

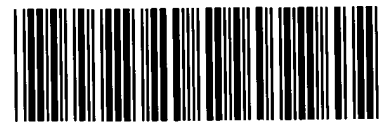
Registered number: 09166111

Air Navigation Solutions Limited

Directors' report and financial statements

For the year ended 31 December 2017

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Air Navigation Solutions Limited

Company information

Directors	Ms V Halder Mr D Mahns Mr P W Reid Mr B Sarbinowski (Appointed 1 April 2017) Mr H Game (Appointed 6 November 2017)
Company secretary	Ms V Halder
Company number	09166111
Registered office	Unit A Faraday Court Manor Royal Estate Crawley West Sussex RH10 9PU
Business address	The Old Control Tower Old Control Tower Road Gatwick Airport West West Sussex RH6 0LD
Independent auditor	Kreston Reeves LLP Statutory Auditor & Chartered Accountants Unit A Faraday Court Manor Royal Estate Crawley West Sussex RH10 9PU

Air Navigation Solutions Limited

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**Directors' report
for the year ended 31 December 2017**

The directors present their report and financial statements for the year ended 31 December 2017.

Principal activity

The principal activity of the company during the year was that of services incidental to air transportation.

Results and dividends

The loss for the year after taxation amounted to £1,819,809 (2016, £1,699,665 loss). The directors did not propose a dividend for the year.

Directors

The directors who served during the year were:

Ms V Halder
Mr I Hauck (Resigned 28 March 2017)
Mr D Mahns
Mr P W Reid
Mr W Spier (Resigned 31 March 2017)
Mr B Sarbinowski (Appointed 1 April 2017)
Mr H Game (Appointed 6 November 2017)

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper 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 also responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Air Navigation Solutions Limited

**Directors' report (continued)
for the year ended 31 December 2017**

Auditor

Under the Companies Act 2006 Section 487(2), Kreston Reeves LLP will be automatically reappointed as auditor(s) 28 days after these accounts are sent to the members. Unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

Disclosure of information to auditor

So far as the directors are aware;

- a) there is no relevant audit information of which the company's auditor is unaware.
- b) the directors 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 auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by

A handwritten signature in black ink, appearing to be 'Paul Reid', with a large circular flourish above the name.

Paul Reid
Director

Date: 01/02/18

Independent auditor's report to the members of Air Navigation Solutions Limited

Opinion

We have audited the financial statements of Air Navigation Solutions Limited for the year ended 31 December 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 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.

Independent auditor's report to the members of Air Navigation Solutions Limited

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.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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; or
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

Independent auditor's report to the members of Air Navigation Solutions Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.



Allan Pinner FCCA (Senior Statutory Auditor)
For and on behalf of
Kreston Reeves LLP
Statutory Auditor & Chartered Accountants
Gatwick

Date: 7/3/18

Air Navigation Solutions Limited

**Statement of comprehensive income
for the year ended 31 December 2017**

	Note	2017 £	2016 £
Revenue	3	10,065,277	8,769,287
Cost of sales		(8,999,536)	(7,815,246)
Gross profit		<u>1,065,741</u>	<u>954,041</u>
Administrative expenses		(2,807,398)	(2,630,583)
Depreciation	9	(78,152)	(43,419)
Operating loss	4	<u>(1,819,809)</u>	<u>(1,719,961)</u>
Finance costs and other similar charges	5	-	(15,304)
Income tax credit/(expense)	8	-	35,600
Loss for the year		<u><u>(1,819,809)</u></u>	<u><u>(1,699,665)</u></u>
Other comprehensive income:			
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		<u><u>(1,819,809)</u></u>	<u><u>(1,699,665)</u></u>

The notes on pages 10 - 20 form part of these financial statements.

