

Company registration number: 03466126

Jet Aire (DC) Limited

Financial statements

31 December 2021



THE BARKER PARTNERSHIP
Chartered Accountants and Statutory Auditors
Thirsk

Jet Aire (DC) Limited

Contents

	Page
Directors and other information	1
Strategic report	2 - 4
Directors report	5 - 6
Independent auditor's report to the members	7 - 10
Profit and loss account	11
Balance sheet	12 - 13
Statement of changes in equity	14
Statement of cash flows	15
Notes to the financial statements	16 - 29

Jet Aire (DC) Limited

Directors and other information

Directors	C R Kirk	(Resigned 22 October 2021)
	H V Pedersen	
	D J Pavan	
	S M Lawton	(Resigned 22 October 2021)
	M D Willink	(Resigned 16 May 2022)
	R L Contreras	
	A I Boyle	
Company number	03466126	
Registered office	80 Station Parade Harrogate North Yorkshire HG1 1HQ	
Auditor	The Barker Partnership 17 Central Buildings Market Place Thirsk North Yorkshire YO7 1HD	

Jet Aire (DC) Limited
Strategic report
Year ended 31 December 2021

The directors present the Strategic report for the year ended 31 December 2021.

Activities and business review

The principal activity of the business is the provision of drainage & remediation services through preventative and responsive solutions.

There have not been any significant changes in the business' principal activities and the directors are not aware, at the date of this report, of any likely major changes in the business' activities in the next year.

Key performance indicators

The performance of the business has been measured using the following KPI's:

	2021	2020
	£	£
Turnover	11,871,975	8,836,050
Gross profit	4,642,013	3,567,024
Gross profit margin	39%	40%
Average number of direct revenue earning employees	87	71
Revenue per direct earning employee	136,471	124,451

The increase in sales of 34.4% during the year is a result of contracts won in the past 18 months and greater commercial focus to provide drainage & remediation services to a wider number of customers.

The gross profit for the year is improved by £1,074,989 (30.1%).

The new contracts undertaken required an investment in the business' two core areas, it's people, which increased by 21 in total, 16 of which were production staff; and its operative fixed assets, resulting in £1,378,343 of additions. This investment demonstrates the business' strong cash generation with net assets increasing in the year from £3,525,373 to £4,743,629.

Future developments

The directors expect the activity to increase in the forthcoming year, particularly through the opportunities created from the below acquisitions:

During the year, the business identified potential opportunities to develop and grow its presence across the North of England. In September 2021, the acquisition of Aqueous 1st KwikFlow Limited was completed, pushing the presence of Jet Aire (DC) Limited further into the North East of England.

Adler and Allan Limited undertook the purchase of Jet Aire (DC) Limited in October 2021, with the ultimate parent business being Tet Topco Limited. The acquisition provides enhanced synergistic scope and greater customer reach through the Adler and Allan Limited Group network.

Jet Aire (DC) Limited

Strategic report (continued) Year ended 31 December 2021

Principal risks and uncertainties

The directors consider the principal risks and uncertainties faced by the business to be the following:

Commercial risk

The business prides itself on the longstanding relationship it holds with its customers and suppliers and the delivery of a first-class service. Through the Adler and Allan Limited Group network, these principles will remain constant, whilst increasing the ability of the business to offer a wider range of services, adding further value to both the client and business.

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 expanding the skillset across the workforce to ensure we continue to deliver an outstanding customer experience.

Credit risk

The business' credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowance for doubtful debts, estimated by the business' management based on prior experience and their assessment of the current economic climate.

Taxation risk

The business 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 evaluate the impact of any changes

Covid-19

COVID-19, which is a respiratory illness caused by a new virus, was declared a world-wide pandemic by the World Health Organisation in March 2020. Since March 2020, the business has continued to respond and adapt as the pandemic has progressed and changes have occurred.

With up-to-date guidance and information in place across the business, and promoting awareness of safe practices, the business continues to operate and deliver service to all customers and clients without incident or significant delay. Through the changes and different stages of the pandemic in the last two years, the workforce continue to be considered key workers, supporting customers that are critical to the nation during the coronavirus crisis.

