



Zenith Aviation Limited
Financial Statements
31 March 2017

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Zenith Aviation Limited

Financial Statements

Year ended 31 March 2017

Contents	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report to the members	4
Statement of income and retained earnings	6
Statement of financial position	7
Notes to the financial statements	8

Zenith Aviation Limited
Officers and Professional Advisers

Director	S Mulholland K J Barber K R Spencer G Humphreys
Company secretary	C J Payne
Registered office	45 Westerham Road Bessels Green Sevenoaks Kent United Kingdom TN13 2QB
Auditor	RSM UK Audit LLP Chartered Accountants & statutory auditor Hanover House 18 Mount Ephraim Road Tunbridge Wells Kent TN1 1ED
Bankers	National Westminster Bank Plc 27 South Street Worthing West Sussex BN11 3AR

Zenith Aviation Limited

Directors' Report

Year ended 31 March 2017

The directors present their report and the financial statements of the company for the year ended 31 March 2017.

Directors

The directors who served the company since 1 April 2016 were as follows:

S Mulholland
K J Barber (appointed 13 April 2017)
K R Spencer (appointed 13 April 2017)
G Humphreys (appointed 13 April 2017)

Principal activities

The principal activity of the company during the period was to provide a bespoke charter aircraft service - for business or leisure, along with aircraft management and maintenance services.

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.

A resolution to reappoint RSM UK Audit LLP as auditors will be proposed at the forthcoming Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 26 January 2018 and signed on behalf of the board by:



K J Barber

Director

Registered office:
45 Westerham Road
Bessels Green
Sevenoaks
Kent
United Kingdom
TN13 2QB

Zenith Aviation Limited

Directors' Responsibilities Statement

Year ended 31 March 2017

The directors are responsible for preparing the 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

Zenith Aviation Limited

Independent Auditor's Report to the Members of Zenith Aviation Limited

Year ended 31 March 2017

Opinion on financial statements

We have audited the financial statements on pages 6 to 14. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the period 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, 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 any 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 from the requirement to prepare a strategic report or in preparing the Directors' Report.

Zenith Aviation Limited

Independent Auditor's Report to the Members of Zenith Aviation Limited

(continued)

Year ended 31 March 2017

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, 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.

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.

RSM UK Audit Ltd

Gary Purdy (Senior Statutory Auditor)
RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent
TN11 1ED

26 January 2018

Zenith Aviation Limited
Statement of Income and Retained Earnings
Year ended 31 March 2017

	Note	2017 £	2016 £
Turnover		8,235,852	3,757,478
Cost of sales		<u>(7,436,199)</u>	<u>(3,923,681)</u>
Gross profit/(loss)		799,653	(166,203)
Administrative expenses		<u>(2,363,192)</u>	<u>(2,081,640)</u>
Operating loss		(1,563,539)	(2,247,843)
Loss before taxation	6	<u>(1,563,539)</u>	<u>(2,247,843)</u>
Taxation on ordinary activities	7	<u>—</u>	<u>—</u>
Loss for the financial year and total comprehensive income		<u>(1,563,539)</u>	<u>(2,247,843)</u>
Retained losses at the start of the year		<u>(4,003,587)</u>	<u>(1,755,744)</u>
Retained losses at the end of the year		<u>(5,567,126)</u>	<u>(4,003,587)</u>

All the activities of the company are from continuing operations.

The notes on pages 8 to 14 form part of these financial statements.

Zenith Aviation Limited
Statement of Financial Position
31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	8	98,396	119,299
Current assets			
Debtors	9	1,306,637	624,981
Cash at bank and in hand		<u>186,108</u>	<u>133,285</u>
		1,492,745	758,266
Creditors: amounts falling due within one year	10	<u>(7,058,266)</u>	<u>(4,781,151)</u>
Net current liabilities		<u>(5,565,521)</u>	<u>(4,022,885)</u>
Total assets less current liabilities		<u>(5,467,125)</u>	<u>(3,903,586)</u>
Net liabilities		<u>(5,467,125)</u>	<u>(3,903,586)</u>
Capital and reserves			
Called up share capital		1	1
Share premium account		100,000	100,000
Profit and loss account		<u>(5,567,126)</u>	<u>(4,003,587)</u>
Members deficit		<u>(5,467,125)</u>	<u>(3,903,586)</u>

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

These financial statements were approved by the board of directors and authorised for issue on 26 January 2018, and are signed on behalf of the board by:



K J Barber
Director

Company registration number: 07395401

The notes on pages 8 to 14 form part of these financial statements.

Zenith Aviation Limited
Notes to the Financial Statements
Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB, United Kingdom.

The principal activity of the company during the period was to provide a bespoke charter aircraft service for business or leisure, along with aircraft management and maintenance services.

2. Statement of compliance

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.

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. Monetary amounts in these financial statements are rounded to the nearest whole £.