Air Navigation Solutions Limited
Registered number: 09166111

Statement of financial position
as at 31 December 2017

		2017 £	2016 £
ASSETS	Note		
Non-Current Assets			
Property, plant and equipment	9	155,038	205,402
Current Assets			
Trade and other receivables	10	2,171,790	3,733,254
Cash and cash equivalents	11	4,923,672	4,968,028
		<u>7,095,462</u>	<u>8,701,282</u>
Total Assets		<u><u>7,250,500</u></u>	<u><u>8,906,684</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Ordinary share capital	12	5,000,000	5,000,000
Non-distributable reserves		186,523	186,523
Retained earnings		(3,326,954)	(1,507,145)
Total Equity		<u><u>1,859,569</u></u>	<u><u>3,679,378</u></u>
LIABILITIES			
Non-Current Liabilities			
Trade and other payables	13	2,849,641	2,847,481
Deferred income tax	14	11,910	11,910
		<u>2,861,551</u>	<u>2,859,391</u>
Current Liabilities			
Trade and other payables	13	2,564,980	2,403,515
Corporation tax liability	8	(35,600)	(35,600)
		<u>2,529,380</u>	<u>2,367,915</u>
Total Liabilities		<u><u>5,390,931</u></u>	<u><u>5,227,306</u></u>
Total Equity and Liabilities		<u><u>7,250,500</u></u>	<u><u>8,906,684</u></u>

The financial statements were approved by the Board of Directors and signed on its behalf by



Paul Reid
Director

Date: 02/02/18

The notes on pages 10 - 20 form part of these financial statements.

**Statement of changes in equity
for the year ended 31 December 2017**

Attributable to equity holders of the company					
	Note	Ordinary Share Capital	Non- Distributable Reserves	Distributable Retained Earnings	Total
		£		£	£
Balance as at 1 January 2016	12	5,000,000	-	192,520	5,192,520
Capital contribution		-	186,523	-	186,523
Total comprehensive income		-	-	(1,699,665)	(1,699,665)
Balance as at 1 January 2017		<u>5,000,000</u>	<u>186,523</u>	<u>(1,507,145)</u>	<u>3,679,378</u>
Total comprehensive income		-	-	(1,819,809)	(1,819,809)
Balance as at 31 December 2017		<u><u>5,000,000</u></u>	<u><u>186,523</u></u>	<u><u>(3,326,954)</u></u>	<u><u>1,859,569</u></u>

Share capital

When shares are issued, the nominal value of the shares is credited to the share capital reserve.

Air Navigation Solutions Limited shares have a nominal value of £1.00 per share.

Non-distributable reserves - capital contribution

This balance represents the equity component of the intercompany parent loan, arising on the date that the loan is advanced. This represents the difference between the present value of future cash flows, discounted at a market rate of interest that would apply to similar debt instruments and the amount payable on the maturity of the loan.

Distributable retained earnings

The retained earnings reserve records the accumulated profits and losses of the company since inception of the business.

Air Navigation Solutions Limited

**Statement of cash flows
for the year ended 31 December 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Loss after income tax		(1,819,809)	(1,699,665)
Adjustment to reconcile to profit from operations			
Income tax expense	8	-	(35,600)
		(1,819,809)	(1,735,265)
Non-cash adjustments			
Depreciation	4	78,152	43,419
Loss on disposal	9	-	8,717
Cash flows before changes in working capital		(1,741,657)	(1,683,129)
Increase/(decrease) in working capital			
Decrease/(increase) in trade and other receivables	10	1,561,464	(2,204,268)
Increase in trade and other payables	13	161,465	1,464,709
Increase/(decrease) in working capital		<u>1,722,929</u>	<u>(739,559)</u>
Cash flows from operating activities before taxes paid		(18,728)	(2,422,688)
Income taxes paid		-	(35,600)
Net cash used in operating activities		<u>(18,728)</u>	<u>(2,458,288)</u>
Cash flows from investing activities			
Payments to acquire property, plant and equipment	9	(27,788)	(178,030)
Net cash used in investing activities		<u>(27,788)</u>	<u>(178,030)</u>
Cash flows from financing activities			
Other new loans	15	2,160	2,847,481
Reclassification of loan as equity		-	186,523
Net cash generated from financing activities		<u>2,160</u>	<u>3,034,004</u>
Net (decrease)/increase in cash and cash equivalents		(44,356)	397,686
Cash and cash equivalents at beginning of year		4,968,028	4,570,342
Cash and cash equivalents at end of year	11	<u><u>4,923,672</u></u>	<u><u>4,968,028</u></u>

**Notes to the financial statements
for the year ended 31 December 2017**

1. General information

Air Navigation Solutions Limited ("the company") is a limited liability company incorporated and domiciled in the UK.