The health, welfare and safety of all colleagues, customers and other people whom our workforce come into contact is at the forefront of our considerations as we continue to operate successfully through different stages of the pandemic.

Non-financial risks emerging from the global pandemic and remote working by some of the business' staff, counterparties, clients, and suppliers, are being identified, assessed, managed, and governed through timely application of the business' risk management framework.

The business' COVID support team continually monitor Government and NHS guidance and regularly meet to discuss and adapt Company guidance to ensure the continuance of safe operation as the pandemic continues to be a feature of daily life.

Jet Aire (DC) Limited

**Strategic report (continued)
Year ended 31 December 2021**

This report was approved by the board of directors on 20 September 2022 and signed on behalf of the board by:

Darren Pavan

Darren Pavan (Sep 29, 2022 10:42 GMT+1)

D J Pavan
Director

Jet Aire (DC) Limited

Directors report Year ended 31 December 2021

The directors present their report and the financial statements of the company for the year ended 31 December 2021.

Directors

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

C R Kirk	(Resigned 22 October 2021)
H V Pedersen	(Appointed 22 October 2021)
D J Pavan	
S M Lawton	(Resigned 22 October 2021)
M D Willink	(Appointed 22 October 2021)(Resigned 16 May 2022)
R L Contreras	(Appointed 22 October 2021)

Dividends

The directors do not recommend the payment of a dividend.

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.

Jet Aire (DC) Limited

**Directors report (continued)
Year ended 31 December 2021**

This report was approved by the board of directors on 20 September 2022 and signed on behalf of the board by:

Darren Pavan
Darren Pavan (Sep 29, 2022 10:42 GMT+1)

D J Pavan
Director

Jet Aire (DC) Limited

Independent auditor's report to the members of Jet Aire (DC) Limited Year ended 31 December 2021

Opinion

We have audited the financial statements of Jet Aire (DC) Limited (the 'company') for the year ended 31 December 2021 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 2021 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 2021

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 2021

- 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 2021**

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.

W G Pearson

W G Pearson (Sep 29, 2022 10:44 GMT+1)

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

20 September 2022

Jet Aire (DC) Limited

**Profit and loss account
Year ended 31 December 2021**

	Note	2021 £	2020 £
Turnover	5	11,871,975	8,836,050
Cost of sales		(7,229,962)	(5,269,026)
Gross profit		<u>4,642,013</u>	<u>3,567,024</u>
Administrative expenses		(3,391,319)	(2,774,074)
Other operating income	6	<u>7,015</u>	<u>173,539</u>
Operating profit	7	<u>1,257,709</u>	<u>966,489</u>
Other interest receivable and similar income	10	4,733	10,397
Interest payable and similar expenses	11	<u>(36,469)</u>	<u>(33,155)</u>
Profit before taxation		<u>1,225,973</u>	<u>943,731</u>
Tax on profit	12	<u>(207,717)</u>	<u>(181,070)</u>
Profit for the financial year and total comprehensive income		<u><u>1,018,256</u></u>	<u><u>762,661</u></u>

All the activities of the company are from continuing operations.

The notes on pages 16 to 29 form part of these financial statements.

Jet Aire (DC) Limited

**Balance sheet
31 December 2021**

	Note	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	13	-		-	
Tangible assets	14	4,076,836		3,547,695	
Investments	15	2,125,614		-	
			6,202,450		3,547,695
Current assets					
Stocks	16	122,675		87,797	
Debtors	17	2,823,986		1,958,088	
Cash at bank and in hand		201,960		1,526,978	
		3,148,621		3,572,863	
Creditors: amounts falling due within one year	18	(3,235,961)		(2,379,169)	
Net current (liabilities)/assets			(87,340)		1,193,694
Total assets less current liabilities			6,115,110		4,741,389
Creditors: amounts falling due after more than one year	19		(836,506)		(838,737)
Provisions for liabilities	20		(534,975)		(377,279)
Net assets			4,743,629		3,525,373
Capital and reserves					
Called up share capital	24		4,879		4,635
Share premium account			276,700		76,944
Capital redemption reserve			8,532		8,532
Profit and loss account			4,453,518		3,435,262
Shareholders funds			4,743,629		3,525,373

The notes on pages 16 to 29 form part of these financial statements.

