures represent the number of employees and associated employee benefit expenses of employees that work on Air Safety Support International Limited activities. All of these resources, however, are employed by the company's parent corporation, the UK Civil Aviation Authority. Employee benefit expenses are cross charged through the intercompany accounts from the parent entity, the UK Civil Aviation Authority.

In addition, for 2021 and 2020 there was one director during the year who was an employee of the parent corporation and who is included in the parent corporation's average number of employees.

#### 4. Directors' emoluments

	2021	2020
	£	£
Salaries and fees	143,246	150,708
Benefits	1,107	1,047
<b>Directors' emoluments</b>	<b>144,353</b>	<b>151,755</b>

In addition to the directors' emoluments stated above, a charge of £0,500 (2020: £0,500) was incurred for services of directors who are employees or Board Members of the parent undertaking, the Civil Aviation Authority.

The remuneration of the highest paid director (including pension contributions, other benefits and performance related

## Air Safety Support International Limited

### Notes to the Financial Statements

#### 5. Other (losses)/gains

	2021	2020
	£	£
Net foreign exchange (losses)/gains on operating activities	(11,510)	3,023
<b>Total realised other (losses)/gains</b>	<b>(11,510)</b>	<b>3,023</b>

#### 6. Result for the year

The result for the year has been arrived at after charging:

	2021	2020
	£	£
<b>Fees payable to company's auditor for:</b>		
Audit of company financial statements	8,400	6,000
<b>Total fees payable to company's auditor</b>	<b>8,400</b>	<b>6,000</b>

All costs are shown within 'Other expenses'.

	2021	2020
	£	£
<b>Depreciation:</b>		
Depreciation on property, plant and equipment	102,536	101,531
<b>Total depreciation</b>	<b>102,536</b>	<b>101,531</b>

## Air Safety Support International Limited

### Notes to the Financial Statements

#### 7. Finance income and costs

		2021	2020
	Note	£	£
<b>Finance income:</b>			
Interest receivable on inter company trading balances	18	791	2,229
<b>Total finance income</b>		<b>791</b>	<b>2,229</b>
<b>Finance costs:</b>			
Interest payable on inter company trading balances	18	(92)	(852)
Lease liability interest expense	17	(2,561)	(3,910)
<b>Total finance costs</b>		<b>(2,653)</b>	<b>(4,762)</b>
<b>Finance costs - net</b>		<b>(1,862)</b>	<b>(2,533)</b>

#### 8. Income tax expense

The company is not trading with a view to a profit, with the majority of operating costs being met by way of a grant from the UK Department for Transport. The company is deemed not to have any taxable activities and therefore has no taxable profits (2020: no taxable profits).

## Air Safety Support International Limited

### Notes to the Financial Statements

#### 9. Property, plant and equipment

	Plant and equipment	Furniture, fixtures and fittings	Right of use assets	Total
Cost	£	£	£	£
At 1 April 2019	30,644	133,260	-	163,904
IFRS 16 transition	-	-	201,829	201,829
<b>At 31 March 2020</b>	<b>30,644</b>	<b>133,260</b>	<b>201,829</b>	<b>365,733</b>
Additions	21,607	-	-	21,607
<b>At 31 March 2021</b>	<b>52,251</b>	<b>133,260</b>	<b>201,829</b>	<b>387,340</b>
<b>Depreciation</b>				
At 1 April 2019	22,756	73,419	-	96,175
Charge for the year	5,189	22,895	73,447	101,531
<b>At 31 March 2020</b>	<b>27,945</b>	<b>96,314</b>	<b>73,447</b>	<b>197,706</b>
Charge for the year	5,993	22,894	73,649	102,536
<b>At 31 March 2021</b>	<b>33,938</b>	<b>119,208</b>	<b>147,096</b>	<b>300,242</b>
<b>Net book value</b>				
<b>At 31 March 2021</b>	<b>18,313</b>	<b>14,052</b>	<b>54,733</b>	<b>87,098</b>
<b>At 31 March 2020</b>	<b>2,699</b>	<b>36,946</b>	<b>128,382</b>	<b>168,027</b>

The only asset contained within the category right of use assets at the end of each year is the leased office space used by the company at The Portland Building, Crawley, which is not an investment property.

## Air Safety Support International Limited

### Notes to the Financial Statements

#### 10. Trade and other receivables

		2021	2020
	Note	£	£
<b>Current receivables:</b>			
Trade receivables		146,946	53,282
Prepayments		42,958	25,482
Amounts due from related parties	18	-	1,003,185
Contract assets		1,532,640	553,826
Other receivables		35,616	-
<b>Total current receivables</b>		<b>1,758,160</b>	<b>1,635,775</b>
<b>Non-current receivables:</b>			
Other receivables		1	35,616
<b>Total non-current receivables</b>		<b>1</b>	<b>35,616</b>
<b>Total trade and other receivables</b>		<b>1,758,161</b>	<b>1,671,391</b>

The carrying amounts of trade and other receivables are all denominated in pounds sterling. As such, there is no exposure to the risk of currency fluctuations.

The carrying amounts of trade and other receivables are deemed to approximate their fair value.