2. Accounting policies

2.1 Basis of preparation

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The principal accounting policies adopted by the company which have been applied consistently to all the years presented are set out below.

The financial statements are presented in UK Sterling, which is the company's functional currency. All financial information presented in UK Sterling has been rounded to the nearest pound unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. There are no areas in the financial statements involving a high degree of judgement or complexity and therefore no areas where assumptions or estimates are significant to the financial statements.

The following standards and interpretations to existing standards have been published but are only effective for periods beginning on or after 1 January 2018 and therefore have not been applied to the company in the year. They are not expected to have a material impact on the financial statements.

- IFRS 9: Financial instruments - classification and measurement
- IFRS 15: Revenue from contracts with customers

The following standards and interpretations to existing standards have been published but are only effective for periods beginning on or after 1 January 2019 and therefore have not been applied to the company in the year. The directors have not yet assessed the impact of the adoption of this standard for future periods.

- IFRS 16: Leases

2.2 Revenues and other operating income are recognised if:

- the provision of the service involves the transfer of the material risks and rewards to the customer;
- it is probable that future economic benefits will be generated from the transaction;
- there is no right of disposition nor effective control; and
- the level of revenues and the costs to sell incurred and expected can be quantified reliably.

Revenues are recognised based on the stage of completion. The stage of completion results from the relationship between the contract costs incurred up to the date of the statement of financial position and planned contract costs to this date. If the execution of the service contract requires a significant period of time contract costs may also include direct borrowing costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

**Notes to the financial statements
for the year ended 31 December 2017**

2. Accounting policies (continued)

The contract costs are expensed using the matching principle. If the total contract costs exceed the total contract revenue the expected loss is expensed immediately. If the results of a service contract cannot be estimated reliably the probable revenues are recorded at the value of the costs incurred.

2.3 Interest income

Interest income is accrued on a time basis and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.4 Interest expense recognition

Interest expense is recognised as interest accrues, using the effective interest method, to the net carrying amount of the financial liability.

2.5 Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to that asset's or liability's net carrying amount.

2.6 Foreign currency transactions

The financial statements are presented in UK Sterling as this is the functional currency of the company.

Transactions in currencies other than the functional currency of the company are recorded at the rates of exchange prevailing on the dates of the transactions. At the balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are restated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in net profit or loss for the period.

2.7 Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, as follows:

Refurbishment	10% straight line
Furniture and fixtures	20% straight line
Office equipment	33.33% straight line
Plant and machinery	25% straight line

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits. Short term deposits are defined as deposits with an initial maturity of six months or less.

Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

**Notes to the financial statements
for the year ended 31 December 2017**

2. Accounting policies (continued)

2.10 Taxation

The taxation expense represents the sum of the tax currently payable and deferred tax. Tax currently payable is based on taxable profits or losses for the year and is calculated using tax rates enacted or substantially enacted at the balance sheet date.

Deferred taxation is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted.

Deferred tax assets and liabilities are not discounted.

2.11 Operating lease commitments

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

2.12 Financial instruments

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets are recognised when the company has rights or other access to economic benefits. Such assets consist of cash, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms. Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially favourable terms. When these criteria no longer apply, a financial asset or liability is no longer recognised.

Financial assets and liabilities are recognised at fair value, which in the case of trade receivables, trade payables and amounts owed to group undertakings is similar to cost and are subsequently measured at amortised cost, and are detailed in note 17.

2.13 Capital management

The company aims to retain sufficient capital for its expected needs and any surplus funds are available to be distributed to its parent company by way of a dividend.

2.14 Pensions

No provisions are recognised in respect of defined contribution pension schemes. The level of contributions by the company is dependent on the income relevant to the pension calculations. The payments for defined contribution pension schemes are expensed when due and reported in the statement of comprehensive income as part of administrative expenses.