Jet Aire (DC) Limited

**Balance sheet (continued)
31 December 2021**

These financial statements were approved by the board of directors and authorised for issue on 20 September 2022, and are signed on behalf of the board by:

Darren Pavan

Darren Pavan (Sep 29, 2022 10:42 GMT+1)

D J Pavan
Director

Company registration number: 03466126

The notes on pages 16 to 29 form part of these financial statements.

Jet Aire (DC) Limited

**Statement of changes in equity
Year ended 31 December 2021**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£	£
At 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 and 1 January 2021	4,635	76,944	8,532	3,435,262	3,525,373
Profit for the year				1,018,256	1,018,256
Total comprehensive income for the year	-	-	-	1,018,256	1,018,256
Issue of shares	244	199,756			200,000
Total investments by and distributions to owners	244	199,756	-	-	200,000
At 31 December 2021	4,879	276,700	8,532	4,453,518	4,743,629

Jet Aire (DC) Limited

**Statement of cash flows
Year ended 31 December 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	25	679,454	1,895,978
Interest paid		(36,469)	- (33,155)
Interest received		4,733	10,397
Tax paid		(58,413)	(33,602)
Net cash from operating activities		<u>589,305</u>	<u>1,839,618</u>
Cash flows from investing activities			
Purchase of tangible assets		(1,407,657)	(1,481,272)
Proceeds from sale of tangible assets		53,460	45,690
Acquisition of subsidiaries		(2,125,614)	-
Net cash used in investing activities		<u>(3,479,811)</u>	<u>(1,435,582)</u>
Cash flows from financing activities			
Proceeds from issue of ordinary shares		200,000	-
Proceeds from loans from group undertakings		1,288,189	(155,000)
Government grant income		7,015	7,758
Payment of finance lease liabilities		70,284	452,055
Net cash from financing activities		<u>1,565,488</u>	<u>304,813</u>
Net increase/(decrease) in cash and cash equivalents		(1,325,018)	708,849
Cash and cash equivalents at beginning of year		1,526,978	818,129
Cash and cash equivalents at end of year		<u>201,960</u>	<u>1,526,978</u>

Jet Aire (DC) Limited

Notes to the financial statements Year ended 31 December 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 80 Station Parade, Harrogate, North Yorkshire, HG1 1HQ.

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 2021

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.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

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 2021

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 2021

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 2021

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

	2021	2020
	£	£
Government grant income	7,015	7,758
Other operating income	-	165,781
	<u>7,015</u>	<u>173,539</u>

Jet Aire (DC) Limited

Notes to the financial statements (continued) Year ended 31 December 2021

7. Operating profit

Operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible assets	774,522	630,405
(Gain)/loss on disposal of tangible assets	50,534	50,640
Impairment of trade debtors	36,000	16,500
Operating lease rentals	84,391	157,312
Fees payable for the audit of the financial statements	7,000	6,000
	<u>774,522</u>	<u>630,405</u>

8. Employees

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

	2021	2020
Production staff	87	71
Administrative staff	37	32
	<u>124</u>	<u>103</u>

The aggregate payroll costs incurred during the year were:

	2021	2020
	£	£
Wages and salaries	5,370,022	4,449,531
Other pension costs	171,535	106,559
	<u>5,541,557</u>	<u>4,556,090</u>

9. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	173,750	198,259
Company contributions to pension schemes in respect of qualifying services	96,319	23,000
	<u>270,069</u>	<u>221,259</u>

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

	2021	2020
	Number	Number
Defined contribution plans	2	2

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2021

10. Other interest receivable and similar income

	2021	2020
	£	£
Bank deposits	<u>4,733</u>	<u>10,397</u>

11. Interest payable and similar expenses

	2021	2020
	£	£
Other loans made to the company:		
Finance leases and hire purchase contracts	<u>36,469</u>	<u>33,155</u>
	<u>36,469</u>	<u>33,155</u>

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2021

12. Tax on profit

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	50,021	58,413
Adjustments in respect of previous periods	-	(1,079)
Total current tax	<u>50,021</u>	<u>57,334</u>
Deferred tax:		
Origination and reversal of timing differences	<u>157,696</u>	<u>123,736</u>
Tax on profit	<u><u>207,717</u></u>	<u><u>181,070</u></u>

Reconciliation of tax expense

The tax assessed on the profit for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%).

