

**FLIGHT CALIBRATION SERVICES LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**30 NOVEMBER 2016**

WEDNESDAY



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# **FLIGHT CALIBRATION SERVICES LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 30 NOVEMBER 2016**

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The directors present their report and the unaudited financial statements of the Company for the year ended 30 November 2016.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company during the period was the provision of flight inspection services for airports and Civil Aviation Authorities worldwide.

2015/16 has proven to be a year of significant growth with a 46% increase in both turnover and gross profit. The net profit shows a more modest 14% increase from last year due to the Company's continued investment in resources to support the on-going high rate of growth. This is evident from the significant increases in the Company's tangible assets and staff wages and salaries.

The Company has continued to invest in improvements to both product and service capability, namely:

1. Procurement of a 2<sup>nd</sup> new aircraft
2. Continuing development and manufacture of the next generation flight inspection product.
3. Procurement of new test equipment.
4. Employment and training and additional aircrews and operational staff

The Company has focussed on the following activities:

1. Consolidation as the predominant service provider in the UK and Ireland.
2. Continued overseas expansion; in particular the Middle East, Europe and Africa.
3. Continued development and marketing of the flight inspection product.

Business development continues to be at the forefront of the Company's strategy. The Directors are confident that the high level of investment this year will support further substantial growth forecast for 2016/17 as they continue to build a financially strong and profitable Company.

#### **DIRECTORS**

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

M Taiyeb

N Whitehouse

## **FLIGHT CALIBRATION SERVICES LIMITED**

### **THE DIRECTORS' REPORT *(continued)***

**YEAR ENDED 30 NOVEMBER 2016**

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#### **DEPRECIATION POLICY**

In previous years, the Company depreciated its fixed assets over a four-year time scale, ignoring any residual value. It is evident that assets such as aircraft have a much longer lifespan And this was excessive.

Accordingly, depreciation policy has been changed as follows:

Aircraft- 10 years straight line.

Aircraft Engines- 4 years straight line.

All other Assets- 25% reducing balance.

As a consequence of these changes, depreciation for the year 2013 was reduced by £95,563 and accumulated depreciation for prior years by £320,255. The adjustment for prior years was written back direct to reserves.

#### **SMALL COMPANY PROVISIONS**

The report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:  
Typhoon Business Centre  
Oakcroft Road  
Chessington  
Surrey KT9 1RH

Signed on behalf of the Board of directors



M Tayeb  
Director

Approved by the directors on 25 August 2017

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**FLIGHT CALIBRATION SERVICES LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 NOVEMBER 2016**

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	<b>Note</b>	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
<b>TURNOVER</b>		3,811,395	2,597,732
Cost of sales		<u>(1,504,293)</u>	<u>(1,003,496)</u>
<b>GROSS PROFIT</b>		2,307,102	1,594,236
 Administrative expenses		<u>(1,916,288)</u>	<u>(1,252,260)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2</b>	<b>390,814</b>	<b>341,976</b>
Tax on profit on ordinary activities	<b>3</b>	<u>(22,296)</u>	<u>(24)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>£368,518</b></u>	<u><b>£341,952</b></u>

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The notes on pages 6 to 11 form part of these financial statements

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# FLIGHT CALIBRATION SERVICES LIMITED

## BALANCE SHEET

30 NOVEMBER 2016

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	4		2,266,265		787,157
<b>CURRENT ASSETS</b>					
Debtors	5	1,057,137		722,466	
Cash at bank		<u>120,370</u>		<u>216,538</u>	
		1,177,507		939,004	
<b>CREDITORS: Amounts falling due within one year</b>	6	<u>(852,457)</u>		<u>(920,228)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>325,050</u>		<u>18,776</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,591,315		805,933
<b>CREDITORS: Amounts falling due after more than one year</b>	7		<u>(1,416,864)</u>		<u>(00)</u>
<b>NET ASSETS</b>			<u><u>1,174,451</u></u>		<u><u>805,933</u></u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	8		1		1
Revaluation reserve	9		242,206		242,206
Profit and loss account	9		<u>932,244</u>		<u>563,726</u>
<b>SHAREHOLDERS FUNDS</b>			<u><u>1,174,451</u></u>		<u><u>805,933</u></u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statement for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with sections 386 and 387 of the Act and
- (i) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008),

The Balance sheet continues on the following page.

The notes on pages 6 to 11 form part of these financial statements

**FLIGHT CALIBRATION SERVICES LIMITED**

**BALANCE SHEET** *(continued)*

**30 NOVEMBER 2016**

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These financial statements were approved by the directors and authorised for issue on 25 August 2017 and are signed on their behalf by:



M Taiyeb  
Director

Company Registration Number: 05524571

The notes on pages 6 to 11 form part of these financial statements

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# **FLIGHT CALIBRATION SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 NOVEMBER 2016**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiceable during the year, exclusive of Value Added Tax.