Going concern

At 31 March 2017, the company had net current liabilities of £5,565,521 (2016: £4,022,885) and net liabilities of £5,467,125 (2016: £3,903,586). The company has the continued financial support of group companies. Based on this support, the company will have sufficient resources to meet its financial liabilities as they fall due and the Directors have therefore prepared the financial statements on the going concern basis.

Should the company be unable to meet its liabilities as they fall due, adjustments would have to be made to the financial statements to reduce the value of assets to their recoverable amount and to provide for any further liabilities which may arise.

Revenue recognition

The turnover shown in the profit and loss account represents amounts receivable during the period, exclusive of Value Added Tax. Revenue is recognised at the point when charter flights services have been provided.

Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Zenith Aviation Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, 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 be paid or recovered 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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost.

Depreciation

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

Plant and machinery	-	20% straight line
Fixtures and fittings	-	20% straight line
Office and computer equipment	-	20% (Office) or 33% (IT) straight line

Zenith Aviation Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Zenith Aviation Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not consider there to be estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

4. Auditor's remuneration

	2017 £	2016 £
Fees payable for the audit of the financial statements	<u>14,000</u>	<u>13,150</u>

5. Particulars of employees

The average number of persons employed by the company during the year, including the directors, amounted to 34 (2016: 27).

6. Loss before taxation

Loss before taxation is stated after charging:

	2017 £	2016 £
Depreciation of tangible assets	<u>28,216</u>	<u>48,595</u>

Zenith Aviation Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

7. Taxation on ordinary activities

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017 £	2016 £
Loss on ordinary activities before taxation	(1,563,539)	(2,247,843)
Loss on ordinary activities by rate of tax	(312,708)	(449,569)
Effect of expenses not deductible for tax purposes	1,055	863
Rounding on tax charge	1	–
Adjust closing deferred tax	92,495	91,496
Deferred tax not recognised	219,157	357,210
Tax on loss	–	–

8. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 April 2016	157,305	13,502	80,321	251,128
Additions	7,313	–	–	7,313
At 31 March 2017	164,618	13,502	80,321	258,441
Depreciation				
At 1 April 2016	71,007	6,061	54,761	131,829
Charge for the year	18,510	2,701	7,005	28,216
At 31 March 2017	89,517	8,762	61,766	160,045
Carrying amount				
At 31 March 2017	75,101	4,740	18,555	98,396
At 31 March 2016	86,298	7,441	25,560	119,299

9. Debtors

	2017 £	2016 £
Trade debtors	470,219	146,324
Other debtors	836,418	478,657
	1,306,637	624,981

Zenith Aviation Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

10. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	297,568	254,253
Amounts owed to group undertakings	5,074,931	3,422,194
Social security and other taxes	61,438	40,837
Other creditors	1,624,329	1,063,867
	<u>7,058,266</u>	<u>4,781,151</u>

Barclays Bank Plc hold a deed of charge over all monies due or to become due from the company to the charge on any account whatsoever.

Deutsche Bank Luxembourg S A hold a charge relating to an aircraft that Zenith Aviation Limited leases.

11. Commitments under operating leases

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

	2017	2016
	£	£
Not later than 1 year	253,667	137,000
Later than 1 year and not later than 5 years	348,000	348,000
Later than 5 years	1,333,971	1,420,971
	<u>1,935,638</u>	<u>1,905,971</u>

Zenith Aviation Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

12. Related party transactions

Transactions between the company and its related parties are disclosed below:

Other related parties

	2017 £	2016 £
Charter flight services	674,547	581,581
Recharged aircraft and maintenance costs	172,573	95,003
Recharged staff and related costs	(579,177)	(707,850)
Recharged telephone and printing costs	(61,565)	(47,931)
Consultancy fees	(135,608)	(122,750)
Insurance costs	(129,324)	–
Additional funding from related parties	–	150,000

The following amounts were outstanding at the reporting end date:

Amounts owed by related parties

	2017 £	2016 £
Other related parties	–	50,857

Amounts owed to related parties

	2017 £	2016 £
Other related parties	1,409,225	858,591

Other related parties comprise companies in the group headed by Markerstudy Holdings Limited and are related by virtue of common control.

There was also £8,010 of reimbursed expenses paid to S Mulholland in the year (2016: £1,061), none of which remained outstanding at the year end.

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received.

13. Controlling party

The parent company of Zenith Aviation Limited is Jet Aircraft Limited. Jet Aircraft Limited is a wholly owned subsidiary of SQIB Limited. SQIB Limited is a company registered in England and Wales. The smallest group for which consolidated accounts that include the company are prepared for is headed by SQIB Limited. Copies of these financial statements may be obtained from 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.

The ultimate parent undertaking is Armatire Limited, which owns 75% shareholding in SQIB Limited. K R Spencer owns a 100% shareholding in Armatire Limited. The largest group for which consolidated accounts that include the company are prepared for is headed by Armatire Limited. Copies of these financial statements may be obtained from 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.