

**Zenith Aviation Limited**  
**Financial Statements**  
**31 March 2019**



# **Zenith Aviation Limited**

## **Financial Statements**

**Year ended 31 March 2019**

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**Zenith Aviation Limited**  
**Officers and Professional Advisers**

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

# Zenith Aviation Limited

## Directors' Report

Year ended 31 March 2019

The directors present their report and the financial statements of the company for the year ended 31 March 2019.

### Directors

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

G Humphreys  
K J Barber  
K R Spencer  
S Mulholland

### 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.

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an 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 20 December 2019 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 2019**

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 2019**

### **Opinion**

We have audited the financial statements of Zenith Aviation Limited (the 'company') for the year ended 31 March 2019 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position 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 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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**

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 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.

# **Zenith Aviation Limited**

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

**Year ended 31 March 2019**

### **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 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 in relation to which 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 take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

### **Responsibilities of directors**

As explained more fully 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, 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.

# Zenith Aviation Limited

## Independent Auditor's Report to the Members of Zenith Aviation Limited (continued)

Year ended 31 March 2019

### 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.

RSM UK Audit LLP

Gary Purdy (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Hanover House  
18 Mount Ephraim Road  
Kent  
TN1 1ED

Date: 20 December 2019



# Zenith Aviation Limited

## Statement of Income and Retained Earnings

Year ended 31 March 2019

	Note	2019 £	2018 £
<b>Turnover</b>	<b>4</b>	<b>9,768,277</b>	8,967,386
Cost of sales		<u>9,636,954</u>	<u>7,359,297</u>
<b>Gross profit</b>		<b>131,323</b>	1,608,089
Administrative expenses		<u>2,025,627</u>	<u>2,142,421</u>
<b>Operating loss</b>		<b>(1,894,304)</b>	(534,332)
Interest payable		<u>81,293</u>	<u>70,671</u>
<b>Loss before taxation</b>	<b>7</b>	<b>(1,975,597)</b>	(605,003)
Taxation on ordinary activities	<b>8</b>	<u>—</u>	<u>—</u>
<b>Loss for the financial year and total comprehensive income</b>		<b><u>(1,975,597)</u></b>	<b><u>(605,003)</u></b>
<b>Retained losses at the start of the year</b>		<b>(6,172,129)</b>	(5,567,126)
<b>Retained losses at the end of the year</b>		<b><u>(8,147,726)</u></b>	<b><u>(6,172,129)</u></b>

All the activities of the company are from continuing operations

The notes on pages 9 to 16 form part of these financial statements.

**Zenith Aviation Limited**  
**Statement of Financial Position**  
**31 March 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	9	68,721	62,050
<b>Current assets</b>			
Debtors	10	1,443,926	1,161,604
Cash at bank and in hand		327,184	262,807
		<u>1,771,110</u>	<u>1,424,411</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(8,313,867)</u>	<u>(5,984,900)</u>
<b>Net current liabilities</b>		<b>(6,542,757)</b>	<b>(4,560,489)</b>
<b>Total assets less current liabilities</b>		<b>(6,474,036)</b>	<b>(4,498,439)</b>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(1,573,689)</u>	<u>(1,573,689)</u>
<b>Net liabilities</b>		<u><b>(8,047,725)</b></u>	<u><b>(6,072,128)</b></u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Share premium account		100,000	100,000
Profit and loss account		<u>(8,147,726)</u>	<u>(6,172,129)</u>
<b>Shareholders deficit</b>		<u><b>(8,047,725)</b></u>	<u><b>(6,072,128)</b></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 20 December 2019 and are signed on behalf of the board by:



K J Barber  
Director

Company registration number: 07395401

The notes on pages 9 to 16 form part of these financial statements.

**Zenith Aviation Limited**  
**Notes to the Financial Statements**  
**Year ended 31 March 2019**

**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.

**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, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

**Going concern**

As at 31 March 2019, the company had net current liabilities of £6,542,757. The company meets its ongoing liabilities through funding provided by other group companies and has the continued financial support of its ultimate controlling shareholder, K R Spencer, who has confirmed that he will provide continuing support for at least the period to May 2021. 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.

