

Registered number: SC156118

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**HEBRIDEAN AIR SERVICES LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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## HEBRIDEAN AIR SERVICES LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	R C Mackenzie P J Sheldon J Simper
<b>Registered number</b>	SC156118
<b>Registered office</b>	Airtask Group Marine Scotland Base Annex Building To Hangar 3 Inverness Airport Inverness IV2 7JB
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU

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**HEBRIDEAN AIR SERVICES LIMITED**

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## HEBRIDEAN AIR SERVICES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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The directors present their report and the financial statements for the year ended 31 March 2018.

#### Results and dividends

The profit for the year, after taxation, amounted to £102,540 (2017: £107,169).

#### Directors

The directors who served during the year were:

R C Mackenzie  
P J Sheldon  
J Simper

#### Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Qualifying third party indemnity provisions

The company has not provided qualifying third party indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.

#### Post balance sheet events

There have been no significant events affecting the Company since the year end.

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**HEBRIDEAN AIR SERVICES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018**

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**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have 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.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

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 on *28 November 2018* and signed on its behalf.



**J Simper**  
Director



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEBRIDEAN AIR SERVICES LIMITED

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### Opinion

We have audited the financial statements of Hebridean Air Services Limited for the year ended 31 March 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 Company's affairs as at 31 March 2018 and of its profit for the year 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 United Kingdom, including the Financial Reporting Council'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.

### Who we are reporting to

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.

### 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 HEBRIDEAN AIR SERVICES LIMITED  
(CONTINUED)**

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**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.

**Opinions 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.

**Matter on which we are required to report by the Companies Act 2006**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

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 financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEBRIDEAN AIR SERVICES LIMITED  
(CONTINUED)**

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**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

*Grant Thornton UK LLP*

Jeremy Read  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes

Date:

*7 December 2018*



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HEBRIDEAN AIR SERVICES LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018

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	Note	2018 £	2017 £
Turnover	4	1,017,350	1,032,530
Cost of sales		(595,726)	(621,070)
<b>Gross profit</b>		<b>421,624</b>	<b>411,460</b>
Administrative expenses		(290,060)	(292,935)
<b>Operating profit</b>	5	<b>131,564</b>	<b>118,525</b>
<b>Profit before tax</b>		<b>131,564</b>	<b>118,525</b>
Tax on profit	9	(29,024)	(11,356)
<b>Profit for the financial year</b>		<b>102,540</b>	<b>107,169</b>

There was no other comprehensive income for 2018 (2017: £Nil).

The notes on pages 9 to 20 form part of these financial statements.

**HEBRIDEAN AIR SERVICES LIMITED**  
**REGISTERED NUMBER: SC156118**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	10	213,091	255,558
		<u>213,091</u>	<u>255,558</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	957,391	877,590
Cash at bank and in hand	12	210,891	165,771
		<u>1,168,282</u>	<u>1,043,361</u>
Creditors: amounts falling due within one year	13	(289,614)	(303,087)
<b>Net current assets</b>		<u>878,668</u>	<u>740,274</u>
<b>Total assets less current liabilities</b>		<u>1,091,759</u>	<u>995,832</u>
<b>Provisions for liabilities</b>			
Deferred tax	15	(33,467)	(40,080)
		<u>(33,467)</u>	<u>(40,080)</u>
<b>Net assets</b>		<u>1,058,292</u>	<u>955,752</u>
<b>Capital and reserves</b>			
Called up share capital	16	2	2
Profit and loss account	17	1,058,290	955,750
		<u>1,058,292</u>	<u>955,752</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28 November 2018



**J Simper**  
Director

The notes on pages 9 to 20 form part of these financial statements.

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**HEBRIDEAN AIR SERVICES LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2017	2	955,750	955,752
<b>Comprehensive income for the year</b>			
Profit for the year	-	102,540	102,540
<b>At 31 March 2018</b>	<u>2</u>	<u>1,058,290</u>	<u>1,058,292</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2016	2	848,581	848,583
<b>Comprehensive income for the year</b>			
Profit for the year	-	107,169	107,169
<b>At 31 March 2017</b>	<u>2</u>	<u>955,750</u>	<u>955,752</u>

The notes on pages 9 to 20 form part of these financial statements.

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## HEBRIDEAN AIR SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 1. General information

Hebridean Air Services Limited is a private company limited by shares and incorporated in England and Wales. The entity is registered at Airtask Group, Marine Scotland Base Annex Building To Hangar 3, Inverness Airport, Inverness, Scotland, IV2 7JB.

*The principal activity of the company continued to be that of the hiring of aircraft and operating scheduled and charter air services.*

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. These financial statements are the first prepared by the company in compliance with FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Airtask Group Limited as at 31 March 2018 and these financial statements may be obtained from Companies House.

##### 2.3 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing the financial statements.

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## HEBRIDEAN AIR SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for sale of services excluding discounts, rebates, VAT and other sales taxes. Revenue is recognised to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales of services is recognised on the accrual basis, in accordance with the stage of the completion of the contract.

Sales of goods is recognised when the significant risks and rewards of ownership are transferred to buyer.

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following basis:

Aircraft	- 7 year straight line basis
Fixtures and fittings	- 25% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

##### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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## HEBRIDEAN AIR SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

##### 2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## HEBRIDEAN AIR SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.10 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

##### 2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### 2.12 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

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## HEBRIDEAN AIR SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements required management to make significant judgements and estimates. The items in the financial statement where these judgements and estimates have been made include assessing the useful economic life of fixed assets and the recoverability of debtors.

