

COMPANY REGISTRATION NUMBER 06528991

Flairjet Limited
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2013

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Flairjet Limited
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

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Flairjet Limited

OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors	W C M Dastur R D Marshall G J Clark S J Fitz-Gerald S K Jones
Company secretary	S J Moynihan
Registered office	Airport House The Airport Newmarket Road Cambridge CB5 8RY
Auditor	Ernst & Young LLP One Cambridge Business Park Cambridge CB4 0WZ
Bankers	Coutts & Co 440 Strand London WC2R 0QS

Flairjet Limited

THE STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2013

As required by the amendments to the Companies Act 2006, effective 30 September 2013, the directors of Flairjet Limited (the 'company') present the Report and Financial Statements containing a strategic report, directors' report and the financial statements for the year ended 31 December 2013

Principal activities

The company's principal activities are the management and charter of business jet aircraft. The directors expect these activities to continue in the foreseeable future.

Analysis of financial key performance indicators

The company measures its performance on a number of key performance indicators, including revenue, gross margin, fleet size and flying hours as discussed below.

	12 months ended 31 December 2013	9 months ended 31 December 2012	Change
Turnover	£3,427,945	£1,972,759	+73.8%
Gross margin %	29.2%	36.0%	-6.8%
Loss before tax on sales %	-1.2%	-5.8%	+4.2%
Average Fleet Size			
Group Owned Aircraft	2.0	-	+2.0
Managed Aircraft	1.5	3.0	-1.5
Private Managed Aircraft	0.5	1.0	-0.5
Total	4.0	4.0	-
Flying Hours			
Group Owned Aircraft	797	-	797
Managed Aircraft	340	980	-640
Total	1,137	980	157

Business review

Statement of income

The company made a loss for the financial year, after taxation of £38,365 (2012 loss of £113,992). The performance in 2013 is in line with the expectations of the directors, and the directors believe the results for the year reflect the ongoing trading performance of the company.

On 19 February 2013 the company was acquired by Marshall of Cambridge Aerospace Limited, a subsidiary of Marshall of Cambridge (Holdings) Limited. As a result, responsibility for managing the two aircraft owned by Marshall Executive Aviation (MEA) was transferred to the company. The increase in turnover during 2013 was therefore driven by the overall increase in flying hours combined with the fact that the two MEA aircraft were able to accommodate more passengers than the smaller aircraft managed by the company during 2012. The larger aircraft were therefore able to be charged out to customers at a higher rate than the aircraft under management in 2012.

Further growth in the size of the fleet under management will be critical to improving the overall financial performance of the company going forward and appropriate business plans are in place to support this growth.

Flairjet Limited

THE STRATEGIC REPORT (*continued*)

YEAR ENDED 31 DECEMBER 2013

Statement of income (continued)

The directors work closely with management to anticipate risks from economic or global factors and plan accordingly. An evaluation of the potential impact of market factors is undertaken regularly by the management so that the company can respond appropriately.

Statement of financial position

As noted above, on 19 February 2013 the company was acquired by Marshall of Cambridge Aerospace Limited. The directors believe this acquisition will be positive for the company, allowing access to market synergies together with providing greater financial support and stability for the business. Total assets less liabilities have decreased by £38,565 to a net liability of £225,870 (2012 net liabilities of £187,505) due to the loss in the year.

Statement of cash flow

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the Report and Financial Statements on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement which is publicly available.

Principal risks and uncertainties

The company has implemented a co-ordinated set of risk management and control systems, including strategic planning and management reporting, to help anticipate, measure, monitor and manage its exposure to risk.

The principle risks which the company faces include,

Business conditions, general economy and price/service competition

The global markets in which the company operates are intensively competitive and the profitability of the company is inevitably influenced by the global economic conditions which affect spending decisions by our customers.

Regulatory and legal environment

The company operates in an environment which is committed to maintaining the highest standards of safety and as such has to adhere to a strict regulatory and legal regime. These can change at any time and thus pose an operational risk to the business. In order to manage this risk and ensure full compliance, the company operates a Safety Management System (SMS) that meets the requirements of International Civil Aviation Organisation (ICAO) Document 9859 and EASA Regulation 216/2008. This SMS provides an organised risk management approach to managing safety in all aspects of the company's operations.

Skills availability

The UK aerospace skills base is under pressure with falling numbers available in the resource pool. The company continues to invest strongly in training to protect itself from this threat to its business although a fall in demand could put pressure on employment levels that then become economically unsustainable. Increasing global competition could hamper the company's ability to recruit and retain the very best skilled technicians and employees.

