

Company registration number: 03466126

Jet Aire (DC) Limited

Financial statements

31 December 2020



Jet Aire (DC) Limited

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Jet Aire (DC) Limited

Directors and other information

Directors	C R Kirk D J Pavan S M Lawton
Secretary	S Taylor
Company number	03466126
Registered office	Northways Court Great North Road Aberford Leeds LS25 3AU
Auditor	The Barker Partnership 17 Central Buildings Market Place Thirsk North Yorkshire YO7 1HD
Bankers	Handelsbanken 3 The Embankment Sovereign Street Leeds LS1 4JB

Jet Aire (DC) Limited

Strategic report Year ended 31 December 2020

Fair review of the business

The directors were delighted with the results for the year under review, with the underlying business performing well in excess of the original pre-COVID-19 budget and expectations.

Performance

During the year, the business continued to develop under the direction of the Managing Director and with the support of the senior management team.

The Company was successful in winning a number of new contracts and clients, who work across various industries, as a result further diversifying the sectors we service and our client base.

Despite 2020 being the most challenging year for businesses in living memory, Jet Aire delivered a record year. This is testament to the solid foundations, professionalism and resilience of the business in very challenging times.

The profitability of the business was impacted due to COVID-19 during Lockdown 1. However despite this, the business remained profitable through this period.

The closure of the Civils department at the end of 2019 proved to be the right decision, enabling the management team to focus on the growth of the business and more profitable core work. A financial provision was set aside at the end of 2019, to wind up the department, and proved to be prudently covered.

Sales, in comparison with the 2019 (Continuing Operations), increased by 13% to £8.84m and a gross profit margin of 40.6% was achieved, equating to £3.59m. The EBITDA achieved was £1.65m, an increase of 47% on the previous year.

The Net Asset Value increased by 28% to £3.52m. Net Debt, excluding inter company balances, was reduced from £3k to net cash of £254k, due to strong debtor control and general prudent financial management. Cash at bank increased from £818k to £1,527k.

Principal risks and uncertainties

The Coronavirus pandemic continues to be one of the largest risks, although the vaccines appear to be proving to be effective, there is likely to be new variants and spikes in the infections going forward. Companies must remain vigilant, there is no room for complacency, and it is likely that we will have to live with COVID-19 for the foreseeable future. Our focus throughout has been the protection and wellbeing of our employees and clients.

Although a Brexit deal was successfully negotiated, we are still in the early days of post Brexit. The initial disruption of importing goods from Europe is likely to continue in the short to medium term. To de-risk the business we pre-ordered a large amount of lining materials which were delivered prior to the Brexit deadline. Going forward we will hold a large stock of imported materials to minimise disruption.

The management of the business and the execution of the Company's strategies are subject to numerous risks. The primary risks being the competition in the market, Health and Safety and Environmental and Quality compliance.

The Board and the management team consider these risks in all business decisions in conjunction with the changing business and regulatory environment. The key principle risks affecting the business have been categorised into the following areas: -

Jet Aire (DC) Limited

**Strategic report (continued)
Year ended 31 December 2020**

Commercial risk

The Company has a large cross section of clients with the largest client making up 39% of the total sales and the second largest representing only 11% of sales. The diverse client base covers almost every sector and industry, as a result our exposure is limited.

By the nature of the work that we undertake, a large proportion is out of necessity rather than discretionary spend, and therefore we are protected, to a large extent, from market trends.

The top 10 Clients have traded with the company for over 11 years on average. We are renowned for delivering a first-class service and offering a wide range of services adding value to both the client and the business. We are focused on building long lasting relationships with our clients.

Management risk

The business is reliant on its people and in particular the senior management team. The focus has been on building an excellent team and generally upskilling all staff to help ensure we deliver outstanding customer experience.

Taxation risk

The Company is exposed to financial risk from increases in taxation. To mitigate against this, we regularly monitor proposed legislative changes and use appropriate professional advisors to advise on the impact of any changes.

Financial risk management

The business is principally funded from retained profits and converting these into cash. Financial monitoring, budgeting, forecasting, and planning are a continuous process.

The Company's principal financial instruments comprise bank balance, bank overdraft facility, trade creditors and trade debtors.

Customers are credit checked and approved prior to work being undertaken, in addition they are continuously monitored using a credit reference agency.