#### **Fixed assets**

Fixed assets are initially recorded at cost. In accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) they are subject to periodic revaluation.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery etc.: **25% straight line on cost, 25% on reducing balance and 10% on cost.**

#### **Deferred taxation**

Deferred tax on material timing differences (that have originated but not reversed at the balance sheet date) is only recognised where it is expected to reverse in the foreseeable future and will not be offset by further investments in fixed assets.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which material timing differences reverse, based on taxed rates and laws enacted or substantively enacted at the balance sheet date.

#### **Research and Development**

The projects are clearly defined and related expenditure is identifiable. The projects are technically feasible and commercially viable. The current and future costs are expected to be exceeded by future sales and adequate resources exist for the projects to be completed.

# FLIGHT CALIBRATION SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

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### 1. ACCOUNTING POLICIES *(continued)*

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

#### Going concern

The company meets its working capital requirements through funding from group companies, which have confirmed their intention for continuing support. As such, the directors consider it appropriate to prepare the accounts on a going concern basis.

### 2. OPERATING PROFIT

The operating loss is stated after charging:

	2016	2015
	£	£
Depreciation – owned assets	261,974	230,689
Foreign Exchange differences	(31,184)	(20,146)
Pension costs	11,161	8,000
Directors Remuneration and other benefits etc.	<u>182,850</u>	<u>156,238</u>

### 3. TAXATION ON ORDINARY ACTIVITIES

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2016	2015
	£	£
Current tax		
UK Corporation Tax	<u>22,296</u>	<u>24</u>
Tax on profit on ordinary activities	<u>22,296</u>	<u>24</u>



**FLIGHT CALIBRATION SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 NOVEMBER 2016**

**3. TAXATION (continued)**

**Factors affecting current tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>390,814</b>	<b>341,976</b>
Profit on ordinary activities by multiplied by the standard rate of corporation tax in the UK of 20% (2015 – 20%)	78,163	68,395
Effects of:		
Expenses not deductible for tax purposes	<b>218</b>	<b>1,658</b>
Capital allowances in excess of depreciation	(11,940)	(34,110)
Depreciation in excess of Capital allowances	--	--
Marginal relief		
Enhanced R&D expenditure	(44,145)	(35,919)
Current tax charge	<b>£22,296</b>	<b>£24</b>

**4. TANGIBLE FIXED ASSETS**

	<b>Plant &amp; Machinery</b>
	<b>£</b>
<b>COST</b>	
At 1 December 2015	1,544,665
Additions	1,990,920
Disposals	<b>(363,278)</b>
At 30 November 2016	<b>3,172,307</b>
<b>DEPRECIATION</b>	
At 1 December 2015	757,508
Charge for the year	261,974
Disposals	(113,440)
At 30 November 2016	<b>906,042</b>
<b>NET BOOK VALUE</b>	
At 30 November 2016	<b>£2,266,265</b>
At 30 November 2015	<b>£787,157</b>

The Company changed its depreciation policy on 1<sup>st</sup> December 2012. All assets were previously depreciated at the rate of 25% per annum. This has been changed to the rates set out in Note 1 above. As a consequence of this change, depreciation for the year was reduced by £96,563 and accumulated depreciation as at 30 November 2012 by £320,255.

**FLIGHT CALIBRATION SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 NOVEMBER 2016**

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**5. DEBTORS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,019,976	676,834
Pre-payments & other debtors	<u>37,161</u>	<u>45,632</u>
	<b><u>1,057,137</u></b>	<b><u>722,466</u></b>

**6. CREDITORS: Amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Hire purchase contracts	46,681	104,041
Trade Creditors	49,814	192,091
Amounts owed to participating interests	654,237	520,841
Taxation and social security	45,755	53,039
Other creditors	<u>55,970</u>	<u>50,216</u>
	<b><u>852,457</u></b>	<b><u>920,228</u></b>

**7. CREDITORS: Amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Hire Purchase Loan Liabilities	<u>1,416,864</u>	<u>00</u>
	<b><u>1,416,864</u></b>	<b><u>00</u></b>

**FLIGHT CALIBRATION SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 NOVEMBER 2016**

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**8. CALLED UP SHARE CAPITAL**

**Authorised share capital:**

**Allotted, called up and fully paid:**

Number	Class	Aggregate Nominal Value	2016 £	2015 £
10,000	Ordinary	<u>£1.00</u>	<u>1</u>	<u>1</u>

**9. Reserves**

	Profit and loss account £	Revaluati on reserve £	Totals £
Balance at 1 December 2015	563,726	242,206	805,932
Profit for the year	368,518	-	368,518
Restatement of depreciation for prior years	-	-	-
Balance at 30 November 2016	<u>932,244</u>	<u>242,206</u>	<u>1,174,450</u>

**FLIGHT CALIBRATION SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 NOVEMBER 2016**

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**11. ULTIMATE PARENT COMPANY**

The ultimate parent company, Culross Aerospace Limited, which owned 100% of the issued share capital, ceased to be the Ultimate Parent Company on 30 November 2010.

**12. ULTIMATE CONTROLLING PARTY**

In the opinion of the directors, there is no overall ultimate controlling party.