

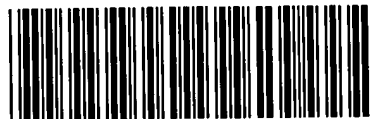
Registered number: SC156118

HEBRIDEAN AIR SERVICES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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## HEBRIDEAN AIR SERVICES LIMITED

### COMPANY INFORMATION

<b>Directors</b>	R Mackenzie P Sheldon J A Simper
<b>Registered number</b>	SC156118
<b>Registered office</b>	Airtask Group Marine Scotland Base Annex Building To Hangar 3 Inverness Airport Inverness IV2 7JB
<b>Independent auditor</b>	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

# HEBRIDEAN AIR SERVICES LIMITED

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## HEBRIDEAN AIR SERVICES LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

#### Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements 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 to 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.

#### Results

The profit for the year, after taxation, amounted to £92,557 (2021 : £144,174).

#### Directors

The directors who served during the year are noted on the company information page.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

HEBRIDEAN AIR SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



J A Simper  
Director

Date: 3 August 2022

## HEBRIDEAN AIR SERVICES LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEBRIDEAN AIR SERVICES LIMITED

#### Opinion

We have audited the financial statements of Hebridean Air Services Limited (the 'company') for the year ended 31 March 2022, which comprise the Profit and Loss account, the Balance Sheet and the related notes, 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 Financial Reporting Standard 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## HEBRIDEAN AIR SERVICES LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEBRIDEAN AIR SERVICES LIMITED (CONTINUED)

#### 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.

#### Opinion 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

## HEBRIDEAN AIR SERVICES LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEBRIDEAN AIR SERVICES LIMITED (CONTINUED)

#### 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:

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework, including a review of legal and professional nominal codes and board minutes in the year and post year end;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating business rationale of significant transactions outside of the normal course of business and reviewing accounting estimates for bias, including stock provision and depreciation policies.

In response to the risk of irregularities in relation to non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and associated parties;

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.



HEBRIDEAN AIR SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEBRIDEAN AIR SERVICES LIMITED  
(CONTINUED)

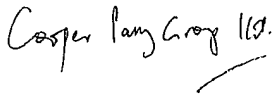
**Auditor's responsibilities for the audit of the financial statements (continued)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from events and transactions reflected in the financial statements, as we will be less likely to become aware of instances or non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omissions or misrepresentation. 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 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.



Steven Ellis (Senior Statutory Auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

Sky View  
Argosy Road  
Derby  
DE74 2SA

Date: 3 August 2022

**HEBRIDEAN AIR SERVICES LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Turnover</b>	1.4	623,072	605,727
<b>Cost of sales</b>		(422,600)	(346,492)
<b>Gross profit</b>		200,472	259,235
<b>Administrative expenses</b>		(87,958)	(81,243)
<b>Operating profit</b>		112,514	177,992
<b>Tax on profit</b>		(19,957)	(33,818)
<b>Profit after tax</b>		92,557	144,174
Retained earnings at the beginning of the year		1,256,337	1,112,163
Profit for the year		92,557	144,174
<b>Retained earnings at the end of the year</b>		1,348,894	1,256,337

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

The notes on pages 9 to 14 form part of these financial statements.

**HEBRIDEAN AIR SERVICES LIMITED**  
**REGISTERED NUMBER: SC156118**

**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	3	83,113	124,418
		<u>83,113</u>	<u>124,418</u>
<b>Current assets</b>			
Stocks		12,941	5,706
Debtors: amounts falling due within one year	4	1,323,512	1,125,528
Cash at bank and in hand		89,284	170,233
		<u>1,425,737</u>	<u>1,301,467</u>
<b>Creditors: amounts falling due within one year</b>	5	<u>(149,684)</u>	<u>(155,298)</u>
<b>Net current assets</b>		<u>1,276,053</u>	<u>1,146,169</u>
<b>Total assets less current liabilities</b>		<u>1,359,166</u>	<u>1,270,587</u>
<b>Provisions for liabilities</b>			
Deferred tax	6	<u>(10,270)</u>	<u>(14,248)</u>
		<u>(10,270)</u>	<u>(14,248)</u>
<b>Net assets</b>		<u><u>1,348,896</u></u>	<u><u>1,256,339</u></u>
<b>Capital and reserves</b>			
Called up share capital	7	2	2
Profit and loss account		<u>1,348,894</u>	<u>1,256,337</u>
<b>Shareholders' funds</b>		<u><u>1,348,896</u></u>	<u><u>1,256,339</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statement were approved and authorised for issue by the board and were signed on its behalf by:



**J A Simper**  
Director

Date: 3 August 2022

The notes on pages 9 to 14 form part of these financial statements.

