

Company Registration No. 05359254 (England and Wales)

**AIR LINK GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**



# AIR LINK GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr M Fletcher Mr P Fletcher Mr S Smith Mr L Higgins Mr P Barguss	(Appointed 25 October 2016)
<b>Company number</b>	05359254	
<b>Registered office</b>	Neo Park Wharfdale Road Birmingham West Midlands England B11 2DF	
<b>Auditor</b>	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY	
<b>Bankers</b>	National Westminster Bank plc 1 St Phillips Place Birmingham West Midlands B3 2PP	

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# AIR LINK GROUP LIMITED

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# AIR LINK GROUP LIMITED

## STRATEGIC REPORT

**FOR THE PERIOD ENDED 31 DECEMBER 2016**

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The directors present the strategic report for the period ended 31 December 2016.

### **Fair review of the business**

The directors are delighted to report that the group has continued with its improvement in its trading results in the 3 months to 31 December 2016. The reorganisation the business conducted internally in the previous periods has continued to show trading improvements.

The group is now continuing to see the benefit of the investment it made in new premises during 2015 which is now resulting in the planned efficiencies within the organisation.

The group has improved its turnover at £6.71m for the 3 months to 31 December 2016 as opposed to £14.7m for the 9 months to 30 September 2016. Pre-tax profit for the 3 month period to 31 December 2016 was £0.58m.

The directors are confident that the improved trading performance will be maintained into 2017 which is supported by management information for the first quarter of 2017.

### **Principal risks and uncertainties**

Competitive pressure in the retail sector is a continuing risk to the group and in order to manage this risk, the group continues to focus on the delivery of a quality service to its customers. Building strong relationships with existing customers and continuing to expand its customer base and the range of products to those customers is assisting the group in meeting the changing needs of the market place.

The group's business may be affected by fluctuations in the price of and supply of key products although purchasing practices seek to mitigate this exposure.

The group's policy on liquidity risk is to ensure sufficient cash is available to fund on-going operations. The group manages the exposure to liquidity risks predominantly by banking facilities of overdrafts and factoring arrangements.

The group manages credit risk of a debtor default on contractual obligations by a strict policy of only dealing with credit worthy customers and ensure that these customers have an appropriate credit history. Strict account limits are adhered to with customers to ensure full collection of debtor funds is achieved.

On behalf of the board



Mr M Fletcher

Director

10.12.17

# AIR LINK GROUP LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2016

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The directors present their annual report and financial statements for the period ended 31 December 2016.

#### Principal activities

The principal activity of the company and group continued to be that of fit-out operations across the retail, banking and leisure sectors of industry.

#### Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr M Fletcher	
Mr P Fletcher	
Mr S Smith	
Mr L Higgins	(Appointed 25 October 2016)
Mr K Fletcher	(Resigned 10 May 2017)
Mr P Mousley	(Resigned 10 May 2017)
Mr P Barguss	

#### Results and dividends

The results for the period are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### Auditor

The auditors, Ormerod Rutter Limited, will be proposed for re-appointment in accordance with Section 487(2) of the Companies Act 2006.

#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# AIR LINK GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

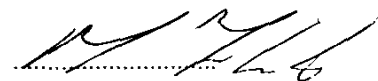
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

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### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board



Mr M Fletcher

**Director**

14/12/17

# AIR LINK GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF AIR LINK GROUP LIMITED

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#### Opinion

We have audited the financial statements of Air Link Group Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2016 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 and of its for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# AIR LINK GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AIR LINK GROUP LIMITED

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

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

- the information given in the Strategic Report and the Directors' Report for the financial period 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.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion.

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, 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 group's and the parent 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 group or the parent 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.

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



# AIR LINK GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF AIR LINK GROUP LIMITED

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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.

