

Company Registration No. 01364154 (England and Wales)

JETAIR (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

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JETAIR (UK) LIMITED

COMPANY INFORMATION

Directors	R S K Gupta H D Gardi G Van Der Veer
Secretary	P Kanga
Company number	01364154
Registered office	188 Hammersmith Road London W6 7DJ
Auditors	Freeman & Partners Chartered Accountants 30 St James's Street London SW1A 1HB
Business address	188 Hammersmith Road London W6 7DJ
Bankers	Barclays Bank Plc Corporate Banking Centre 50 Pall Mall London SW1A 1QF
Solicitors	Macfarlanes LLP 20 Cursitor Street London EC4A1LT

JETAIR (UK) LIMITED

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JETAIR (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

The directors present their report and financial statements for the year ended 31 March 2009.

Principal activities and review of the business

The principal activities of the company continued to be those of acting as passenger sales agents for airlines and the provision of services within the travel industry.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

The directors assess the principal risk of the company to be non-compliance with the Air Travel Organisers License. Monthly returns are submitted and an annual return prepared. The directors are unaware of any instances of non-compliance.

The directors considered the company to be in a satisfactory position at the year end.

The directors have considered the key performance indicators and are happy with the results.

Results and dividends

The results for the year are set out on page 5.

No interim or final dividend was paid (2008:£Nil)

Future developments

The directors have considered future developments and are satisfied the company is pregressing adequately.

Directors

The following directors have held office since 1 April 2008:

R S K Gupta

H D Gardi

G Van Der Veer

Introduction of the euro

The company has assessed the extent of the preparation that it needed to make for the introduction of the euro. It has identified that its systems do not need to be amended to deal with the introduction of the euro.

Auditors

In accordance with the Company's Articles, a resolution proposing that Freeman & Partners be reappointed as auditors of the company will be put at a General Meeting.

JETAIR (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

Statement of directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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 those financial statements, the directors are required to:

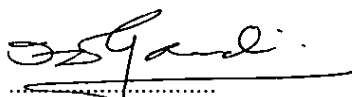
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



H D Gardi

Director

24th August 2009

JETAIR (UK) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF JETAIR (UK) LIMITED

We have audited the financial statements of Jetair (UK) Limited for the year ended 31 March 2009 set out on pages 5 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

JETAIR (UK) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF JETAIR (UK) LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Freeman & Partners

Chartered Accountants
Registered Auditor
30 St James's Street
London
SW1A 1HB

24th August 2009

JETAIR (UK) LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2009 £	2008 £
Turnover	2	1,636,214	1,989,125
Cost of sales		(211,311)	(262,115)
Gross profit		1,424,903	1,727,010
Distribution costs		(553,027)	(486,980)
Administrative expenses		(820,021)	(1,205,010)
Operating profit	3	51,855	35,020
Investment income	4	316,530	156,798
Profit on ordinary activities before taxation		368,385	191,818
Tax on profit on ordinary activities	5	-	-
Profit for the year	12	368,385	191,818

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

There are no recognised gains and losses other than those passing through the profit and loss account.

Note of historical cost profits and losses

	2009 £	2008 £
Reported profit on ordinary activities before taxation	368,385	191,818
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	9,690	9,690
Historical cost profit on ordinary activities before taxation	378,075	201,508
Historical cost profit for the year retained after taxation, extraordinary items and dividends	378,075	201,508

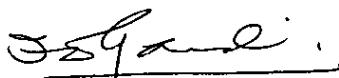
JETAIR (UK) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	6	1,099,343		1,227,365	
Investments	7		5		5
		<u>1,099,348</u>		<u>1,227,370</u>	
Current assets					
Debtors	8	1,919,668		2,240,365	
Cash at bank and in hand		<u>1,234,390</u>		<u>1,870,466</u>	
		3,154,058		4,110,831	
Creditors: amounts falling due within one year	9	<u>(2,919,019)</u>		<u>(4,372,199)</u>	
Net current assets/(liabilities)		<u>235,039</u>		<u>(261,368)</u>	
Total assets less current liabilities		<u><u>1,334,387</u></u>		<u><u>966,002</u></u>	
Capital and reserves					
Called up share capital	11	100,000		100,000	
Revaluation reserve	12	600,764		610,454	
Profit and loss account	12	<u>633,623</u>		<u>255,548</u>	
Shareholders' funds	13	<u><u>1,334,387</u></u>		<u><u>966,002</u></u>	

