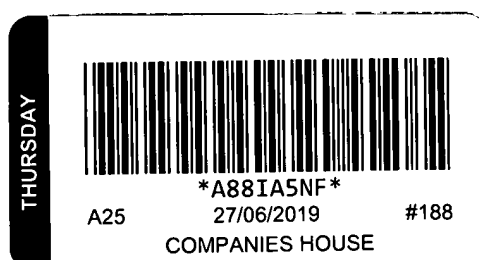


Company Registration No. 06116015 (England and Wales)

**MARCUS EVANS (AVIATION) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**  
**FILLETED ACCOUNTS**



# MARCUS EVANS (AVIATION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.7 Equity instruments**

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

#### **1.8 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.9 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### **1.10 Going concern**

The directors are of the opinion that the financial statements be prepared on a going concern basis which is based on the continued support of the company's bankers and related parties.

Should the company be unable to continue trading, adjustments would have to be made to reduce the assets to their recoverable amount, to provide for any further liabilities and to reclassify fixed assets as current assets.

# MARCUS EVANS (AVIATION) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M P Studd M Van Os
<b>Secretary</b>	M P Studd
<b>Company number</b>	06116015
<b>Registered office</b>	Magnus House 7th Floor, 3 Lower Thames Street London EC3R 6HE
<b>Auditor</b>	Rothmans Audit LLP Trinity Court 34 West Street Sutton Surrey SM1 1SH

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# MARCUS EVANS (AVIATION) LIMITED

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# MARCUS EVANS (AVIATION) LIMITED

## INDEPENDENT AUDITOR'S REPORT TO MARCUS EVANS (AVIATION) LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

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### Opinion

We have audited the financial statements of Marcus Evans (Aviation) Limited (the 'company') for the year ended 30 September 2018 which comprise , the balance sheet 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 30 September 2018 and of its loss 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 the provisions available for small entities, in the circumstances set out in note 9 to the financial statements, 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.

### Emphasis of matter

The company is heavily reliant on the support of fellow group companies to continue as a going concern. In view of the significance of this support we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# MARCUS EVANS (AVIATION) LIMITED

## INDEPENDENT AUDITOR'S REPORT TO MARCUS EVANS (AVIATION) LIMITED (CONTINUED)

### UNDER SECTION 449 OF THE COMPANIES ACT 2006

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#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

#### 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 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 returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

#### 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **MARCUS EVANS (AVIATION) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO MARCUS EVANS (AVIATION) LIMITED (CONTINUED)**

### **UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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#### **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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Andrew Miller BSc FCA (Senior Statutory Auditor)  
for and on behalf of Rothmans Audit LLP**

24/6/19

**Chartered Accountants  
Statutory Auditor**

Trinity Court  
34 West Street  
Sutton  
Surrey  
SM1 1SH

# MARCUS EVANS (AVIATION) LIMITED

## BALANCE SHEET

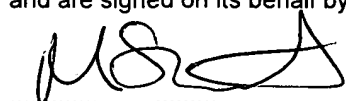
AS AT 30 SEPTEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	2		6,597,476		6,908,050
<b>Current assets</b>					
Debtors	3	18,773		8,224	
Cash at bank and in hand		16,552		24,683	
		<u>35,325</u>		<u>32,907</u>	
<b>Creditors: amounts falling due within one year</b>	4	<u>(4,389,531)</u>		<u>(643,280)</u>	
<b>Net current liabilities</b>			<u>(4,354,206)</u>		<u>(610,373)</u>
<b>Total assets less current liabilities</b>			2,243,270		6,297,677
<b>Creditors: amounts falling due after more than one year</b>	5		(9,695,318)		(12,611,036)
<b>Net liabilities</b>			<u>(7,452,048)</u>		<u>(6,313,359)</u>
<b>Capital and reserves</b>					
Called up share capital	7		1		1
Profit and loss reserves			<u>(7,452,049)</u>		<u>(6,313,360)</u>
<b>Total equity</b>			<u>(7,452,048)</u>		<u>(6,313,359)</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 24/6/19 and are signed on its behalf by:



M P Studd  
Director

Company Registration No. 06116015



# MARCUS EVANS (AVIATION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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### **1 Accounting policies**

#### **Company information**

Marcus Evans (Aviation) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Magnus House, 7th Floor, 3 Lower Thames Street, London, EC3R 6HE.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Marcus Evans (Aviation) Limited is a wholly owned subsidiary of Marcus Evans Worldwide Holdings (IOM) Limited and the results of Marcus Evans (Aviation) Limited are included in the consolidated financial statements of Marcus Evans Worldwide Holdings (IOM) Limited. Copies of these accounts are not publicly available.

#### **1.2 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

#### **1.3 Tangible fixed assets**

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

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

Bombardier C-300 Aircraft	5% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# MARCUS EVANS (AVIATION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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### 1 Accounting policies

(Continued)

#### 1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# MARCUS EVANS (AVIATION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

### 2 Tangible fixed assets

	Bombardier C-300 Aircraft £
<b>Cost</b>	
At 1 October 2017 and 30 September 2018	9,211,472
<b>Depreciation and impairment</b>	
At 1 October 2017	2,303,422
Depreciation charged in the year	310,574
At 30 September 2018	2,613,996
<b>Carrying amount</b>	
At 30 September 2018	6,597,476
At 30 September 2017	6,908,050

### 3 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Other debtors	18,773	8,224

### 4 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	4,319,254	550,351
Trade creditors	63,015	61,389
Taxation and social security	-	31,540
Other creditors	7,262	-
	4,389,531	643,280

### 5 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loans and overdrafts	-	4,197,275
Other creditors	9,695,318	8,413,761
	9,695,318	12,611,036

# MARCUS EVANS (AVIATION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

### 6 Loans and overdrafts

	2018 £	2017 £
Bank loans	4,319,193	4,747,626
Bank overdrafts	61	-
Loans from group undertakings and related parties	9,695,318	8,413,761
	<u>14,014,572</u>	<u>13,161,387</u>
Payable within one year	4,319,254	550,351
Payable after one year	<u>9,695,318</u>	<u>12,611,036</u>

The long-term loans are secured by fixed charges over the assets of Marcus Evans (Aviation) Ltd and other group companies.

Interest on the bank loan is calculated and paid monthly at a variable rate which tracks the one month LIBOR.

The company must maintain a loan-to-value ratio of 80% between the bank loan and the aircraft and if the lender determines that the loan exceeds this value then a prepayment must be made, to bring the loan-to-value ratio back in line, within no more than 20 business days.

As the bank loan is fully repayable within 1 year, new finance has been arranged to facilitate this repayment.

### 7 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 1 Ordinary of £1 each	1	1
	<u>1</u>	<u>1</u>

### 8 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102, section 33 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

### 9 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.