Credit risk and interest rate risk

The directors have considered the impact and have appropriate plans to mitigate credit risk on the business and, given the nature of the company's customer base, do not consider it to be significant.

Flairjet Limited

THE STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

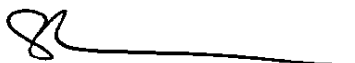
Principal risks and uncertainties *(continued)*

Liquidity and cash flow risk

Liquidity and cash flow risks relate to the ability to pay for goods and services required by the company to trade on a day to day basis. The company participates in the group's treasury arrangements coordinated by the company's immediate parent Marshall of Cambridge (Holdings) Limited. Under this arrangement, it has access to and shares banking arrangements and facilities with its parent and fellow group undertakings.

The directors have considered the current and future activities of the company, including cash forecasts for a period covering at least the next 12 months, and do not consider the liquidity and cash flow risks to be significant.

Signed by order of the board of directors



S J Moynihan
Company Secretary

Approved by the directors on 29 April 2014

Airport House
The Airport
Newmarket Road
Cambridge
CB5 8RY

Flairjet Limited

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2013

The directors present their Report and Financial Statements of the company for year ended 31 December 2013

DIRECTORS

The directors who served the company during the year and to the date of this report, except as stated otherwise, were as follows

W C M Dastur (Appointed 19 February 2013)
R D Marshall (Appointed 19 February 2013)
G J Clark (Appointed 19 February 2013)
S J Fitz-Gerald (Appointed 19 February 2013)
S K Jones (Appointed 24 June 2013)
I D Winter (Resigned on 19 February 2013)
J Kelsey-Fry (Resigned on 19 February 2013)
N R Purnell (Resigned on 19 February 2013)

In accordance with the Articles of Association, R D Marshall retires by rotation and, being eligible, offers himself for re-election S K Jones, following his first appointment, retires and offers himself for re-election

R D Marshall, W C M Dastur and S J Fitzgerald are also directors of the ultimate parent company and their interests in the share capital of the ultimate parent company are disclosed in that company's financial statements No other director had any interest in the share capital of the company or of any other group company at the year end

None of the directors holding office at 31 December 2013 had notified a beneficial interest in any contract to which the company or its subsidiary undertakings were a party during the financial year

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The ultimate parent company purchased and maintained a directors' and officers' liability insurance policy from the date the company was acquired Although a director's defense costs may be met, neither the ultimate parent company's indemnity nor insurance provides cover in the event that he is proved to have acted fraudulently or dishonestly

DIVIDENDS

The directors have not recommended the payment of a dividend (nine months ended 31 December 2012 £nil)

GOING CONCERN

The company's business activities, together with the factors and risks likely to affect its future development and position, are set out in the Strategic Report on pages 2 to 4

The company has received a letter of support from its ultimate parent undertaking allowing it to participate in the group's treasury arrangements coordinated by Marshall of Cambridge (Holdings) Limited Under this arrangement, it has access to and shares banking arrangements and facilities with its ultimate parent and fellow undertakings

The directors, having considered the company's forecast cash flows for the foreseeable future and having assessed the responses of the directors of the company's ultimate parent to their enquiries have no reason to believe that a significant uncertainty exists that may cast doubt about the ability of the Marshall of Cambridge (Holdings) Limited group to continue as a going concern or its ability to continue with the current banking arrangements

Flairjet Limited

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

GOING CONCERN *(continued)*

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Marshall of Cambridge (Holdings) Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing their report and financial statements.

EMPLOYEE PARTICIPATION

The company recognises the importance of good communications and relations with its employees and the requirements of the Information and Consultation of Employees Regulations 2004. It is company policy to keep employees as fully informed as possible on matters which affect them through communication procedures, which include regular briefings, consultative committees and through its regular newsletter, One Read. These arrangements are continually being reviewed and updated to ensure the Group meets the latest standards.

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

EQUAL OPPORTUNITIES

The company is committed to its Equal Opportunities policy covering recruitment, training and development, performance review and career progression. The company recognises the diversity of its employees and seeks to use their talents and abilities to the full. This approach extends to the fair treatment of employees with disabilities in relation to their recruitment, training and development. Full consideration is given to the retention of employees who become disabled during employment.

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

POLITICAL AND CHARITABLE DONATIONS

During the year the company made no charitable or political contributions (9 months ended 31 December 2012: £nil).