Approved by the Board and authorised for issue on 24th August 2009



H D Gardi
Director

JETAIR (UK) LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2009**

	£	2009 £	£	2008 £
Net cash outflow from operating activities		(1,035,872)		(319,702)
Returns on investments and servicing of finance				
Dividends received	316,530		156,798	
Net cash inflow for returns on investments and servicing of finance		316,530		156,798
Taxation		2,922		-
Capital expenditure				
Payments to acquire tangible assets	(23,126)		(86,068)	
Receipts from sales of tangible assets	11,634		150	
Net cash outflow for capital expenditure		(11,492)		(85,918)
Net cash outflow before management of liquid resources and financing		(727,912)		(248,822)
Decrease in cash in the year		(727,912)		(248,822)

JETAIR (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2009

1 Reconciliation of operating profit to net cash outflow from operating activities	2009	2008
	£	£
Operating profit	51,855	35,020
Depreciation of tangible assets	151,148	152,015
Profit on disposal of tangible assets	(11,634)	(150)
Decrease/(increase) in debtors	317,775	(574,450)
(Decrease)/Increase in creditors within one year	(1,545,016)	67,863
Net cash outflow from operating activities	(1,035,872)	(319,702)

2 Analysis of net funds	1 April 2008	Cash flow	Other non-cash changes	31 March 2009
	£	£	£	£
Net cash:				
Cash at bank and in hand	1,870,466	(636,076)	-	1,234,390
Bank overdrafts	(17,776)	(91,836)	-	(109,612)
	<u>1,852,690</u>	<u>(727,912)</u>	<u>-</u>	<u>1,124,778</u>
Net funds	<u>1,852,690</u>	<u>(727,912)</u>	<u>-</u>	<u>1,124,778</u>

3 Reconciliation of net cash flow to movement in net funds	2009	2008
	£	£
Decrease in cash in the year	(727,912)	(248,822)
Movement in net funds in the year	(727,912)	(248,822)
Opening net funds	1,852,690	2,101,512
Closing net funds	<u>1,124,778</u>	<u>1,852,690</u>

JETAIR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The directors have prepared cash flow forecasts for the period covering 12 months from the date of approval of these financial statements.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

The Financial Statements do not include any adjustments that may be necessary, should the company's future cash flows be less than projected.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover principally represents gross commissions receivable and interest income, exclusive of Value Added Tax.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Long leasehold property	Over the remaining length of the lease
Plant and machinery	50% per annum straight line
Fixtures, fittings & equipment	20% per annum straight line
Motor vehicles	25% per annum straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value. Cost is purchase price including acquisition expenses, but excluding any payment for accrued interest or fixed dividend entitlement.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

JETAIR (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2009****1 Accounting policies****(Continued)****1.9 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Turnover and profit on ordinary activities before taxation

	Turnover	
	2009	2008
	£	£
Class of business		
Commissions receivable	1,457,985	1,734,476
Cancellation fees	125,414	130,119
Other travel income	-	32,686
Interest receivable	52,815	91,844
	<u>1,636,214</u>	<u>1,989,125</u>

Geographical market

	Turnover	
	2009	2008
	£	£
United Kingdom	1,636,214	1,989,125
	<u>1,636,214</u>	<u>1,989,125</u>

3 Operating profit

	2009	2008
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	151,148	152,015
Loss on foreign exchange transactions	-	15,748
Operating lease rentals	95,504	92,475
Auditors' remuneration (including expenses and benefits in kind)	12,119	16,488
and after crediting:		
Profit on disposal of tangible assets	(11,634)	(150)
Profit on foreign exchange transactions	<u>(343,228)</u>	<u>-</u>

JETAIR (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2009**

4	Investment income	2009	2008
		£	£
	Income from shares in group undertakings	<u>316,530</u>	<u>156,798</u>
5	Taxation	2009	2008
	Current tax charge	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>368,385</u>	<u>191,818</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 30.00%)	<u>103,148</u>	<u>57,545</u>
	Effects of:		
	Non deductible expenses	9,329	1,436
	Depreciation add back	42,321	45,605
	Capital allowances	(28,641)	(50,088)
	Dividends and distributions received	(88,628)	(47,039)
	Other tax adjustments	(37,529)	(7,459)
		<u>(103,148)</u>	<u>(57,545)</u>
	Current tax charge	<u>-</u>	<u>-</u>

The company has estimated losses of £ 116,888 (2008 - £ 210,920) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax.

JETAIR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

6 Tangible fixed assets

	Long leasehold property £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2008	836,797	117,986	611,009	234,001	1,799,793
Additions	-	5,605	17,521	-	23,126
Disposals	-	(2,311)	-	(118,301)	(120,612)
At 31 March 2009	836,797	121,280	628,530	115,700	1,702,307
Depreciation					
At 1 April 2008	49,297	96,283	201,492	225,356	572,428
On disposals	-	(2,311)	-	(118,301)	(120,612)
Charge for the year	12,500	20,044	113,895	4,709	151,148
At 31 March 2009	61,797	114,016	315,387	111,764	602,964
Net book value					
At 31 March 2009	775,000	7,264	313,143	3,936	1,099,343
At 31 March 2008	787,500	21,703	409,517	8,645	1,227,365

The property is included at a valuation of £775,000 being the director's view on the value of the property after taking into account the length of the lease.