As at 31 March 2021 £14,872 of trade receivables (2020: nil) were past their due dates. No expected credit loss has been provided as the sole trade debtor to the company is the Department for Transport (DfT). Without the contributions paid by the DfT there would be no purpose for the company to exist, therefore it is not considered relevant to include an adjustment. If an amount were to be calculated based on historical precedent (there has been no loss of receipts from the DfT since incorporation) then any provision would be nominal.

## Air Safety Support International Limited

### Notes to the Financial Statements

#### 10. Trade and other receivables (continued)

##### Contract balances:

	Contract assets 2021 £	Contract assets 2020 £	Contract liabilities 2021 £	Contract liabilities 2020 £
At 1 April	553,826	668,682	(1,630,069)	(1,842,079)
Transfers in the year from contract assets to trade receivables	(118,284)	(328,916)	-	-
Excess of revenue recognised over cash (or rights for cash)	1,097,098	214,060	-	-
Amounts included in contract liabilities that were recognised as revenue during the year	-	-	101,501	349,289
Cash received in advance of performance and not recognised as revenue during the year	-	-	(735,020)	(137,279)
<b>At 31 March</b>	<b>1,532,640</b>	<b>553,826</b>	<b>(2,263,588)</b>	<b>(1,630,069)</b>

# Air Safety Support International Limited

## Notes to the Financial Statements

### 11. Cash and cash equivalents

The following cash and cash equivalents are included within the Statement of Cash Flows:

	2021	2020
	£	£
Cash at bank and in hand	760,352	54,977
<b>Total cash and cash equivalents</b>	<b>760,352</b>	<b>54,977</b>

The group no longer operates a cash pooling arrangement for its subsidiary, Air Safety Support International Limited and as such, the cash balance is now held by the company itself instead of by the parent.

The carrying amounts of cash and cash equivalents are deemed to approximate to their fair value.

The company has assessed its exposure to liquidity risk as part of the going concern assessment, details of which can be found in note 1.1. There is no exposure to the risk of currency fluctuations as all amounts are held in pounds sterling.

### 12. Share capital

	2021	2020
	£	£
<b>Authorised:</b>		
100 (2020: 100) ordinary shares of £1	100	100
<b>Total authorised share capital</b>	<b>100</b>	<b>100</b>
<b>Called up and allocated but not fully paid:</b>		
1 (2020: 1) ordinary share of £1	1	1
<b>Total share capital</b>	<b>1</b>	<b>1</b>

## Air Safety Support International Limited

### Notes to the Financial Statements

#### 13. Trade and other payables

		2021	2020
	Note	£	£
<b>Current liabilities:</b>			
Trade payables		-	9,121
Accrued expenses		68,190	101,918
Contract liabilities	10	2,263,588	1,630,069
Lease liabilities	17	84,615	68,671
Amounts due to related parties	18	189,217	-
<b>Total current trade and other payables</b>		<b>2,605,610</b>	<b>1,809,779</b>
<b>Non-current liabilities:</b>			
Lease liabilities	17	-	84,615
<b>Total non-current trade and other payables</b>		<b>-</b>	<b>84,615</b>
<b>Total trade and other payables</b>		<b>2,605,610</b>	<b>1,894,394</b>

The carrying amounts of trade and other payables are all denominated in pounds sterling. As such, there is no exposure to the risk of currency fluctuations.

The carrying amounts of trade and other payables is deemed to approximate their fair values. The company is expected to meet the debts listed above as they fall due for payment. None of the debt listed above is interest bearing, therefore the company carries no risk in relation to interest rate fluctuations.

The contract liability balance is comprised of deferred funding from the DfT of £1,865,988 (2020: £1,445,950) and positive contract liabilities from overseas territories of £397,600 (2020: positive of £184,119).



## Air Safety Support International Limited

### Notes to the Financial Statements

#### 14. Provisions for other liabilities and charges

		2021	2020
	Note	£	£
Building repairs:			
Brought forward		-	49,672
IFRS 16 transition	17	-	(49,672)
<b>Total provisions for other liabilities and charges</b>		<b>-</b>	<b>-</b>

During the previous financial year, a provision of £49,672 for The Portland Building property dilapidations was removed from provisions as a result of the implementation of the standard IFRS 16 'Leases'. As such, the provision is now disclosed as part of both the right of use asset and lease liability balances associated with The Portland Building. The provision element of the right of use asset will be released to the Income Statement as the asset is depreciated across the remainder of the lease.

The associated right of use asset balances can be seen in note 9 and the lease liability in note 17.

## Air Safety Support International Limited

### Notes to the Financial Statements

#### 15. Cash generated from operations

	Note	2021 £	2020 £
<b>Result before income tax</b>		-	-
<b>Adjustments for:</b>			
Depreciation		102,536	101,531
Finance costs - net	7	1,862	2,533
IFRS 16 transition		-	(30,893)
<b>Changes in working capital:</b>			
Trade and other receivables	10	(85,979)	166,160
Trade and other payables	13	779,795	(194,212)
<b>Cash generated from operations</b>		<b>798,214</b>	<b>45,119</b>

#### 16. Retirement benefit obligation

Employees of the company seconded from the CAA are eligible to participate in the Civil Aviation Authority's pension scheme.