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditors, each director has taken all steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Flairjet Limited

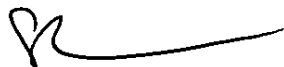
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

AUDITOR

In accordance with section 487(2) of the Companies Act 2006, Ernst and Young LLP will continue in office as auditor of the Company

Signed by order of the board of directors



S J Moynihan
Company Secretary

Approved by the directors on 29 April 2014

Registered office
Airport House
The Airport
Newmarket Road
Cambridge
CB5 8RY

Flairjet Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 DECEMBER 2013

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare report and financial statements for each financial year. Under that law the directors have elected to prepare the report and 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 report and financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those report and financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the report and financial statements, and
- prepare the report and 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 report and 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FLAIRJET LIMITED

We have audited the financial statements of Flairjet Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' review of the business to identify material inconsistencies with the audited Report and Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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,

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
FLAIRJET LIMITED *(continued)***

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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

Matters on which we are required to report by exception

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



Bob Forsyth (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge, UK
29 April 2014

Flairjet Limited
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2013

		12 months ended 31 December 2013 £	9 months ended 31 December 2012 £
TURNOVER	Note 2	3,427,945	1,972,759
Cost of sales		(2,428,352)	(1,261,955)
GROSS PROFIT		999,593	710,804
Administrative expenses		(1,040,837)	(820,122)
Other operating income	3	-	2,641
OPERATING LOSS	4	(41,244)	(106,677)
Interest receivable and similar income	7	485	-
Interest payable and similar charges	8	(105)	(7,315)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(40,864)	(113,992)
Tax on loss on ordinary activities	9	2,499	-
LOSS FOR THE FINANCIAL PERIOD	17	(38,365)	(113,992)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the losses for the current year and preceding period as set out above and therefore no statement of recognised gains and losses is presented

The notes on pages 13 to 22 form part of these Report and Financial Statements

Flairjet Limited

BALANCE SHEET

YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	10	4,437	3,759
CURRENT ASSETS			
Debtors	11	342,292	239,571
Cash at bank		245,694	31,516
		587,986	271,087
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(818,293)	(462,351)
NET CURRENT LIABILITIES		(230,307)	(191,264)
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET LIABILITIES		(225,870)	(187,505)
CAPITAL AND RESERVES			
Called-up share capital	16	500,000	500,000
Profit and loss account	17	(725,870)	(687,505)
SHAREHOLDERS' DEFICIT	17	(225,870)	(187,505)

These financial statements were approved by the directors and authorised for issue 29 April 2014 and are signed on their behalf by



G J CLARK
Director



S J FITZ-GERALD
Director

Company Registration Number 06528991

The notes on pages 13 to 22 form part of these Report and Financial Statements

Flairjet Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with UK Accounting Standards

(b) Going Concern

The company's business activities, together with the factors and risks likely to affect its future development and position, are set out in the Strategic Report on pages 2 to 4

The company has received a letter of support from its ultimate parent undertaking allowing it to participate in the group's treasury arrangements coordinated by Marshall of Cambridge (Holdings) Limited. Under this arrangement, it has access to and shares banking arrangements and facilities with its ultimate parent and fellow undertakings

The directors, having considered the company's forecast cash flows for the foreseeable future and having assessed the responses of the directors of the company's ultimate parent to their enquiries have no reason to believe that a significant uncertainty exists that may cast doubt about the ability of the Marshall of Cambridge (Holdings) Limited group to continue as a going concern or its ability to continue with the current banking arrangements

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Marshall of Cambridge (Holdings) Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing their report and financial statements

(c) Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the Report and Financial Statements on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement which is publicly available

(d) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company excluding trade discounts and value added tax. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The specific methods used to recognise the different forms of revenue earned by the company are set out below

i) Group owned / full service aircraft management contracts

Where the company retains the principle risks and rewards related to the management or charter of an aircraft then it accounts for the revenue and costs related to those transactions as principal. As such, the value of revenue related to the provision of those aircraft related services, including third party charter income, is recognized in full

ii) Other aircraft management services

Where the company operates a more restricted management service for an owner, or where it is not exposed to the normal operational risks associated with chartering aircraft for third party use, then turnover represents the fair value of the management service provided. Under this restricted risk and reward scenario, the revenue related to the charter of aircraft to a third party is restricted to the commission receivable by the company for arranging the charter

Flairjet Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1. Accounting Policies *(continued)*

(e) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or the forward contract if appropriate. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

(f) Tangible fixed assets

Tangible fixed assets are stated at costs less accumulated depreciation and accumulated impairment losses.