  
Peter Ormerod FCA (Senior Statutory Auditor)  
for and on behalf of Ormerod Rutter Limited

15/12/17

Chartered Accountants  
Statutory Auditor

The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

# AIR LINK GROUP LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2016

		Period ended 31 December 2016 £	Period ended 30 September 2016 £
	Notes		
Turnover	3	6,713,028	14,711,872
Cost of sales		(4,809,682)	(10,381,317)
<b>Gross profit</b>		<b>1,903,346</b>	<b>4,330,555</b>
Administrative expenses		(1,314,367)	(4,268,287)
Other operating (expenses)/income		(5,629)	40,029
<b>Operating profit</b>	4	<b>583,350</b>	<b>102,297</b>
Interest receivable and similar income	8	100	1,483
Interest payable and similar expenses	9	(3,581)	(14,411)
<b>Profit before taxation</b>		<b>579,869</b>	<b>89,369</b>
Taxation	10	(608)	-
<b>Profit for the financial period</b>		<b>579,261</b>	<b>89,369</b>

Profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

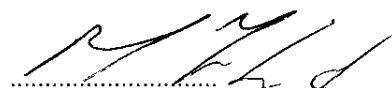
# AIR LINK GROUP LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2016

		31 December 2016		30 September 2016	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		3,790,414		3,865,409
Tangible assets	12		708,229		740,358
			<u>4,498,643</u>		<u>4,605,767</u>
<b>Current assets</b>					
Stocks	15	513,324		1,033,970	
Debtors	16	6,742,750		5,658,754	
Cash at bank and in hand		329,051		868,874	
		<u>7,585,125</u>		<u>7,561,598</u>	
<b>Creditors: amounts falling due within one year</b>	17	(10,070,257)		(10,714,999)	
<b>Net current liabilities</b>			<u>(2,485,132)</u>		<u>(3,153,401)</u>
<b>Total assets less current liabilities</b>			<u>2,013,511</u>		<u>1,452,366</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(80,336)		(98,452)
<b>Provisions for liabilities</b>	22		(2,982)		(2,982)
<b>Net assets</b>			<u>1,930,193</u>		<u>1,350,932</u>
<b>Capital and reserves</b>					
Called up share capital	24		404		404
Profit and loss reserves			1,929,789		1,350,528
<b>Total equity</b>			<u>1,930,193</u>		<u>1,350,932</u>

The financial statements were approved by the board of directors and authorised for issue on 16.12.17 and are signed on its behalf by:



Mr M Fletcher  
Director

# AIR LINK GROUP LIMITED

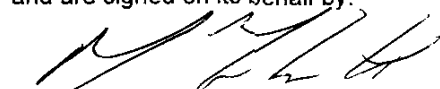
## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2016

		31 December 2016		30 September 2016	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	13		6,920,000		6,920,000
<b>Current assets</b>					
Debtors	16	3,253		17,760	
Cash at bank and in hand		3,034		3,082	
		6,287		20,842	
<b>Creditors: amounts falling due within one year</b>	17	(3,828,111)		(4,128,027)	
<b>Net current liabilities</b>			(3,821,824)		(4,107,185)
<b>Total assets less current liabilities</b>			3,098,176		2,812,815
<b>Capital and reserves</b>					
Called up share capital	24		404		404
Profit and loss reserves			3,097,772		2,812,411
<b>Total equity</b>			3,098,176		2,812,815

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £285,361 (2016 - £4,742 profit).

The financial statements were approved by the board of directors and authorised for issue on 16/12/17 and are signed on its behalf by:



Mr M Fletcher  
Director

Company Registration No. 05359254

# AIR LINK GROUP LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2016

	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2016</b>	404	1,261,159	1,261,563
<b>Period ended 30 September 2016:</b>			
Profit and total comprehensive income for the period	-	89,369	89,369
<b>Balance at 30 September 2016</b>	404	1,350,528	1,350,932
<b>Period ended 31 December 2016:</b>			
Profit and total comprehensive income for the period	-	579,261	579,261
<b>Balance at 31 December 2016</b>	404	1,929,789	1,930,193

## AIR LINK GROUP LIMITED

### COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2016

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	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2016	404	2,807,669	2,808,073
Period ended 30 September 2016: Profit and total comprehensive income for the period	-	4,742	4,742
Balance at 30 September 2016	404	2,812,411	2,812,815
Period ended 31 December 2016: Profit and total comprehensive income for the period	-	285,361	285,361
Balance at 31 December 2016	404	3,097,772	3,098,176

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# AIR LINK GROUP LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2016