	2021	2020
	£	£
Profit before taxation	<u>1,225,973</u>	<u>943,731</u>
Profit multiplied by rate of tax	232,935	179,309
Adjustments in respect of prior periods	-	(1,079)
Effect of expenses not deductible for tax purposes	27,099	4,556
Effect of capital allowances and depreciation	(50,984)	(242)
Effect of revenue exempt from tax	(1,333)	(1,474)
Tax on profit	<u><u>207,717</u></u>	<u><u>181,070</u></u>

13. Intangible assets

	Goodwill	Total
	£	£
Cost		
At 1 January 2021 and 31 December 2021	<u>156,326</u>	<u>156,326</u>
Amortisation		
At 1 January 2021 and 31 December 2021	<u>156,326</u>	<u>156,326</u>
Carrying amount		
At 31 December 2021	<u>-</u>	<u>-</u>
At 31 December 2020	<u>-</u>	<u>-</u>

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2021

14. Tangible assets

	Short leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 January 2021	-	3,412,912	2,833,392	54,181	6,300,485
Additions	19,306	497,663	880,680	10,008	1,407,657
Disposals	-	(98,796)	(124,385)	(677)	(223,858)
At 31 December 2021	<u>19,306</u>	<u>3,811,779</u>	<u>3,589,687</u>	<u>63,512</u>	<u>7,484,284</u>
Depreciation					
At 1 January 2021	-	1,558,240	1,162,024	32,526	2,752,790
Charge for the year	-	378,193	389,209	7,120	774,522
Disposals	-	(29,240)	(90,018)	(606)	(119,864)
At 31 December 2021	<u>-</u>	<u>1,907,193</u>	<u>1,461,215</u>	<u>39,040</u>	<u>3,407,448</u>
Carrying amount					
At 31 December 2021	<u>19,306</u>	<u>1,904,586</u>	<u>2,128,472</u>	<u>24,472</u>	<u>4,076,836</u>
At 31 December 2020	<u>-</u>	<u>1,854,672</u>	<u>1,671,368</u>	<u>21,655</u>	<u>3,547,695</u>

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 2021	<u>669,741</u>	<u>1,300,509</u>
At 31 December 2020	<u>657,357</u>	<u>1,170,683</u>

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2021

15. Investments

	Shares in group undertakings	Total
	£	£
Cost		
At 1 January 2021	-	-
Additions	2,125,614	2,125,614
At 31 December 2021	<u>2,125,614</u>	<u>2,125,614</u>
Impairment		
At 1 January 2021 and 31 December 2021	<u>-</u>	<u>-</u>
Carrying amount		
At 31 December 2021	<u>2,125,614</u>	<u>2,125,614</u>
At 31 December 2020	<u>-</u>	<u>-</u>

Investments in group undertakings

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Aqueous 1st Kwikflow Limited	80 Station Parade Harrogate HG1 1HQ	Ordinary	100

16. Stocks

	2021	2020
	£	£
Raw materials	<u>122,675</u>	<u>87,797</u>

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2021

17. Debtors

	2021	2020
	£	£
Trade debtors	2,164,712	1,799,066
Amounts owed by group undertakings	500,000	-
Prepayments and accrued income	153,592	144,406
Other debtors	5,682	14,616
	<u>2,823,986</u>	<u>1,958,088</u>

18. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	644,788	599,377
Amounts owed to group undertakings	1,510,270	222,081
Accruals and deferred income	278,984	238,193
Corporation tax	50,021	58,413
Social security and other taxes	202,757	779,599
Obligations under finance leases	547,006	481,506
Other creditors	2,135	-
	<u>3,235,961</u>	<u>2,379,169</u>

£547,006 of the above amount is secured by fixed and floating charges over the company's assets (2020 - £481,506).

