

Company registration number 10568194 (England and Wales)

AEROCLOUD SYSTEMS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

AEROCLOUD SYSTEMS LIMITED

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AEROCLOUD SYSTEMS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		17,169		-
Investments	6		1,939,488		1,155
			<u>1,956,657</u>		<u>1,155</u>
Current assets					
Stocks	8	18,941		-	
Debtors	9	754,849		126,527	
Cash at bank and in hand		9,771,684		78,537	
		<u>10,545,474</u>		<u>205,064</u>	
Creditors: amounts falling due within one year	10	<u>(1,315,773)</u>		<u>(336,078)</u>	
Net current assets/(liabilities)			<u>9,229,701</u>		<u>(131,014)</u>
Net assets/(liabilities)			<u>11,186,358</u>		<u>(129,859)</u>
Capital and reserves					
Called up share capital	11		451		277
Share premium account	12		12,824,723		1,199,897
Other reserves			1,652,768		-
Profit and loss reserves			<u>(3,291,584)</u>		<u>(1,330,033)</u>
Total equity			<u>11,186,358</u>		<u>(129,859)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

AEROCLOUD SYSTEMS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

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

.....
Mr G W Richardson
Director

Company Registration No. 10568194

AEROCLOUD SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Merger Reserve	Relief Reserve	Share Option Reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£	£	£
Balance at 1 January 2021	-	-	-	-	-	-	-
Year ended 31 December 2021:							
Loss and total comprehensive income for the year	-	-	-	-	-	(1,043,279)	(1,043,279)
Other movements	277	1,199,897	-	-	-	(286,754)	913,420
Balance at 31 December 2021	277	1,199,897	-	-	-	(1,330,033)	(129,859)
Year ended 31 December 2022:							
Loss and total comprehensive income for the year	-	-	-	-	-	(1,961,551)	(1,961,551)
Issue of share capital	106	-	-	-	-	-	106
Transfers	-	-	-	-	22,768	-	22,768
Other movements	68	11,624,826	1,630,000	-	-	-	13,254,894
Balance at 31 December 2022	451	12,824,723	1,630,000	-	22,768	(3,291,584)	11,186,358

AEROCLOUD SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Aerocloud Systems Limited is a private company limited by shares incorporated in England and Wales. The registered office is Clifton Square, Clifton Street, Alderley Edge, SK9 7NW.

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 has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 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.

1.3 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.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

1.4 Tangible fixed assets

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

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

Computers	25% straight line
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AEROCLOUD SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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 credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. 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 company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

1.7 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 cost and replacement cost, adjusted where applicable for any loss of service potential.

AEROCLOUD SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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.

1.8 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.

1.9 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

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 company after deducting all of its liabilities.

Basic financial liabilities

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.

1.10 Equity instruments

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

1.11 Taxation

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

AEROCLOUD SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 when the company has 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.

1.12 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.

1.13 Retirement benefits

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

1.14 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 in the period are included in profit or loss.

AEROCLOUD SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

3 Employees

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

	2022 Number	2021 Number
Employees	29	12

4 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	225,525	174,167

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	96,583	90,000

AEROCLOUD SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5	Tangible fixed assets		Computers
			£
	Cost		
	At 1 January 2022		-
	Additions		19,099
	At 31 December 2022		<u>19,099</u>
	Depreciation and impairment		
	At 1 January 2022		-
	Depreciation charged in the year		1,930
	At 31 December 2022		<u>1,930</u>
	Carrying amount		
	At 31 December 2022		<u>17,169</u>
	At 31 December 2021		<u>-</u>
6	Fixed asset investments		
		Notes	
			2022
			2021
			£
			£
	Investments in subsidiaries	7	1,939,488
			<u>1,155</u>
	Movements in fixed asset investments		
			Shares in
			subsidiaries
			£
	Cost or valuation		
	At 1 January 2022		1,155
	Additions		1,938,333
	At 31 December 2022		<u>1,939,488</u>
	Carrying amount		
	At 31 December 2022		<u>1,939,488</u>
	At 31 December 2021		<u>1,155</u>

7 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

AEROCLOUD SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Subsidiaries (Continued)

Name of undertaking	Registered office	Class of shares held	% Held Direct
Aerocloud Systems Inc	USA	Share stocks at No Par Value	100.00
Flight Solutions International Limited	UK	Ordinary Shares	100.00

8 Stocks

	2022 £	2021 £
Work in progress	18,941	-

9 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	458,953	22,993
Other debtors	259,969	87,181
Prepayments and accrued income	35,927	16,353
	<u>754,849</u>	<u>126,527</u>

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	142,484	50,242
Taxation and social security	122,797	32,088
Other creditors	-	508
Accruals and deferred income	1,050,492	253,240
	<u>1,315,773</u>	<u>336,078</u>

11 Share capital

Ordinary share capital Issued and fully paid	2022 Number	2021 Number	2022 £	2021 £
Ordinary shares of 0.1p each	344,690	276,820	345	277

AEROCLOUD SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Share capital (Continued)

	2022 Number	2021 Number	2022 £	2021 £
Preference share capital Issued and fully paid				
Preference shares of 0.1p each	105,718	-	106	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference shares classified as equity			106	-
			<u> </u>	<u> </u>
Total equity share capital			451	277
			<u> </u>	<u> </u>

During the year the company issued 67,870 ordinary shares with a par value of £0.001 per share. These shares have full rights in the company with respect to voting, dividends and distribution as per the prescriber particulars.

The company also issued 105,718 preference shares with a par value of £0.001 per share. These shares have full rights in the company with respect to voting as per the prescriber particulars.

12 Share premium account

During the year the company issued 105,718 preference shares with a par value of £0.001 per share. The total consideration for the shares was £10,080,403.

Additional, during the year 32,742 ordinary shares were issued with a par value of £0.001 per share. The total consideration was £1,544,423

This has created an increase in the share premium during the year of £11,624,827.

The total share premium balance at the year end was £12,824,724.

13 Merger Relief Reserve

During the year the company issued 35,128 ordinary shares with a par value of £0.001 per share. The total consideration for the shares was £1,630,035.

This has created an merger relief reserve of £1,630,000 during the year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.