

Company Registration No. 07395401 (England and Wales)

ZENITH AVIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

ZENITH AVIATION LIMITED

COMPANY INFORMATION

Directors	S Mulholland K Barber G Humphreys K Spencer
Secretary	C Payne
Company number	07395401
Registered office	45 Westerham Road Bessels Green Sevenoaks Kent TN13 2QB
Auditor	Mercer & Hole Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE

ZENITH AVIATION LIMITED

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ZENITH AVIATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

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.

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Mulholland
K Barber
G Humphreys
K Spencer

Auditor

Mercer & Hole were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to 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 of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

K Barber
Director

29 April 2022

ZENITH AVIATION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the annual 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 of 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 MEMBER OF ZENITH AVIATION LIMITED

Qualified opinion on financial statements

We have audited the financial statements of Zenith Aviation Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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 qualified opinion

We were not appointed as auditor of the company until after 31 March 2021 and thus did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 March 2021, which are included in the balance sheet at £192,181, by using other audit procedures. Consequently we were unable to determine whether any adjustment to this amount was necessary.

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 qualified opinion.

Material uncertainty relating to going concern

We draw attention to note 1.2, on page 9 of the financial statements concerning the company's ability to continue as a going concern which indicates that the company had net current liabilities of £13,090,962 at 31 March 2021. The Company is therefore reliant on the ongoing support of its parent, SQIB Limited, however this support is itself dependent on a number of other events which are themselves uncertain.

These events or conditions, along with the other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 (CONTINUED)

TO THE MEMBER OF ZENITH AVIATION LIMITED

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

Except for the matter described in the basis for qualified opinion section of our report, 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.

Arising solely from the limitation on the scope of our work relating to inventory, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit work and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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 remuneration specified by law are not made; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

ZENITH AVIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ZENITH AVIATION LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, regulations imposed by the Civil Aviation Authority, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Alexander Bell FCA (Senior Statutory Auditor)
For and on behalf of Mercer & Hole

29 April 2022

Chartered Accountants
Statutory Auditor

Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE

ZENITH AVIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	11,405,368	13,222,949
Cost of sales		(12,533,127)	(12,891,940)
Gross (loss)/profit		(1,127,759)	331,009
Administrative expenses		(2,296,888)	(2,544,362)
Other operating income		581,657	-
Operating loss	4	(2,842,990)	(2,213,353)
Interest payable and similar expenses	7	(71,853)	(82,845)
Loss before taxation		(2,914,843)	(2,296,198)
Tax on loss	8	-	-
Loss for the financial year		(2,914,843)	(2,296,198)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ZENITH AVIATION LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		164,424		127,770
Current assets					
Stocks	10	192,181		-	
Debtors	11	2,144,232		1,374,692	
Cash at bank and in hand		296,373		249,615	
		<u>2,632,786</u>		<u>1,624,307</u>	
Creditors: amounts falling due within one year	12	<u>(15,723,748)</u>		<u>(12,096,000)</u>	
Net current liabilities			<u>(13,090,962)</u>		<u>(10,471,693)</u>
Total assets less current liabilities			<u>(12,926,538)</u>		<u>(10,343,923)</u>
Creditors: amounts falling due after more than one year	13		<u>(332,228)</u>		<u>-</u>
Net liabilities			<u><u>(13,258,766)</u></u>		<u><u>(10,343,923)</u></u>
Capital and reserves					
Called up share capital	15		1		1
Share premium account			100,000		100,000
Profit and loss reserves			<u>(13,358,767)</u>		<u>(10,443,924)</u>
Total equity			<u><u>(13,258,766)</u></u>		<u><u>(10,343,923)</u></u>

The financial statements were approved by the board of directors and authorised for issue on 29 April 2022 and are signed on its behalf by:

K Barber
Director

Company Registration No. 07395401

ZENITH AVIATION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Share capital	Share premium	Profit and loss reserves	Total
	£	account £	£	£
Balance at 1 April 2019	1	100,000	(8,147,726)	(8,047,725)
Year ended 31 March 2020:				
Loss and total comprehensive income for the year	-	-	(2,296,198)	(2,296,198)
Balance at 31 March 2020	1	100,000	(10,443,924)	(10,343,923)
Year ended 31 March 2021:				
Loss and total comprehensive income for the year	-	-	(2,914,843)	(2,914,843)
Balance at 31 March 2021	1	100,000	(13,358,767)	(13,258,766)

ZENITH AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Zenith Aviation Limited is a private company limited by shares incorporated in England and Wales. The registered office is 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.

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.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of SQIB Limited. These consolidated financial statements are available from its registered office, 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.

1.2 Going concern

As at 31 March 2021, the company had net current liabilities of £13,090,962 (2020: £10,471,693) and net liabilities of £13,258,766 (2020: £10,343,923).