On a historical cost basis, the property would be stated at £174,236.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 April 2008 & at 31 March 2009	186,038
Depreciation based on cost	
At 1 April 2008	8,992
Charge for the year	2,810
At 31 March 2009	11,802
Net book value	
At 31 March 2009	174,236
At 31 March 2008	177,046

JETAIR (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2009****7 Fixed asset investments**

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 April 2008 & at 31 March 2009	5
Net book value	
At 31 March 2009	5
At 31 March 2008	5

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Gulf Continental Air Services SA (31/12/08)	France	Ordinary	100.00
Tailwind Limited (31/01/09)	England & Wales	Ordinary	100.00
Gulf Continental Limited	England & Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2009 £	Profit/(loss) for the year 2009 £
	Principal activity		
Gulf Continental Air Services SA (31/12/08)	Passenger sales agent	756,024	13,502
Tailwind Limited (31/01/09)	Dormant	2	-
Gulf Continental Limited	Dormant	2	-

JETAIR (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2009**

8 Debtors	2009	2008
	£	£
Trade debtors	396,258	822,024
Amounts owed by subsidiary undertakings	29,702	60,178
Corporation tax	-	2,922
Other debtors	137,418	70,241
Prepayments and accrued income	1,356,290	1,285,000
	<u>1,919,668</u>	<u>2,240,365</u>

9 Creditors: amounts falling due within one year	2009	2008
	£	£
Bank loans and overdrafts	109,612	17,776
Trade creditors	2,699,626	4,229,969
Taxes and social security costs	-	5,156
Other creditors	83,073	95,765
Accruals and deferred income	26,708	23,533
	<u>2,919,019</u>	<u>4,372,199</u>

The bank overdraft is secured by a charge over Credit Balance dated 1st February 1996.

10 Pension and other post-retirement benefit commitments**Defined contribution**

The company operates a defined contribution 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 £22,042 (2008:£22,861). Contributions totalling £3,646 (£nil) were payable to the fund at the year end and are included in creditors.

	2009	2008
	£	£
Contributions payable by the company for the year	<u>22,042</u>	<u>22,861</u>

JETAIR (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2009**

11 Share capital	2009	2008
	£	£
Authorised		
250,000 Ordinary of £1 each	<u>250,000</u>	<u>250,000</u>
Allotted, called up and fully paid		
100,000 Ordinary of £1 each	<u>100,000</u>	<u>100,000</u>
12 Statement of movements on reserves		
	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 April 2008	610,454	255,548
Profit for the year	-	368,385
Depreciation written back	(9,690)	9,690
Balance at 31 March 2009	<u>600,764</u>	<u>633,623</u>
13 Reconciliation of movements in shareholders' funds	2009	2008
	£	£
Profit for the financial year	368,385	191,818
Opening shareholders' funds	<u>966,002</u>	<u>774,184</u>
Closing shareholders' funds	<u>1,334,387</u>	<u>966,002</u>

14 Contingent liabilities

The company has appointed a number of agents as its Retail Agents to sell seats under its Air Travel Organisers License. A liability would arise if the agents so appointed defaulted on these arrangements.

JETAIR (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2009****15 Financial commitments**

At 31 March 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2010:

	Land and buildings		Other	
	2009	2008	2009	2008
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	12,302	-
Between two and five years	124,050	124,050	4,654	14,901
	<u>124,050</u>	<u>124,050</u>	<u>16,956</u>	<u>14,901</u>

16 Directors' emoluments

	2009	2008
	£	£
Emoluments for qualifying services	<u>62,731</u>	<u>62,357</u>

17 Employees**Number of employees**

The average monthly number of employees (including directors) during the year was:

	2009	2008
	Number	Number
Total	<u>42</u>	<u>47</u>

Employment costs

	2009	2008
	£	£
Wages and salaries	1,112,499	1,064,794
Social security costs	72,165	65,444
Other pension costs	22,042	22,861
	<u>1,206,706</u>	<u>1,153,099</u>

JETAIR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

18 Control

The immediate parent company is Check in Reisen AG Limited, a company registered in the British Virgin Islands. The principal activities of Check in Reisen Limited are those of an investment holding company.

The Ultimate Controlling Party is Mr Ali Ghandour.

19 Related party transactions

During the year, the company was re-charged £Nil (2008: £25,854) by Jetair (Europe) Limited, a company in which there is a common director, Mr Gupta, in respect of wages and salaries. At the balance sheet date, the balance due from Jetair (Europe) Limited was £29,702 (2008: £60,178) of which £17,253 was provided for as bad and doubtful debts.