**Notes to the financial statements
for the year ended 31 December 2017**

3. Revenue and segmental information

The revenue, loss before taxation and net assets are attributable to the one principal activity of the company, the services incidental to air transportation, from the company's location in the UK. Consequently the company has one business and one geographic segment.

	2017 £	2016 £
Revenue from core services	10,065,277	8,769,287
	<u>10,065,277</u>	<u>8,769,287</u>

4. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of property, plant and equipment	<u>78,152</u>	<u>43,419</u>
Loss on disposal of property, plant and equipment	<u>-</u>	<u>8,717</u>
Net loss/(profit) on foreign currency differences	<u>21,806</u>	<u>(47,984)</u>
Auditor's remuneration	<u>13,800</u>	<u>5,150</u>

5. Finance income and costs

	2017 £	2016 £
Finance costs and other similar charges		
Other borrowing costs	<u>-</u>	<u>15,304</u>

Other borrowing costs relate to the unwinding of the discount on the intercompany loan (note 17).

6. Directors' emoluments

	2017 £	2016 £
Emoluments	<u>90,336</u>	<u>224,261</u>

The company operates a defined contribution pensions scheme.

The number of directors to whom retirement benefits were accruing during the year was 1 (2016 - 1).

Notes to the financial statements
for the year ended 31 December 2017

7. Wages and employees

	2017 No.	2016 No.
Total average monthly number of employees	86	28

Staff costs, including director's remuneration, were as follows:

	2017 £	2016 £
Gross wages	5,892,718	4,412,890
Social security costs	734,528	553,005
Employer's pension contributions	652,850	495,159
Other staff costs	106,143	82,008
	<u>7,386,239</u>	<u>5,543,062</u>

8. Taxation

	2017 £	2016 £
Current income tax expense		
Current income (credit)/tax charge	-	(35,600)
Deferred income tax expense		
Deferred income (credit)/tax charge	-	-
	<u>-</u>	<u>(35,600)</u>

Reconciliation of income tax to accounting profit

	Tax rate (%)	2017 £	2016 £
(Loss)/Profit before income tax		(1,819,809)	(1,735,265)
Tax at the domestic income tax rate of	19.25	(350,313)	(347,053)
Tax effect of capital allowances		-	-
Tax effect of non deductible expenses		-	-
Tax effect of other temporary differences		-	-
Tax effect of change in tax rates (see note below)		-	-
Tax effect of losses carried forward		350,313	310,553
		<u>-</u>	<u>(36,500)</u>

Income tax effect of items in other comprehensive income

	Tax rate (%)	2017 £	2016 £
Tax at the domestic income tax rate of	19.25	-	-
Tax effect of change in tax rates (see note below)		-	-
Other comprehensive income after tax:		<u>-</u>	<u>-</u>

The main rate of UK corporation tax was reduced to 19% on 1 April 2017. It was announced that a further reduction to 17% is planned from 1 April 2020. As a consequence of these reductions, deferred tax assets and liabilities at the balance sheet date have been recognised at the lower rates of UK corporation tax.

**Notes to the financial statements
for the year ended 31 December 2017**

9. Property, plant and equipment

	Refurbishment	Furniture and fixtures	Office equipment	Plant and machinery	Total
	£	£	£	£	£
Cost					
At 1 January 2017	2,028	11,505	130,478	111,895	255,906
Additions	-	-	27,788	-	27,788
Disposals	-	-	-	-	-
At 31 December 2017	<u>2,028</u>	<u>11,505</u>	<u>158,266</u>	<u>111,895</u>	<u>283,694</u>
Depreciation					
At 1 January 2017	405	2,561	40,895	6,643	50,504
Charge for the year	202	2,301	47,675	27,974	78,152
Disposals	-	-	-	-	-
At 31 December 2017	<u>607</u>	<u>4,862</u>	<u>88,570</u>	<u>34,617</u>	<u>128,656</u>
Net book value					
At 1 January 2017	<u>1,623</u>	<u>8,944</u>	<u>89,583</u>	<u>105,252</u>	<u>205,402</u>
At 31 December 2017	<u>1,421</u>	<u>6,643</u>	<u>69,696</u>	<u>77,278</u>	<u>155,038</u>