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

Fixtures & Fittings	25% on a reducing balance basis
Office Equipment	33% on a straight line basis

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

(g) Pension costs

Marshall of Cambridge (Holdings) Limited group operates a number of different pension funds, including both defined contribution and defined benefit schemes, for the employees of the group. The assets of all the schemes are held in independently administered trust funds. For the defined contribution schemes, contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

For the defined benefit scheme, it is not possible for the group to apportion the underlying assets and liabilities of the scheme to the individual companies on a consistent and reasonable basis. The company's policy is therefore to account for the contributions to the scheme as if it were a defined contribution scheme.

(h) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(i) Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Flairjet Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

2. Turnover

The turnover and profit before tax are attributable to the company's principal activity of the management and charter of business jet aircraft

An analysis of turnover by geographical destination is given below

	12 months ended 31 December 2013 £	9 months ended 31 December 2012 £
United Kingdom	2,944,163	1,688,591
Rest of Europe	355,730	210,475
Rest of World	128,052	73,693
	<u>3,427,945</u>	<u>1,972,759</u>

3. Other Operating Income

	12 months ended 31 December 2013 £	9 months ended 31 December 2012 £
EU VAT Reclaimed	-	2,641

4. Operating loss

Operating loss is stated after charging

	12 months ended 31 December 2013 £	9 months ended 31 December 2012 £
Depreciation of owned tangible fixed assets	4,064	2,774
Operating lease costs – Land and buildings	23,000	22,000
Foreign exchange losses	22,000	183

Auditor's remuneration

Auditor's remuneration is as follows

	12 months ended 31 December 2013 £	9 months ended 31 December 2012 £
Audit services to the company	12,500	-
Taxation services	6,000	2,000
	<u>18,500</u>	<u>2,000</u>

Flairjet Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

5. Particulars of Employees

The average number of staff employed by the company (including executive directors) during the financial year amounted to

	12 months ended 31 December 2013 No.	9 months ended 31 December 2012 No.
Sales, administration and management	<u>16</u>	<u>19</u>

The aggregate payroll costs of the above were

	12 months ended 31 December 2013 £	9 months ended 31 December 2012 £
Wages and salaries	662,781	435,601
Social security costs	73,985	52,325
Other pension costs	8,592	-
	<u>745,358</u>	<u>487,926</u>

6. Directors' Remuneration

R D Marshall, W C M Dastur, S Fitz-Gerald G J Clark and S K Jones are also directors of other subsidiary undertakings of the ultimate parent undertaking and provide their services to all of the undertakings where they are a director. The directors have considered the proportion of their total remuneration which is received in respect of the provision of their services as a director of the Company and have concluded that the amount is negligible (9 months ended 31 December 2012 £nil). The total remuneration of R D Marshall, W C M Dastur and S Fitz-Gerald are disclosed within the financial statements of the ultimate parent undertaking. The total remuneration of G J Clark and S K Jones are disclosed within the financial statements of the immediate parent undertaking. I D Winter, J Kelsey-Fry and N R Purnell received no remuneration for their qualifying services as directors of the company (9 months ended 31 December 2012 £nil).

7. Interest Receivable and Similar Income

	12 months ended 31 December 2013 £	9 months ended 31 December 2012 £
Bank interest receivable	<u>485</u>	<u>-</u>

8. Interest Payable and Similar Charges

	12 months ended 31 December 2013 £	9 months ended 31 December 2012 £
Bank interest payable	<u>105</u>	<u>7,315</u>

Flairjet Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

9. Tax on Loss on Ordinary Activities

(a) Analysis of credit in the period

	12 months ended 31 December 2013 £	9 months ended 31 December 2012 £
Current tax:		
UK Corporation tax based on the results for the year at 23.25% (9 months ended 31 December 2012 24.00%)	-	-
Deferred tax		
Origination and reversal of timing differences	(2,499)	-
Tax on loss on ordinary activities	(2,499)	-

(b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the period is different from the standard rate of corporation tax in the UK of 23.25% (9 months ended 31 December 2012 24.00%)

	12 months ended 31 December 2013 £	9 months ended 31 December 2012 £
Loss on ordinary activities before taxation	(40,864)	(113,992)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK	(9,500)	(27,358)
Effect of		
Expenses not deductible for tax purposes	6,540	-
Depreciation for period in excess of capital allowances	721	-
Other short term timing differences	2,915	-
Utilisation of brought forward tax losses	(676)	-
Unrecognised tax losses	-	27,358
Total current tax (note 9(a))	-	-

(c) Factors that may affect future tax charges

The Finance Act 2013 reduced the main rate of UK corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015. Deferred tax assets and liabilities at 31 December 2013 have been calculated at 20% and the reduction in the deferred tax asset/liability has been included within the tax charge for the year.