Future developments

The Board is focused on building on the proportion of contracted work. Additional complimentary services are being considered, as well as potential acquisitions. We have traded well since the start of the new financial year.

The recent UK Budget announced in March 2021 has earmarked considerable infrastructure spending across the United Kingdom, in particular in the North. With a highly experienced management team, the directors are confident that we will continue to take advantage of opportunities to grow and improve our business.

This report was approved by the board of directors on 23 March 2021 and signed on behalf of the board by:



C R Kirk
Director

Jet Aire (DC) Limited

**Directors report
Year ended 31 December 2020**

The directors present their report and the financial statements of the company for the year ended 31 December 2020.

Directors

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

C R Kirk
D J Pavan
S M Lawton

Dividends

Particulars of recommended dividends are detailed in note 14 to the financial statements.

Directors responsibilities statement

The directors are responsible for preparing the strategic report, 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). 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 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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 23 March 2021 and signed on behalf of the board by:



C R Kirk
Director

Jet Aire (DC) Limited

Independent auditor's report to the members of Jet Aire (DC) Limited Year ended 31 December 2020

Opinion

We have audited the financial statements of Jet Aire (DC) Limited (the 'company') for the year ended 31 December 2020 which comprise the Profit and loss account, Balance sheet, statement of changes in equity, 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 United Kingdom Accounting Standards, including FRS 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 December 2020 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 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

In auditing the financial statements, we have concluded that the directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Jet Aire (DC) Limited

Independent auditor's report to the members of Jet Aire (DC) Limited (continued) Year ended 31 December 2020

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 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 strategic report or the directors' report.

We have nothing to report in respect of the following matters where 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 the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;

Jet Aire (DC) Limited

Independent auditor's report to the members of Jet Aire (DC) Limited (continued) Year ended 31 December 2020

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated with the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 4 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors as considered necessary.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

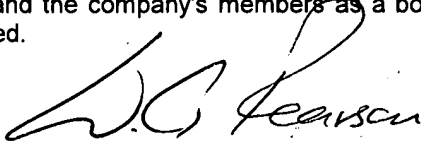
A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Jet Aire (DC) Limited

**Independent auditor's report to the members of
Jet Aire (DC) Limited (continued)
Year ended 31 December 2020**

Use of our report

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 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.



William Pearson FCA FCCA (Senior Statutory Auditor)

For and on behalf of
The Barker Partnership
Chartered Accountants & Statutory Auditors
17 Central Buildings
Market Place
Thirsk
North Yorkshire
YO7 1HD

23 March 2021

Jet Aire (DC) Limited
Profit and loss account
Year ended 31 December 2020

		2020			2019		
	Note	Continuing operations £	Discontinued operations £	Total £	Continuing operations £	Discontinued operations £	Total £
Turnover	5	8,836,050	-	8,836,050	7,816,283	1,087,148	8,903,431
Cost of sales		(5,269,026)	-	(5,269,026)	(4,643,069)	(1,081,260)	(5,724,329)
Gross profit		3,567,024	-	3,567,024	3,173,214	5,888	3,179,102
Administrative expenses		(2,774,074)	-	(2,774,074)	(2,501,386)	(177,105)	(2,678,491)
Other operating income	6	173,539	-	173,539	8,881	-	8,881
Operating profit	7	966,489	-	966,489	680,709	(171,217)	509,492
Other interest receivable and similar income	11	10,397	-	10,397	11,469	-	11,469
Interest payable and similar expenses	12	(33,155)	-	(33,155)	(33,070)	-	(33,070)
Profit before taxation		943,731	-	943,731	659,108	(171,217)	487,891
Tax on profit	13	(181,070)	-	(181,070)	(81,307)	-	(81,307)
Profit for the financial year and total comprehensive income		<u>762,661</u>	<u>-</u>	<u>762,661</u>	<u>577,801</u>	<u>(171,217)</u>	<u>406,584</u>

The notes on pages 14 to 27 form part of these financial statements.