## HEBRIDEAN AIR SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

Hebridean Air Services Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 March 2022 (2021: 31 March 2021).

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, including Section 1A of FRS 102 and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 1.2 Disclosure exemptions

As the company is a wholly owned subsidiary of a company whose consolidated financial statements include the results of the subsidiary and are publicly available, the company has taken advantage of FRS 102 Section 33.1a exemption from disclosing transactions with group undertakings.

##### 1.3 Going concern

At the balance sheet date, the company had a positive cash balance and net current asset position. At the time of signing these accounts, the directors have considered the going concern position, and consider that this does indicate that the company will continue to trade for a period of at least 12 months from the date of signing these accounts.

The directors have prepared detailed forecasts, which show that the company will remain profitable and will be able to operate within the facilities available to it.

On that basis, the directors have prepared these financial statements on a going concern basis.

##### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of services excluding discounts, rebates, VAT and other sales taxes. Turnover is recognised to the extent that is probable that the economic benefits will flow to the company and the turnover can be reliably measured.

Turnover under the contract for the provision of air services is recognised straight line over the period of the contract and turnover relating to ticket sales is recognised when the flights relating to those tickets take place. Income received in advance of the flights taking place is included within deferred income.

##### 1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

## HEBRIDEAN AIR SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 1. Accounting policies (continued)

##### 1.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Aircraft	- 7 year straight line basis
Fixtures and fittings	- 25% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

##### 1.6 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated.

Foreign exchange gains and losses resulting from the settlement of transactions to and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account in the year to which they relate.

##### 1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss account.

## HEBRIDEAN AIR SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 1. Accounting policies (continued)

##### 1.8 Pensions

The company contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are shown as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plans are held separately from the company in independently administered funds.

##### 1.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans with related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

##### 1.10 Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Legal advice is sought where appropriate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

##### 1.11 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

##### 1.12 Current and deferred taxation

The taxation charge for the year comprises current and deferred taxation.

Current taxation is recognised for the amount of corporation taxation payable in respect of the taxable profit for the current or past reporting periods using the taxation rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation is recognised where material in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred taxation assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred taxation liabilities or other future taxable profits. Deferred taxation is calculated using the taxation 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.

HEBRIDEAN AIR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

2. Employees

The average monthly number of employees, including directors, during the year was 3 (2021: 3)

3. Tangible fixed assets

	Aircraft £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2021	300,000	2,902	302,902
Additions	-	1,348	1,348
At 31 March 2022	300,000	4,250	304,250
<b>Depreciation</b>			
At 1 April 2021	175,582	2,902	178,484
Charge for the year	42,504	149	42,653
At 31 March 2022	218,086	3,051	221,137
<b>Net book value</b>			
At 31 March 2022	81,914	1,199	83,113
At 31 March 2021	124,418	-	124,418

HEBRIDEAN AIR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

4. Debtors

	2022 £	2021 £
Trade debtors	42,640	41,482
Amounts owed by group undertakings	1,273,373	1,064,471
Other debtors	4,087	3,381
Prepayments and accrued income	3,412	16,194
	<u>1,323,512</u>	<u>1,125,528</u>

5. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	6,200	11,143
Amounts owed to group undertakings	-	2,751
Corporation tax	23,935	41,526
Other taxation and social security	142	63
Accruals and deferred income	119,407	99,815
	<u>149,684</u>	<u>155,298</u>

6. Deferred taxation

	2022 £	2021 £
At 1 April 2020	14,248	21,956
Utilised in year	(3,978)	(7,708)
<b>At 31 March 2021</b>	<u>10,270</u>	<u>14,248</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	10,270	14,248
	<u>10,270</u>	<u>14,248</u>



# HEBRIDEAN AIR SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 7. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

### 8. Pension commitments

The company contributes to a defined contribution pension plan for its employees. The pension charge for the year represents contributions payable by the company to the plan and amounted to £11,998 (2021: £5,980). Contributions totaling £Nil (2021: £Nil) were payable to the plan at the balance sheet date and are included in creditors.

### 9. Controlling party

The immediate and ultimate parent company is Airtask Group Limited, a company registered in England and Wales.

The consolidated financial statements of Airtask Group Limited, in which the results of this company are included, can be obtained from Companies House.

Airtask Group Limited is controlled by R C Mackenzie by virtue of his shareholding in the company. Until 1 April 2022 Airtask Group Limited was controlled by its principal shareholder, R C Mackenzie. From this date R C Mackenzie, P J Sheldon and J A Simper are the controlling parties.