	Refurbishment	Furniture and fixtures	Office equipment	Plant and machinery	Total
	£	£	£	£	£
Cost					
At 1 January 2016	2,028	14,287	58,246	12,032	86,593
Additions	-	3,649	74,518	99,863	178,030
Disposals	-	(6,431)	(2,286)	-	(8,717)
At 31 December 2016	<u>2,028</u>	<u>11,505</u>	<u>130,478</u>	<u>111,895</u>	<u>255,906</u>
Depreciation					
At 1 January 2016	203	1,194	5,187	501	7,085
Charge for the year	202	1,367	35,708	6,142	43,419
Disposals	-	-	-	-	-
At 31 December 2016	<u>405</u>	<u>2,561</u>	<u>40,895</u>	<u>6,643</u>	<u>50,504</u>
Net book value					
At 1 January 2016	<u>1,825</u>	<u>13,093</u>	<u>53,059</u>	<u>11,531</u>	<u>79,508</u>
At 31 December 2016	<u>1,623</u>	<u>8,944</u>	<u>89,583</u>	<u>105,252</u>	<u>205,402</u>

Notes to the financial statements
for the year ended 31 December 2017

10. Trade and other receivables

	2017 £	2016 £
Current assets		
Trade receivables	1,276,779	2,917,448
Prepayments	136,287	10,549
Accrued income	748,058	802,078
Other receivables	10,666	3,179
	<u>2,171,790</u>	<u>3,733,254</u>

11. Cash and cash equivalents

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

	2017 £	2016 £
Cash on hand	129	153
Cash at bank	4,923,543	4,967,875
	<u>4,923,672</u>	<u>4,968,028</u>

12. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>

All issued share capital is classified as equity.

13. Trade and other payables

	2017 £	2016 £
Non - current liabilities		
Amounts owed to group undertakings	<u>2,849,641</u>	<u>2,847,481</u>
Current liabilities		
Trade payables	1,070,044	321,701
Amounts owed to group undertakings	298,278	98,121
Social security and other taxes	467,482	400,168
Accruals	688,997	791,975
Other payables	40,179	791,550
	<u>2,564,980</u>	<u>2,403,515</u>

Included in trade payables are amounts due to related parties as disclosed in note 15.

Notes to the financial statements
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14. Deferred taxation

	Balance sheet		Income statement	
	2017	2016	2017	2016
	£	£	£	£
Temporary differences	(11,910)	(11,910)	-	-
	<u>(11,910)</u>	<u>(11,910)</u>	<u>-</u>	<u>-</u>

15. Related party transactions

Ultimate controlling party

The company is a wholly owned subsidiary of DFS Aviation Services GmbH (formerly known as The Tower Company GmbH), a private limited company incorporated in Germany.

The ultimate parent company is DFS Deutsche Flugsicherung GmbH, a private limited company incorporated in Germany. The Group Financial Statements can be obtained from DFS Deutsche Flugsicherung GmbH Headquarters, Am DFS-Campus 10, 63225 Langen, Germany.

The ultimate controlling party is the Federal Republic of Germany as it is the 100% shareholder of DFS Deutsche Flugsicherung GmbH.

Trading activities

Company name	Nature of relationship	2017 £	2016 £
Purchases of goods and services (normal commercial terms)			
Purchases from DFS Aviation Services GmbH	Parent company	335,019	195,611
Purchases from DFS Deutsche Flugsicherung GmbH	Ultimate parent company	318,530	375,061
Purchases from Reid Aviation Solutions Limited	Company under the control of one of the directors	201,557	292,271
		<u>855,106</u>	<u>862,943</u>
Sales of goods and services (normal commercial terms)			
Sales to DFS Aviation Services GmbH	Parent company	4,120	-
Sales to DFS Deutsche Flugsicherung GmbH	Ultimate parent company	20,860	-
		<u>24,980</u>	<u>-</u>

Air Navigation Solutions Limited

Notes to the financial statements for the year ended 31 December 2017

15. Related party transactions (continued)

Payable to related parties

DFS Aviation Services GmbH	Parent company	250,019	46,423
DFS Deutsche Flugsicherung GmbH	Ultimate parent company	48,260	51,699
Reid Aviation Solutions Limited	Company under the control of one of the directors	-	-
DFS International Business Services GmbH	Owns 100% of DFS Aviation Services GmbH	2,849,641	2,847,481
		<u>3,147,920</u>	<u>2,945,603</u>

Key management compensation

	2017 £	2016 £
Emoluments	<u>102,335</u>	<u>258,230</u>

Guarantees

During the year the company's ultimate parent company, DFS Deutsche Flugsicherung GmbH, acted as guarantor for the company's contractual agreement with Gatwick Airport Limited.