Jet Aire (DC) Limited

**Balance sheet
31 December 2020**

	Note	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	15	-		-	
Tangible assets	16	3,547,695		2,793,158	
			3,547,695		2,793,158
Current assets					
Stocks	17	87,797		26,435	
Debtors	18	1,958,088		1,781,596	
Cash at bank and in hand		1,526,978		818,129	
		3,572,863		2,626,160	
Creditors: amounts falling due within one year	19	(2,379,169)		(1,921,199)	
Net current assets			1,193,694		704,961
Total assets less current liabilities			4,741,389		3,498,119
Creditors: amounts falling due after more than one year	20	(838,737)		(481,864)	
Provisions for liabilities	21	(377,279)		(253,543)	
Net assets			3,525,373		2,762,712
Capital and reserves					
Called up share capital	25	4,635		4,635	
Share premium account		76,944		76,944	
Capital redemption reserve		8,532		8,532	
Profit and loss account		3,435,262		2,672,601	
Shareholders funds			3,525,373		2,762,712

The notes on pages 14 to 27 form part of these financial statements.

Jet Aire (DC) Limited

**Balance sheet (continued)
31 December 2020**

These financial statements were approved by the board of directors and authorised for issue on 23 March 2021, and are signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'C R Kirk', written in a cursive style.

C R Kirk
Director

Company registration number: 03466126

The notes on pages 14 to 27 form part of these financial statements.

Jet Aire (DC) Limited

**Statement of changes in equity
Year ended 31 December 2020**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2019	4,879	76,944	8,288	2,947,542	3,037,653
Profit for the year				406,584	406,584
Total comprehensive income for the year	-	-	-	406,584	406,584
Dividends paid and payable				(680,000)	(680,000)
Cancellation of subscribed capital	(244)		-	-	(244)
Redemption of shares	-	-	244	(1,525)	(1,281)
Total investments by and distributions to owners	(244)	-	244	(681,525)	(681,525)
At 31 December 2019 and 1 January 2020	4,635	76,944	8,532	2,672,601	2,762,712
Profit for the year				762,661	762,661
Total comprehensive income for the year	-	-	-	762,661	762,661
At 31 December 2020	4,635	76,944	8,532	3,435,262	3,525,373

Jet Aire (DC) Limited

**Statement of cash flows
Year ended 31 December 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	26	1,895,978	1,905,176
Interest paid		(33,155)	(33,070)
Interest received		10,397	11,469
Tax paid		(33,602)	(115,950)
Net cash from operating activities		<u>1,839,618</u>	<u>1,767,625</u>
Cash flows from investing activities			
Purchase of tangible assets		(1,481,272)	(612,490)
Proceeds from sale of tangible assets		45,690	53,050
Net cash used in investing activities		<u>(1,435,582)</u>	<u>(559,440)</u>
Cash flows from financing activities			
Purchases to acquire or redeem own shares		-	(1,525)
Proceeds from loans from group undertakings		(155,000)	(115,446)
Government grant income		7,758	8,881
Payment of finance lease liabilities		452,055	(477,004)
Equity dividends paid		-	(190,153)
Net cash from/(used in) financing activities		<u>304,813</u>	<u>(775,247)</u>
Net increase/(decrease) in cash and cash equivalents		708,849	432,938
Cash and cash equivalents at beginning of year		818,129	385,191
Cash and cash equivalents at end of year		<u>1,526,978</u>	<u>818,129</u>

Jet Aire (DC) Limited

Notes to the financial statements Year ended 31 December 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Northways Court, Great North Road, Aberford, Leeds, LS25 3AU.

The principal activity of the company is that of drain surveying and repairing.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and VAT. Revenue from the rendering of services is measured when the service is complete.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Jet Aire (DC) Limited

Notes to the financial statements (continued) Year ended 31 December 2020

Depreciation

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

Plant and machinery	- 15% to 25% reducing balance
Motor vehicles	- 15% to 25% reducing balance
IT and office equipment	- 25% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stock is valued at the lower of cost and net realisable value.

Amounts recoverable on work in progress are included in debtors at the net sales value of the work completed, after provision for contingencies and accepted future losses, less any stage payments received.

Hire purchase and finance leases

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Jet Aire (DC) Limited

Notes to the financial statements (continued) Year ended 31 December 2020

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

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 measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are 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.

Defined contribution plans

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

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.

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

4. 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Establishing useful economic lives for depreciation of tangible fixed assets

The company purchases large items of plant and motor vehicles for use in its business. The depreciation charge depends on the estimated useful economic lives of the assets and the estimated residual values. The directors regularly review the useful economic lives of these assets and change them as necessary to reflect the prospective economic utilisation and the physical condition of the assets concerned.