The company is therefore reliant on the support of its parent company, SQIB Limited, which has been confirmed in writing for a period of at least 12 months from the date of approval of these financial statements. The ability of SQIB Limited to provide this support is predicated on the continued trading of its wholly owned subsidiaries in line with forecasts, completion of a refinancing exercise at the group level, securing new finances or refinancing exercise at the group level, securing new finance or refinancing in certain subsidiaries within the group, and sale of certain assets within the group.

The directors have concluded that the above circumstances represents a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern. Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company will have adequate resources to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis in the preparing in preparing the financial statements.

ZENITH AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.3 Turnover

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

1.4 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:

Leasehold land and buildings	20% straight line
Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Computers	33% straight line

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.

1.5 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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

ZENITH AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents 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.

1.8 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

ZENITH AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 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.

1.10 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.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 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 in the period are included in profit or loss.

ZENITH AVIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021****2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Charges for flight services	11,405,368	13,222,949
	<u> </u>	<u> </u>
	2021	2020
	£	£
Other significant revenue		
Grants received	581,657	-
	<u> </u>	<u> </u>

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

4 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	16,931	30,407
Government grants	(581,657)	-
Depreciation of owned tangible fixed assets	48,967	38,696
Profit on disposal of intangible assets	-	(1,000)
Operating lease charges	181,339	249,349
	<u> </u>	<u> </u>

ZENITH AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	10,000	16,000
For other services		
Taxation compliance services	1,500	4,750
All other non-audit services	2,000	-
	<u>3,500</u>	<u>4,750</u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Management and charter staff	63	52

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	2,619,032	2,869,225
Social security costs	273,547	264,579
Pension costs	158,404	62,816
	<u>3,050,983</u>	<u>3,196,620</u>

The current directors are remunerated by other companies within the Markerstudy Group. The directors do not consider that it is practical to apportion the amount of their remuneration between their services as directors of Zenith Aviation Limited and other group companies.

7 Interest payable and similar expenses

	2021	2020
	£	£
Other interest on financial liabilities	71,853	82,845

ZENITH AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Loss before taxation	(2,914,843)	(2,296,198)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(553,820)	(436,278)
Tax effect of expenses that are not deductible in determining taxable profit	12,521	10,157
Group relief	-	603,429
Fixed asset differences	-	565
Deferred tax not recognised	541,299	(45,365)
Deferred tax for changes in tax rate	-	(132,508)
Taxation charge for the year	-	-

9 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 April 2020	-	264,687	54,609	35,243	354,539
Additions	15,450	70,171	-	-	85,621
At 31 March 2021	15,450	334,858	54,609	35,243	440,160
Depreciation and impairment					
At 1 April 2020	-	176,202	16,928	33,639	226,769
Depreciation charged in the year	1,545	38,329	8,221	872	48,967
At 31 March 2021	1,545	214,531	25,149	34,511	275,736
Carrying amount					
At 31 March 2021	13,905	120,327	29,460	732	164,424
At 31 March 2020	-	88,485	37,681	1,604	127,770

10 Stocks

	2021 £	2020 £
Finished goods and goods for resale	192,181	-

ZENITH AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	802,131	892,635
Other debtors	678,077	186,699
Prepayments and accrued income	664,024	295,358
	<u>2,144,232</u>	<u>1,374,692</u>

12 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	1,287,781	1,208,263
Amounts owed to group undertakings	10,777,849	8,310,359
Taxation and social security	392,489	223,283
Other creditors	2,826,333	2,028,975
Accruals and deferred income	439,296	325,120
	<u>15,723,748</u>	<u>12,096,000</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 £306,661 (2020: £234,272) which relates to amounts formalised into a loan during the year ended 31 December 2018. An interest rate of Bank of England base rate plus 4.5% per annum is being charged on these loans.

13 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Taxation and social security	<u>332,228</u>	<u>-</u>

The company has made arrangement with HMRC to pay PAYE liability in instalments as a result of the Coronavirus pandemic. Due to this, a time to pay arrangement has been entered into and there are amounts payable in more than one year.

14 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>158,404</u>	<u>62,816</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

ZENITH AVIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	1	1	1	1

16 Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

17 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	172,812	2,184,759
Between two and five years	580,248	360,719
In over five years	2,369,338	1,073,000
	<u>3,122,398</u>	<u>3,618,478</u>

18 Related party transactions

	2021 £	2020 £
Amounts due to related parties		
Other related parties	13,545,531	2,539,582

The following amounts were outstanding at the reporting end date:

	2021 £	2020 £
Amounts due from related parties		
Key management personnel	332,581	273,856

Other information

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 Holdings Limited of £1,573,689 which are 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)

FOR THE YEAR ENDED 31 MARCH 2021

19 Ultimate controlling party

The immediate consolidating parent undertaking is SQIB Limited, a company registered in England and Wales. Copies of the immediate parent company's consolidated 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 a company registered in England and Wales, and represents the largest group for which consolidated accounts including Zenith Aviation Limited are prepared. Copies of these financial statements may be obtained from 45 Westerham Road, Bessels Green, Sevenoaks, Kent TN13 2QB.

Armature Limited is controlled by K R Spencer and A Spencer.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.