16. Operating lease commitments

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

	Land and buildings		Motor Vehicle	
	2017 £	2016 £	2017 £	2016 £
Due within one year	1,176,459	1,176,459	33,166	1,950
Later than one year but less than five years	4,705,836	4,705,836	16,182	1,463
Later than five years	3,725,454	4,901,913	-	-
	<u>9,607,749</u>	<u>10,784,208</u>	<u>49,348</u>	<u>3,413</u>

Of the amounts listed above in respect of land and buildings, the following amounts represent the contingent asset which exists due to the contractual arrangement with the lessor that certain lease payments will be reimbursed to the company as pass through charges:

	Land and buildings	Land and buildings
	2017 £	2016 £
Due within one year	1,176,459	1,176,459
Later than one year but less than five years	4,705,836	4,705,836
Later than five years	3,725,454	4,901,913
	<u>9,607,749</u>	<u>10,784,208</u>

**Notes to the financial statements
for the year ended 31 December 2017**

17. Financial instruments

The company purchases or issues financial instruments in order to finance its operations and to manage the interest rate risk that arises from its operations. The company does not undertake trading in financial instruments.

The main risk arising from the company's financial instruments is credit risk.

Credit risk

The company is exposed to credit risk primarily on its trade receivables as it relies heavily on its sole customer with which it has a contract for services. The maximum credit risk exposure relating to financial assets is represented by their carrying value at the balance sheet date. Trade receivables are managed in respect of credit and cash flow risks by the terms of the contract for services between the company and the customer.

Financial assets

All financial assets are classified as loans and receivables under IFRS 7.

Financial liabilities

All financial liabilities are classified as held at amortised cost under IFRS 7.

Fair values of financial assets and liabilities

The fair value of the company's financial assets and liabilities is not materially different from their book values.

Analysis of financial instruments by category

	Loans and receivables	Total
2017	£	£
Trade and other receivables	2,171,790	2,171,790
Cash and cash equivalents	4,923,672	4,923,672
	Loans and receivables	Total
2016	£	£
Trade and other receivables	3,733,254	3,733,254
Cash and cash equivalents	4,968,028	4,968,028

All financial liabilities in the company's statement of financial position are classified as held at amortised cost for the current year.

**Notes to the financial statements
for the year ended 31 December 2017**

17. Financial instruments (continued)

The following table discloses an analysis of trade receivables for the company that are not impaired. The standard credit terms offered by the company are 90 days.

	2017 £	2016 £
Current	579,977	239,923
31 - 60 days	623,958	1,509,439
61 - 90 days	72,556	1,161,516
91 - 120 days	-	(4,631)
Over 120 days	288	11,201
	<u>1,276,779</u>	<u>2,917,448</u>

During the prior year the company received an interest free loan from DFS International Business Services GmbH, the parent company of DFS Aviation Services GmbH, which owns 100% of the issued share capital of the company. The amount received was €3,517,000 repayable on 3 November 2018.

The translated amount, representing the present value of future cash flows, discounted at a market rate of interest that would apply to similar debt instruments has been included as a non-current liability. The difference between the amount payable on the maturity of the loan and the discounted balance, has been recognised directly in equity.

An interest charge has been recognised in the prior year using the effective interest method and included within finance charges for that year. The loan balance at the relevant year ends has been retranslated at the exchange rate prevailing as at that date.

During the year, the terms of the loan were extended so that the loan is now repayable no earlier than 31 October 2020. No adjustment has been made to finance costs within profit and loss for the change in the present value of estimated future cash flows resulting from the extension of the loan, as it is considered to be immaterial.