The company has carried forward tax losses of £495,774 being a potential deferred tax asset of £99,155, which would be available to offset against future taxable profits. Since the losses will only be available against the company's profits (rather than available as group relief surrendered to entities within the Marshall of Cambridge (Holdings) Limited group), together with the fact that the Directors' do not feel that the company will return to profitability within the near future, no deferred tax asset in respect of losses has been recognised.

Flairjet Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

10. Tangible Fixed Assets

	Fixtures & Fittings £	Office Equipment £	Total £
Cost			
At 1 January 2013	3,083	12,424	15,507
Additions	133	4,609	4,742
At 31 December 2013	<u>3,216</u>	<u>17,033</u>	<u>20,249</u>
Depreciation			
At 1 January 2013	1,808	9,940	11,748
Charge for the year	1,062	3,002	4,064
At 31 December 2013	<u>2,870</u>	<u>12,942</u>	<u>15,812</u>
Net Book Value			
At 31 December 2013	<u>346</u>	<u>4,091</u>	<u>4,437</u>
At 31 December 2012	<u>1,275</u>	<u>2,484</u>	<u>3,759</u>

11 Debtors

	2013 £	2012 £
Trade debtors	180,411	131,727
VAT recoverable	10,550	-
Other debtors	17,364	50,728
Prepayments and accrued income	131,468	57,116
Deferred tax asset (see note 12)	2,499	-
	<u>342,292</u>	<u>239,571</u>

Flairjet Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

12 Deferred Taxation

The movement in the deferred tax asset during the year was:

	12 months ended 31 December 2013 £	9 months ended 31 December 2012 £
Balance brought forward	-	-
Profit and loss credit for the period	2,499	-
Balance carried forward	2,499	-
The deferred tax asset consists of the tax effect of timing differences in respect of		
	2013 £	2012 £
Excess of depreciation over taxation allowances	9	-
Other short term timing differences	(2,508)	-
	2,499	-

13. Creditors: Amounts Falling due Within One Year

	2013 £	2012 £
Trade creditors	57,529	207,592
Amounts owed to group undertakings	523,911	-
Other taxes and social security	25,434	20,149
Other creditors	717	-
Accruals and deferred income	210,702	234,610
	818,293	462,351

14. Pensions

The company participates in the defined contribution pension scheme operated by Marshall of Cambridge (Holdings) Limited (the "Group") for the benefit of its employees. The scheme is funded by the payment of contributions to trustee administered funds which are kept independently from the assets of the Group.

The total pension cost for the year for the company in respect of defined contribution schemes was £8,592 (2012 - £nil)

15 Commitments Under Operating Leases

The company has an agreement with Oxford Airport to rent offices from them for a rental of £2,001 per month. This agreement represents a tenancy at will and is terminable by either party at any time.

Flairjet Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

16. Related Party Transactions

At the year end, the following amounts were owed to directors

I D Winter	£nil	(2012 £30,000)
J Kelsey-Fry	£nil	(2012 £30,000)
N R Purnell	£nil	(2012 £34,500)

The director loan accounts were paid back in full on the 25 April 2013. The full amount of repayment came to £144,500. An additional £50,000 had been paid into the company by N R Purnell as working capital on 29 January 2013 which increased his director loan balance up to £84,500. Under the terms of the loans no interest cost were applicable on the amounts.

The company has taken advantage of the exemption in FRS 8 not to disclose transactions with fellow subsidiary undertakings of the Marshall of Cambridge (Holdings) Limited group.

17. Share Capital

	2013 £	2012 £
Allotted, called up and fully paid:		
500,000 Ordinary shares of £1 each	500,000	500,000

18. Reconciliation of Shareholders' Deficit and Movement on Reserves

	Share capital £	Profit and loss account £	Total share-holders' funds £
Balance brought forward at 1 April 2012	500,000	(573,513)	(73,513)
Loss for the financial period	-	(113,992)	(113,992)
Balance brought forward at 1 January 2013	500,000	(687,505)	(187,505)
Loss for the financial year	-	(38,365)	(38,365)
Balance carried forward at 31 December 2013	500,000	(725,870)	(225,870)

19. Ultimate Parent Company and Controlling Party

The immediate parent undertaking is Marshall of Cambridge Aerospace Limited.

The parent undertaking of the smallest and the largest group of undertakings for which group accounts are drawn up and of which the company is a member is Marshall of Cambridge (Holdings) Limited, registered in England and Wales, and this is therefore considered to be the ultimate parent undertaking and controlling party. Copies of the group accounts can be obtained from Marshall of Cambridge (Holdings) Limited, Airport House, The Airport, Cambridge, CB5 8RY.