The Civil Aviation Authority Pension Scheme is a fully funded defined benefit scheme providing benefits based on final pensionable pay. The assets of the scheme are held in a separate trustee administered fund.

The pension cost for Air Safety Support International (ASSI) is restricted to the contributions payable to the scheme for employees seconded to ASSI (note 3). The ultimate liability for pensions of these employees remains with the Civil Aviation Authority (CAA).

The CAA is required to contribute to the scheme at the rates agreed at the last scheme specific funding valuation as at 31 December 2018. This rate was set at 28.2% (2020: 28.2%) of pensionable earnings for the year 2020/21 in respect of which the CAA Group paid contributions of £13.3 million (2020: £14.4 million). The expected contribution for the Group in the 2021/22 year is £13.3 million. The expected future benefit payments for 2021/22 are forecast to be £112.8 million for the Group.

The Civil Aviation Authority Pension Scheme was closed to new entrants on 30 November 2012. After that date new entrants have been able to join a defined contribution plan where contributions are paid into an independently administered fund. The income statement charge represents the contributions payable by the company based on a percentage of the employees' pay.

# Air Safety Support International Limited

## Notes to the Financial Statements

### 17. Commitments

#### Capital commitments

At 31 March 2021 and 2020, the company had no material capital commitments that were contracted for but not provided.

#### Lease liabilities

The company opted to implement IFRS 16 'Leases' on 1 April 2019. At both 1 April 2020 and 31 March 2021 the company was committed to one lease contract, for the office space used at The Portland Building, Crawley.

The following amounts are included within the Statement of Financial Position for lease liabilities:

	Note	2021 £	2020 £
Brought forward		153,286	-
IFRS 16 transition		-	220,608
Interest expense	7	2,561	3,910
Lease payments		(71,232)	(71,232)
<b>Total lease liabilities</b>		<b>84,615</b>	<b>153,286</b>
<b>Analysis of lease liabilities:</b>			
Non-current		-	84,615
Current		84,615	68,671
<b>Total lease liabilities</b>		<b>84,615</b>	<b>153,286</b>

Right of use assets associated with the lease liabilities above of £54,733 were included within the Statement of Financial Position at the end of the current financial year as shown in note 9 (2020: £128,382).

## Air Safety Support International Limited

### Notes to the Financial Statements

#### 18. Related party transactions

The following (expense)/revenue transactions with fellow group undertakings occurred during the year:

	2021 £	2020 £
Re-charge of Corporate legal, finance, IT and facilities costs:		
Civil Aviation Authority	334,304	334,304
Re-charge of Corporate Board Member costs:		
Civil Aviation Authority	27,076	27,076
Work carried out by other group entities with regard to technical assistance:		
Civil Aviation Authority	8,400	8,400
Work carried out on behalf of other group entities with regard to commercial aviation related services:		
CAA International Limited	(7,214)	(1,536)
Cost of internal exams hosting and maintenance charges by other group companies:		
CAA International Limited	-	900
<b>Total inter group charges</b>	<b>362,566</b>	<b>369,144</b>

	2021 £	2020 £
<b>Interest receivable on group trading balances (note 7)</b>		
Civil Aviation Authority	761	2,085
CAA International Limited	30	144
<b>Interest payable on group trading balances (note 7)</b>		
Civil Aviation Authority	(92)	(852)
<b>Net interest receivable on group trading balances (note 7)</b>	<b>699</b>	<b>1,377</b>

In addition, employee benefit costs of £1,729,688 (2020: £1,846,250) were recharged from the Civil Aviation Authority during the year (see note 3).

## Air Safety Support International Limited

### Notes to the Financial Statements

#### 18. Related party transactions (continued)

The year-end balances owing (by)/to the company from group undertakings:

	Note	2021 £	2020 £
Civil Aviation Authority	10	(189,217)	976,789
CAA International Limited	10	-	26,396
<b>Total (payables)/receivables from group undertakings</b>		<b>(189,217)</b>	<b>1,003,185</b>

The group no longer operates a cash pooling arrangement for its subsidiary, Air Safety Support International Limited and as such the bank account sweep has been cancelled. A number of functions, including payroll and accounts payable, are still carried out and settled by the Authority on behalf of its subsidiaries. These transactions are not included in the above disclosures.

The company has not considered it necessary to include an expected credit loss provision against amounts owing by other Group entities. This is owing to the fact both Group entities have an assessment that they are a going concern, therefore there is no expectation of non-recovery of intra-group debt.

## **Air Safety Support International Limited**

### **Notes to the Financial Statements**

#### **19. Ultimate controlling party**

The company's ultimate controlling party is the UK Secretary of State for Transport, who is the ultimate controlling party of the company's immediate parent corporation, the UK Civil Aviation Authority (CAA). The CAA is a body governed by the Civil Aviation Act 1982 and the Civil Aviation Act 2012. The CAA's Annual Report and Accounts may be viewed and downloaded from the Civil Aviation Authority's website ([www.caa.co.uk](http://www.caa.co.uk)). The CAA consolidates the company's financial statements.