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

	2021	2020
	£	£
Accruals and deferred income	40,553	47,568
Obligations under finance leases	795,953	791,169
	<u>836,506</u>	<u>838,737</u>

£795,953 of the above amount is secured by fixed and floating charges over the company's assets (2020 - £791,169).

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2021

20. Provisions

	Deferred tax (note 21)	Total
	£	£
At 1 January 2021	377,279	377,279
Additions	157,696	157,696
At 31 December 2021	<u>534,975</u>	<u>534,975</u>

21. Deferred tax

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

	2021	2020
	£	£
Included in provisions (note 20)	<u>534,975</u>	<u>377,279</u>

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

	2021	2020
	£	£
Accelerated capital allowances	<u>534,975</u>	<u>377,279</u>

22. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £171,535 (2020: £106,559).

23. Government grants

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

	2021	2020
	£	£
Recognised in creditors:		
Deferred government grants due after more than one year	<u>40,553</u>	<u>47,568</u>
Recognised in other operating income:		
Government grants released to profit or loss	<u>7,015</u>	<u>7,758</u>

Jet Aire (DC) Limited

Notes to the financial statements (continued)
Year ended 31 December 2021

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

	2021		2020	
	No	£	No	£
Ordinary A shares of £ 0.10 each	-	-	41,712	4,171
Ordinary B shares of £ 0.10 each	-	-	4,635	464
Ordinary shares of £ 0.10 each	48,787	4,879	-	-
	<u>48,787</u>	<u>4,879</u>	<u>46,347</u>	<u>4,635</u>

25. Cash generated from operations

	2021	2020
	£	£
Cash flows from operating activities		
Profit for the financial year	1,018,256	762,661
Depreciation of tangible assets	774,522	630,405
Government grant income	(7,015)	(7,758)
Other interest receivable and similar income	(4,733)	(10,397)
Interest payable and similar expenses	36,469	33,155
Gain/(loss) on disposal of tangible assets	50,534	50,640
Tax on profit	207,717	181,070
Accrued expenses/(income)	40,791	113,892
<i>Changes in:</i>		
Stocks	(34,878)	(61,362)
Trade and other receivables	(865,898)	(176,492)
Trade and other payables	(536,311)	380,164
Cash generated from operations	<u>679,454</u>	<u>1,895,978</u>

26. Analysis of changes in net debt

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash and cash equivalents	1,526,978	(1,325,018)	201,960
Debt due within one year	(703,587)	(1,353,689)	(2,057,276)
Debt due after one year	(791,169)	(4,784)	(795,953)
	<u>32,222</u>	<u>(2,683,491)</u>	<u>(2,651,269)</u>

Jet Aire (DC) Limited

Notes to the financial statements (continued) Year ended 31 December 2021

27. Operating leases

The company as lessee

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

	2021 £	2020 £
Not later than 1 year	28,500	62,952
Later than 1 year and not later than 5 years	56,250	-
	<u>84,750</u>	<u>62,952</u>

28. Related party transactions

The company is a subsidiary of Adler and Allan Limited. At the year end a net amount of £288,839 (2020 - £nil) was due from Adler and Allan Limited. This amount is interest free and repayable on demand.

Aqueous 1st Kwikflow Limited is this company's subsidiary. At the year end an amount of £1,299,109 (2020 - £nil) was due to that company. This amount is interest free and repayable on demand.

The company and Pro-Shore Limited were companies under common control for part of the year. During the year the company charged Pro-Shore Limited a management fee of £26,667 (2020 - £32,000). The company also recharged various costs amounting to £166,548 (2020 - £413,158). At the year end an amount of £nil (2020 - £42,557) was due to the company.

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

29. Controlling party

The immediate parent undertaking is Adler and Allan Limited, a company incorporated in England and Wales whose registered address is 80 Station Parade, Harrogate, HG1 1HQ.

In the opinion of the directors the ultimate parent company is Tet Topco Limited, a company incorporated in Jersey, which is ultimately controlled by its directors and their financial co-investor Sun European Partners LLP.