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Aviation and surveillance services	<u>1,017,350</u>	<u>1,032,530</u>

All turnover arose within the United Kingdom.



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**HEBRIDEAN AIR SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**5. Operating profit**

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	43,444	42,825
Exchange differences	39	-
Other operating lease rentals	88,704	88,704
	<u>88,704</u>	<u>88,704</u>

**6. Earning before interest, taxes, depreciation and amortisation (EBITDA)**

	2018 £	2017 £
Profit before tax for the year	131,564	118,525
Add back depreciation	43,444	42,825
<b>EBITDA</b>	<u>175,008</u>	<u>161,350</u>

**7. Auditor's remuneration**

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3,500	3,000
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Other services relating to taxation	2,000	2,000
All other assurance services	1,500	1,500
	<u>3,500</u>	<u>3,500</u>

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HEBRIDEAN AIR SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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8. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Operations	1	1
Aircrew	2	2
	<u>3</u>	<u>3</u>

The company's Directors did not receive any remuneration during the period (2017: £Nil).

9. Taxation

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	32,389	25,740
Adjustments in respect of previous periods	3,248	-
<b>Total current tax</b>	<u>35,637</u>	<u>25,740</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(6,613)	(6,215)
Adjustments in respect of prior periods	-	(8,169)
<b>Total deferred tax</b>	<u>(6,613)</u>	<u>(14,384)</u>
<b>Taxation on profit on ordinary activities</b>	<u>29,024</u>	<u>11,356</u>

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HEBRIDEAN AIR SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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9. Taxation (continued)

The tax assessed for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>131,564</u>	<u>118,525</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%)	24,997	23,705
Effects of:		
Adjustments to tax charge in respect of prior periods	3,248	(8,169)
Other timing differences leading to an increase (decrease) in taxation	-	(6,215)
Adjust closing deferred tax to average rate of 19.00%	(3,937)	-
Adjust opening deferred tax to average rate of 19.00%	4,716	-
Other adjustments	-	2,035
<b>Total tax charge for the year</b>	<u><b>29,024</b></u>	<u><b>11,356</b></u>

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**HEBRIDEAN AIR SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**10. Tangible fixed assets**

	Aircraft £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2017	300,000	1,925	301,925
Additions	-	977	977
At 31 March 2018	<u>300,000</u>	<u>2,902</u>	<u>302,902</u>
<b>Depreciation</b>			
At 1 April 2017	46,046	321	46,367
Charge for the year on owned assets	42,504	940	43,444
At 31 March 2018	<u>88,550</u>	<u>1,261</u>	<u>89,811</u>
<b>Net book value</b>			
At 31 March 2018	<u>211,450</u>	<u>1,641</u>	<u>213,091</u>
<i>At 31 March 2017</i>	<u>253,954</u>	<u>1,604</u>	<u>255,558</u>

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HEBRIDEAN AIR SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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11. Debtors

	2018 £	2017 £
Trade debtors	61,972	73,497
Amounts owed by group undertakings	855,471	747,361
Other debtors	3,291	422
Prepayments and accrued income	15,942	25,653
Tax recoverable	20,715	30,657
	<u>957,391</u>	<u>877,590</u>

12. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>210,891</u>	<u>165,771</u>

13. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	66,937	50,442
Amounts owed to group undertakings	82,905	-
Corporation tax	32,389	25,740
Other taxation and social security	1,236	2,446
Other creditors	-	12,518
Accruals and deferred income	106,147	211,941
	<u>289,614</u>	<u>303,087</u>

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**HEBRIDEAN AIR SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**14. Financial instruments**

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>1,131,625</u>	<u>987,051</u>
<b>Financial liabilities</b>		
Other financial liabilities measured at amortised cost	<u>(171,159)</u>	<u>(274,901)</u>

Financial assets measured at amortised cost comprise of cash, trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise of accruals, trade and other creditors and amounts owed to group undertakings.

**15. Deferred taxation**

	2018 £
At beginning of year	(40,080)
Credit for the year	6,613
<b>At end of year</b>	<u><u>(33,467)</u></u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	<u>(33,467)</u>	<u>(40,080)</u>

**16. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

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## HEBRIDEAN AIR SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 17. Reserves

##### Profit and loss account

Contains all current and prior year profits and losses.

#### 18. Pension commitments

The entity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,486 (2017: £nil). Contributions totalling £nil (2017 : £nil) were payable to the fund at the reporting date.

#### 19. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	12,320	88,704
Later than 1 year and not later than 5 years	-	10,936
	<u>12,320</u>	<u>99,640</u>

#### 20. Related party transactions

As a wholly owned subsidiary of Airtask Group Limited, Hebridean Air Services Limited has taken advantage of the exemption in FRS 102 from disclosing related party transactions with other entities which are wholly owned by Airtask Group Limited on the grounds that the consolidated accounts are publically available.

#### 21. Controlling party

The ultimate controlling undertaking and parent company is Airtask Group Limited, a company incorporated in England and Wales. Copies of the accounts of the Airtask Group Limited are available from Airtask Group Limited, First Floor, Trent House, Cranfield Technology Park, Cranfield, Bedford, Bedfordshire, MK43 0AN.