5. Turnover

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

6. Other operating income

	2020	2019
	£	£
Government grant income	7,758	8,881
Other operating income	165,781	-
	<u>173,539</u>	<u>8,881</u>

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

7. Operating profit

Operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible assets	630,405	535,838
(Gain)/loss on disposal of tangible assets	50,640	74,924
Impairment of trade debtors	16,500	86,186
Operating lease rentals	157,312	298,888
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>6,423</u>

8. Auditors remuneration

	2020	2019
	£	£
Fees payable to The Barker Partnership		
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>6,423</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>1,500</u>	<u>2,450</u>

9. Employees

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020	2019
Production staff	71	84
Administrative staff	32	30
	<u>103</u>	<u>114</u>

The aggregate payroll costs incurred during the year were:

	2020	2019
	£	£
Wages and salaries	4,449,531	4,413,724
Other pension costs	106,559	92,979
	<u>4,556,090</u>	<u>4,506,703</u>

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

10. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	198,259	186,013
Company contributions to pension schemes in respect of qualifying services	23,000	23,000
	<u>221,259</u>	<u>209,013</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2020	2019
	Number	Number
Defined contribution plans	<u>2</u>	<u>2</u>

11. Other interest receivable and similar income

	2020	2019
	£	£
Bank deposits	<u>10,397</u>	<u>11,469</u>

12. Interest payable and similar expenses

	2020	2019
	£	£
Other loans made to the company:		
Finance leases and hire purchase contracts	33,155	33,070
	<u>33,155</u>	<u>33,070</u>

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

13. Tax on profit

Major components of tax expense

	2020	2019
	£	£
Current tax:		
UK current tax expense	58,413	34,681
Adjustments in respect of previous periods	(1,079)	233
Total current tax	<u>57,334</u>	<u>34,914</u>
Deferred tax:		
Origination and reversal of timing differences	123,736	46,393
Tax on profit	<u><u>181,070</u></u>	<u><u>81,307</u></u>

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%).

	2020	2019
	£	£
Profit before taxation	<u>943,731</u>	<u>487,891</u>
Profit multiplied by rate of tax	179,309	92,699
Adjustments in respect of prior periods	(1,079)	233
Effect of expenses not deductible for tax purposes	4,556	(460)
Effect of capital allowances and depreciation	(123,978)	(55,871)
Effect of revenue exempt from tax	(1,474)	(1,687)
Tax on profit	<u><u>57,334</u></u>	<u><u>34,914</u></u>

14. Dividends

Equity dividends

	2020	2019
	£	£
Dividends declared during the year	<u><u>-</u></u>	<u><u>680,000</u></u>

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

15. Intangible assets

	Goodwill	Total
	£	£
Cost		
At 1 January 2020 and 31 December 2020	156,326	156,326
Amortisation		
At 1 January 2020 and 31 December 2020	156,326	156,326
Carrying amount		
At 31 December 2020	-	-
At 31 December 2019	-	-

16. Tangible assets

	Plant and machinery	Motor vehicles	Office equipment	Total
	£	£	£	£
Cost				
At 1 January 2020	3,347,692	1,958,519	35,785	5,341,996
Additions	450,148	1,012,728	18,396	1,481,272
Disposals	(384,928)	(137,855)	-	(522,783)
At 31 December 2020	3,412,912	2,833,392	54,181	6,300,485
Depreciation				
At 1 January 2020	1,548,278	971,369	29,191	2,548,838
Charge for the year	341,101	285,969	3,335	630,405
Disposals	(331,139)	(95,314)	-	(426,453)
At 31 December 2020	1,558,240	1,162,024	32,526	2,752,790
Carrying amount				
At 31 December 2020	1,854,672	1,671,368	21,655	3,547,695
At 31 December 2019	1,799,414	987,150	6,594	2,793,158

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

Obligations under finance leases

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery	Motor vehicles
	£	£
At 31 December 2020	<u>657,357</u>	<u>1,170,683</u>
At 31 December 2019	<u>691,378</u>	<u>605,737</u>

17. Stocks

	2020	2019
	£	£
Raw materials	<u>87,797</u>	<u>26,435</u>

18. Debtors

	2020	2019
	£	£
Trade debtors	1,799,066	1,655,916
Prepayments and accrued income	144,406	105,325
Other debtors	14,616	20,355
	<u>1,958,088</u>	<u>1,781,596</u>

19. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	599,377	588,817
Amounts owed to group undertakings	222,081	377,081
Accruals and deferred income	238,193	124,301
Corporation tax	58,413	34,681
Social security and other taxes	779,599	407,237
Obligations under finance leases	481,506	389,082
	<u>2,379,169</u>	<u>1,921,199</u>

£481,506 of the above amount is secured by fixed and floating charges over the company's assets (2019 - £389,082).