		31 December 2016	30 September 2016
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash (absorbed by)/generated from operations	26	(594,754)	796,410
Interest paid		(3,581)	(14,411)
Income taxes refunded		82,333	471
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(516,002)</b>	<b>782,470</b>
<b>Investing activities</b>			
Purchase of tangible fixed assets		-	(21,181)
Interest received		100	1,483
<b>Net cash generated from/(used in) investing activities</b>		<b>100</b>	<b>(19,698)</b>
<b>Financing activities</b>			
Repayment of borrowings		(20,806)	(75,945)
Payment of finance leases obligations		(3,115)	-
<b>Net cash used in financing activities</b>		<b>(23,921)</b>	<b>(75,945)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(539,823)</b>	<b>686,827</b>
Cash and cash equivalents at beginning of period		868,874	182,047
<b>Cash and cash equivalents at end of period</b>		<b>329,051</b>	<b>868,874</b>

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

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### 1 Accounting policies

#### Company information

Air Link Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Neo Park, Wharfdale Road, Birmingham, West Midlands, B11 2DF.

The group consists of Air Link Group Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.



# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Air Link Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Reporting period

These financial statements present the financial information of the company for the 3 months ended 31 December 2016. Comparative amounts are presented for the previous 9 month period ended 30 September 2016. The reason for the change in accounting periods is to enable more convenient and efficient preparation of the financial statements at the calendar year end. Due to the change in accounting periods, comparative amounts presented in the financial statements and notes are not entirely comparable.

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Where a contract has only been partially completed at the balance sheet date turnover represents the value for the service provided to date on a proportion of the total expected consideration at completion. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is ten and twenty years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	33% on cost and 10% on cost
Plant and equipment	33% on cost and 10% on cost
Fixtures and fittings	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.15 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.16 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.17 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### **1.18 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Depreciation

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful lives and residual values are reassessed annually. They are amended when necessary, to reflect current estimates.

#### Deferred tax

Deferred tax assets only recognised to the extent to which it can be regarded as more likely than not that the group will generate sufficient future taxable profits from which the reversal of the underlying timing differences can be deducted.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	31 December 2016 £	30 September 2016 £
<b>Turnover</b>		
Provision of services	6,713,028	14,711,872
<b>Other significant revenue</b>		
Interest income	100	1,483

#### Turnover analysed by geographical market

	31 December 2016 £	30 September 2016 £
United Kingdom	6,704,572	14,266,293
Republic of Ireland	8,456	443,251
Other European countries	-	(384)
Other overseas countries	-	2,712
	6,713,028	14,711,872

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

### 4 Operating profit

	31 December 2016 £	30 September 2016 £
Operating profit for the period is stated after charging/(crediting):		
Exchange losses	5,059	11,488
Depreciation of owned tangible fixed assets	30,381	105,616
Depreciation of tangible fixed assets held under finance leases	1,748	5,367
Amortisation of intangible assets	74,995	299,980
Cost of stocks recognised as an expense	1,396,947	2,150,943
Operating lease charges	83,325	500,082

### 5 Auditor's remuneration

	31 December 2016 £	30 September 2016 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	2,025	7,500
Audit of the financial statements of the company's subsidiaries	10,646	28,134
	<u>12,671</u>	<u>35,634</u>
<b>For other services</b>		
Taxation compliance services	250	710
All other non-audit services	1,000	6,255
	<u>1,250</u>	<u>6,965</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group		Company	
	31 December 2016 Number	30 September 2016 Number	31 December 2016 Number	30 September 2016 Number
Directors	7	7	7	7
Warehouse and Administration	76	83	-	-
	<u>83</u>	<u>90</u>	<u>7</u>	<u>7</u>



# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	Group	
	31 December 2016	30 September 2016
	£	£
Wages and salaries	685,848	2,088,206
Social security costs	67,906	206,033
Pension costs	3,431	10,383
	<u>757,185</u>	<u>2,304,622</u>

### 7 Directors' remuneration

	31 December 2016	30 September 2016
	£	£
Remuneration for qualifying services	<u>90,665</u>	<u>194,516</u>

### 8 Interest receivable and similar income

	31 December 2016	30 September 2016
	£	£
<b>Interest income</b>		
Interest on bank deposits	<u>100</u>	<u>1,483</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>100</u>	<u>1,483</u>
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### 9 Interest payable and similar expenses

	31 December 2016	30 September 2016
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	2,305	9,795
Interest on finance leases and hire purchase contracts	1,246	4,019
Other interest on financial liabilities	30	597
	<u>3,581</u>	<u>14,411</u>