**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.

# **Zenith Aviation Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2019**

### **3. Accounting policies *(continued)***

#### **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.

#### **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.

#### **Tangible assets**

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

#### **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 2019**

### **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 2019

### 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. Turnover

Turnover arises from:

	2019 £	2018 £
Commissions	<u>9,768,277</u>	<u>8,967,386</u>

Turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 5. Auditor's remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>15,750</u>	<u>16,200</u>

### 6. Particulars of employees

The average number of persons employed by the company during the year amounted to 49 (2018: 40).

### 7. Loss before taxation

Loss before taxation is stated after charging:

	2019 £	2018 £
Depreciation of tangible assets	30,737	43,916
Interest payable to related parties	<u>81,293</u>	<u>70,671</u>

# Zenith Aviation Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2019

#### 8. Taxation on ordinary activities

##### Reconciliation of tax on income

The tax assessed on the loss on ordinary activities for the year is the same as (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Loss on ordinary activities before taxation	<b>(1,975,597)</b>	<b>(605,003)</b>
Loss on ordinary activities by rate of tax	<b>(375,363)</b>	<b>(114,951)</b>
Effect of expenses not deductible for tax purposes	<b>615</b>	<b>20,848</b>
Group relief surrendered	<b>291,784</b>	<b>–</b>
Rounding on tax charge	<b>–</b>	<b>1</b>
Adjust closing deferred tax	<b>8,733</b>	<b>9,905</b>
Deferred tax not recognised	<b>74,231</b>	<b>84,197</b>
Tax on loss	<b>–</b>	<b>–</b>

#### 9. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 April 2018	172,189	13,502	33,694	<b>219,385</b>
Additions	<u>37,408</u>	<u>–</u>	<u>–</u>	<u><b>37,408</b></u>
<b>At 31 March 2019</b>	<u><b>209,597</b></u>	<u><b>13,502</b></u>	<u><b>33,694</b></u>	<u><b>256,793</b></u>
<b>Depreciation</b>				
At 1 April 2018	119,808	11,462	26,065	<b>157,335</b>
Charge for the year	<u>24,783</u>	<u>2,040</u>	<u>3,914</u>	<u><b>30,737</b></u>
<b>At 31 March 2019</b>	<u><b>144,591</b></u>	<u><b>13,502</b></u>	<u><b>29,979</b></u>	<u><b>188,072</b></u>
<b>Carrying amount</b>				
At 31 March 2019	<u>65,006</u>	<u>–</u>	<u>3,715</u>	<u><b>68,721</b></u>
At 31 March 2018	<u>52,381</u>	<u>2,040</u>	<u>7,629</u>	<u><b>62,050</b></u>

# Zenith Aviation Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

### 10. Debtors

	2019 £	2018 £
Trade debtors	761,926	375,155
Other debtors	682,000	786,449
	<u>1,443,926</u>	<u>1,161,604</u>

### 11. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	859,322	785,157
Amounts owed to group undertakings	6,395,266	4,414,576
Social security and other taxes	108,415	71,015
Other creditors	950,864	714,152
	<u>8,313,867</u>	<u>5,984,900</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.

Included within other creditors is loan interest payable of £151,963 (2018: £70,671) which relates to amounts formalised into a long term loan during the previous year. An interest rate of Bank of England base rate plus 4.5% per annum is being charged on these loans.

### 12. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	<u>1,573,689</u>	<u>1,573,689</u>



# Zenith Aviation Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

### 13. Commitments under operating leases

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

	2019 £	2018 £
Not later than 1 year	2,184,759	1,467,006
Later than 1 year and not later than 5 years	388,469	416,219
Later than 5 years	1,160,000	1,247,000
	<u>3,733,228</u>	<u>3,130,225</u>

### 14. Related party transactions

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

Other related parties

	2019 £	2018 £
Charter flight services	290,287	332,246
Recharged staff and related costs	(9,020)	(169,791)
Recharged telephone and printing costs	(72,316)	(66,359)
Consultancy fees	(197,520)	(222,059)
Insurance Costs	(395,081)	(186,256)

The following amounts were outstanding at the reporting end date:

Amounts owed by related parties

	2019 £	2018 £
Companies under common control of a director	10,458	10,458

Amounts owed to related parties

	2019 £	2018 £
Other related parties	2,051,356	1,711,360

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

Included within other related parties are amounts due to Markerstudy Insurance Services Limited totalling £1,899,364 of which £1,573,689 has been formalised into a loan and is subject to interest of base rate plus 4.5% per annum.

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

# **Zenith Aviation Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2019**

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