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

20. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Accruals and deferred income	47,568	50,326
Obligations under finance leases	791,169	431,538
	<u>838,737</u>	<u>481,864</u>

£791,169 of the above amount is secured by fixed and floating charges over the company's assets (2019 - £431,538).

21. Provisions

	Deferred tax (note 22)	Total
	£	£
At 1 January 2020	253,543	253,543
Additions	123,736	123,736
At 31 December 2020	<u>377,279</u>	<u>377,279</u>

22. Deferred tax

The deferred tax included in the Balance sheet is as follows:

	2020	2019
	£	£
Included in provisions (note 21)	<u>377,279</u>	<u>253,543</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020	2019
	£	£
Accelerated capital allowances	<u>377,279</u>	<u>253,543</u>

23. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £106,559 (2019: £92,979).

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

24. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2020	2019
	£	£
Recognised in creditors:		
Deferred government grants due after more than one year	47,568	50,326
Recognised in other operating income:		
Government grants released to profit or loss	7,758	8,881

25. Called up share capital
Issued, called up and fully paid

	2020		2019	
	No	£	No	£
Ordinary A shares shares of £ 0.10 each	41,712	4,171	41,712	4,171
Ordinary B shares shares of £ 0.10 each	4,635	464	4,635	464
	<u>46,347</u>	<u>4,635</u>	<u>46,347</u>	<u>4,635</u>

26. Cash generated from operations

	2020	2019
	£	£
Cash flows from operating activities		
Profit for the financial year	762,661	406,584
Depreciation of tangible assets	630,405	535,838
Government grant income	(7,758)	(8,881)
Other interest receivable and similar income	(10,397)	(11,469)
Interest payable and similar expenses	33,155	33,070
Gain/(loss) on disposal of tangible assets	50,640	74,924
Tax on profit	181,070	81,307
Accrued expenses/(income)	113,892	21,332
<i>Changes in:</i>		
Stocks	(61,362)	25,679
Trade and other receivables	(176,492)	696,748
Trade and other payables	380,164	50,044
Cash generated from operations	<u>1,895,978</u>	<u>1,905,176</u>

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

27. Analysis of changes in net debt

	At 1 January 2020	Cash flows	At 31 December 2020
	£	£	£
Cash and cash equivalents	818,129	708,849	1,526,978
Debt due within one year	(766,163)	62,576	(703,587)
Debt due after one year	(431,538)	(359,631)	(791,169)
	<u>(379,572)</u>	<u>411,794</u>	<u>32,222</u>

Net debt at 31 December 2020 includes £222,081 (2019 -£377,081) of group debt, the repayment of which is within the group's control.

28. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2020	2019
	£	£
Tangible assets	<u>-</u>	<u>763,500</u>

29. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	62,952	94,169
Later than 1 year and not later than 5 years	-	35,438
	<u>62,952</u>	<u>129,607</u>

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

30. Related party transactions

The company is a subsidiary of Hillgrove Holdings Limited. During the year dividends of £nil (2019 - £666,192) were declared to Hillgrove Holdings Limited. At the year end an amount of £222,081 (2019 - £377,081) was due to Hillgrove Holdings Limited. This amount is interest free and repayable on demand.

The company and Pro-Shore Limited are companies under common control. During the year the company charged Pro-Shore Limited a management fee of £32,000 (2019 - £32,000). The company also recharged various costs amounting to £413,158 (2019 - £327,514). At the year end an amount of £42,557 (2019 - £61,714) was due to the company. This amount is interest free and is repayable on demand.

Long Ash Services Limited is a company connected to one of the directors. At the year end an amount of £6,000 (2019 - £6,144) was due to Long Ash Services Limited. This amount is interest free and repayable on demand.

The company is party to a registered charge on its assets by its bankers.

31. Controlling party

The ultimate parent company is Hillgrove Holdings Limited whose registered office address is Brinkburn House, Brookside, Hovingham, York YO62 4LG.

The ultimate controlling parties are Mr C and Mrs S Kirk.