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

### 10 Taxation

	31 December 2016	30 September 2016
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,104	-
Adjustments in respect of prior periods	(496)	-
<b>Total current tax</b>	<b>608</b>	<b>-</b>

The actual charge for the period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	31 December 2016	30 September 2016
	£	£
Profit before taxation	579,869	89,369
<b>Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)</b>	<b>115,974</b>	<b>17,874</b>
Tax effect of expenses that are not deductible in determining taxable profit	1,606	2,948
Tax effect of utilisation of tax losses not previously recognised	(137,189)	(105,407)
Under/(over) provided in prior years	(496)	-
Depreciation in excess of capital allowances	5,714	24,589
Goodwill amortisation	14,999	59,996
<b>Taxation charge for the period</b>	<b>608</b>	<b>-</b>

### 11 Intangible fixed assets

<b>Group</b>	<b>Goodwill</b>
	£
<b>Cost</b>	
At 1 October 2016 and 31 December 2016	6,129,969
<b>Amortisation and impairment</b>	
At 1 October 2016	2,264,560
Amortisation charged for the period	74,995
<b>At 31 December 2016</b>	<b>2,339,555</b>
<b>Carrying amount</b>	
At 31 December 2016	3,790,414
At 30 September 2016	3,865,409

The company had no intangible fixed assets at 31 December 2016 or 30 September 2016.

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

### 12 Tangible fixed assets

Group	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 October 2016 and 31 December 2016	905,321	37,506	356,898	1,299,725
<b>Depreciation and impairment</b>				
At 1 October 2016	242,463	34,295	282,609	559,367
Depreciation charged in the period	20,108	905	11,116	32,129
At 31 December 2016	262,571	35,200	293,725	591,496
<b>Carrying amount</b>				
At 31 December 2016	642,750	2,306	63,173	708,229
At 30 September 2016	662,858	3,211	74,289	740,358

The company had no tangible fixed assets at 31 December 2016 or 30 September 2016.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	31 December 2016	30 September 2016	31 December 2016	30 September 2016
	£	£	£	£
Leasehold improvements	62,340	64,088	-	-
Depreciation charge for the period in respect of leased assets	1,748	5,367	-	-

### 13 Fixed asset investments

		Group		Company	
		31 December 2016	30 September 2016	31 December 2016	30 September 2016
	Notes	£	£	£	£
Investments in subsidiaries	14	-	-	6,920,000	6,920,000

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

### 13 Fixed asset investments (Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 October 2016 and 31 December 2016

6,920,000

#### Carrying amount

At 31 December 2016

6,920,000

At 30 September 2016

6,920,000

### 14 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Air Link Systems Limited	That of the parent	Supply and installation of retail systems	Ordinary	100.00	100.00
Air Link Services Limited	That of the parent	Maintenance and servicing of retail systems	Ordinary A	99.75	100.00
European Retail Engineering Limited	That of the parent	Dormant	Ordinary A & B	100.00	100.00

### 15 Stocks

	Group		Company	
	31 December 2016	30 September 2016	31 December 2016	30 September 2016
	£	£	£	£
Raw materials and consumables	513,324	1,033,970	-	-

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

### 16 Debtors

	Group		Company	
	31 December 2016	30 September 2016	31 December 2016	30 September 2016
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	5,223,427	4,195,065	-	-
Gross amounts due from contract customers	691,474	512,660	-	-
Corporation tax recoverable	70,182	152,019	-	14,507
Amounts due from group undertakings	-	-	3,253	3,253
Amounts due from undertakings in which the company has a participating interest	308,452	322,616	-	-
Other debtors	180,287	262,024	-	-
Prepayments and accrued income	268,928	214,370	-	-
	<u>6,742,750</u>	<u>5,658,754</u>	<u>3,253</u>	<u>17,760</u>

### 17 Creditors: amounts falling due within one year

	Notes	Group		Company	
		31 December 2016	30 September 2016	31 December 2016	30 September 2016
		£	£	£	£
Obligations under finance leases	20	16,406	16,406	-	-
Other borrowings	19	86,762	92,567	-	-
Payments received on account		245,095	266,756	-	-
Trade creditors		4,495,234	4,784,028	-	-
Amounts due to group undertakings		-	-	1,642,460	1,939,252
Corporation tax payable		1,104	-	-	-
Other taxation and social security		1,032,451	764,441	-	-
Other creditors		4,039,261	4,613,231	2,178,651	2,181,775
Accruals and deferred income		153,944	177,570	7,000	7,000
		<u>10,070,257</u>	<u>10,714,999</u>	<u>3,828,111</u>	<u>4,128,027</u>

### 18 Creditors: amounts falling due after more than one year

	Notes	Group		Company	
		31 December 2016	30 September 2016	31 December 2016	30 September 2016
		£	£	£	£
Obligations under finance leases	20	37,104	40,219	-	-
Other borrowings	19	43,232	58,233	-	-
		<u>80,336</u>	<u>98,452</u>	<u>-</u>	<u>-</u>

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

### 19 Loans and overdrafts

	Group		Company	
	31 December 2016	30 September 2016	31 December 2016	30 September 2016
	£	£	£	£
Other loans	129,994	150,800	-	-
Payable within one year	86,762	92,567	-	-
Payable after one year	43,232	58,233	-	-

### 20 Finance lease obligations

	Group		Company	
	31 December 2016	30 September 2016	31 December 2016	30 September 2016
	£	£	£	£
Future minimum lease payments due under finance leases.				
Within one year	17,286	14,789	-	-
In two to five years	45,266	49,587	-	-
	62,552	64,376	-	-
Less: future finance charges	(9,042)	(7,751)	-	-
	53,510	56,625	-	-

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

### 21 Secured debts

	Group		Company	
	31 December	30 September	31 December	30 September
	2016	2016	2016	2016
	£	£	£	£
Other loans	129,994	150,800	-	-
Lloyds TSB Commercial Finance	1,565,440	1,969,973	-	-
Natwest Commercial Cards	39,302	44,903	-	-
	<u>1,734,736</u>	<u>2,165,676</u>	<u>-</u>	<u>-</u>

Lloyds TSB Commercial Finance Ltd holds an all assets debenture over the company, securing all monies due, secured on specific charges over leased property, plant, machinery, computers and other equipment, book debts, goodwill of company, uncalled share capital, intellectual property and any insurance claims due on a floating charge over the undertaking and all assets not covered by specific charges.

NatWest holds a mortgage debenture over the company, securing all monies due, secured on specific charges over leased property, plant, machinery, computer and other equipment, book debts, goodwill of company and intellectual property and a floating charge over the undertaking and all assets not covered by specific charges.

### 22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities	Liabilities
	31 December	30 September
	2016	2016
	£	£
Group		
Accelerated capital allowances	<u>2,982</u>	<u>2,982</u>

The company has no deferred tax assets or liabilities.

There were no deferred tax movements in the period.

# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

### 23 Retirement benefit schemes

	31 December 2016	30 September 2016
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	3,431	10,383

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 24 Share capital

	Group and company	
	31 December 2016	30 September 2016
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
400 Ordinary A of £1 each	400	400
1 Ordinary B of £1 each	1	1
1 Ordinary C of £1 each	1	1
1 Ordinary D of £1 each	1	1
1 Ordinary E of £1 each	1	1
	<u>404</u>	<u>404</u>

### 25 Operating lease commitments

#### Lessee

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

	Group		Company	
	31 December 2016	30 September 2016	31 December 2016	30 September 2016
	£	£	£	£
Within one year	333,300	333,300	-	-
Between two and five years	1,333,200	1,333,200	-	-
In over five years	83,325	166,650	-	-
	<u>1,749,825</u>	<u>1,833,150</u>	<u>-</u>	<u>-</u>



# AIR LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

### 26 Cash generated from group operations

	31 December 2016 £	30 September 2016 £
Profit for the period after tax	579,261	89,369
Adjustments for:		
Taxation charged	608	-
Finance costs	3,581	14,411
Investment income	(100)	(1,483)
Amortisation and impairment of intangible assets	74,995	299,980
Depreciation and impairment of tangible fixed assets	32,129	110,980
Movements in working capital:		
Decrease/(increase) in stocks	520,646	(472,990)
(Increase) in debtors	(1,165,833)	(1,004,145)
(Decrease)/increase in creditors	(640,041)	1,760,288
<b>Cash (absorbed by)/generated from operations</b>	<b>(594,754)</b>	<b>796,410</b>