

Registered No: 06617647

VistaJet International Limited

Report and Financial Statements

31 December 2017



Corporate Information

Registered No: 06617647

Director

I Moore

Secretary

I Rubli

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

Bankers

HSBC Bank
Princes Mead Shopping Centre
Farnborough
Hampshire
GU14 6YB

Solicitors

Denton Wilde Sapte LLP
1 Fleet Place
London
EC4M 7WS

Registered office

52 Charles Street
London
W1J 5EU

Strategic Report

Registered No: 06617647

The directors present their Strategic Report for the year ended 31 December 2017.

Principal activities and review of the business

VistaJet International Limited acts as a customer relationship agent and manages the marketing effort on behalf of the VistaJet Group. The company also acts as a payroll agent for the VistaJet Group's UK based air crew and provides IT development services in respect of the VistaJet Group's in-house systems and applications. The company earns revenues on a cost plus basis in respect of services provided to the VistaJet Group.

The VistaJet Group operates in a large and growing business aviation market and its customer base of global corporations and Ultra High Net Worth Individuals remains attractive and growing.

The VistaJet Group operates a superior fleet of 72 aircraft (71 owned and 1 operating lease) and 1 helicopter at year end 2017. These aircraft are all from industry leading manufacturer Bombardier, embracing the highest levels of luxury, safety, security and reliability which the Group's customers expect and with an average age of 3.3 years across the fleet as at 31 December 2017.

VistaJet is committed to minimising the effect of flying on the environment and operate a state-of-the-art fleet that feature the latest advancements in technology and emission efficiency, and also participates in the EU Emissions Trading Scheme.

The Board intends to continually review the costs of the business and deliver efficiencies while maximising the support to the VistaJet Group as it positions itself to strengthen its presence in existing markets and target areas that it deems strategic to its growth requirement.

The outlook for the Group is to significantly increase revenue in 2018 by developing a strong new customer pipeline and continuing to invest in new markets.

The Company has bolstered its sales, IT and customer relations departments to match with the expansion of the VistaJet Group's activities which increase overheads. All costs have been reviewed as the company strives to increase efficiencies and deliver cost reductions while improving the service to VistaJet Group customers. In 2017 the Company has seen a decline in its administrative expenses which resulted in an improvement of the year end result of the company.

The Company intends to continue to manage all aspects of customer relationship for air transportation sales and marketing costs on behalf of the VistaJet Group.

The Company's transactions and funding cash flows have historically been primarily denominated in the Euro, consequently the Company's functional currency is the Euro. The Euro is also the Company's presentational currency.

Financial review of VistaJet International Limited

	2017 €'000	2016 €'000
Revenue	21,318	19,946
Operating profit/(loss)	10,482	(1,051)
Profit/(Loss) after tax	7,170	(3,963)
Year-end employees	255	251

Revenue is earned on costs incurred. The company earned higher revenue during the year under review and generated a profit after tax due to the foreign exchange gains recognised in the year.

Strategic Report

Registered No: 06617647

Principal risks and uncertainties

The company's principal risks and uncertainties are those facing the group which are broadly competitive, foreign currency and liquidity.

Competitive risk

Competitive risks vary in each region and we believe the quality of our service and technology offering enables us to meet these competitive challenges.

Foreign currency risk

Although the presentational currency of the Company is the Euro, some transactions are entered into in other currencies, primarily Sterling and the US Dollar. The Company's exposure to the foreign currency risk associated with these transactions is managed through a central Treasury function of the VistaJet Group. The company does not currently hedge its foreign currency risk with derivative instruments, but aims for a natural hedge between revenues and costs in different source currencies, although this policy is continually subject to review.

Liquidity risk

Liquidity risk is managed through the VistaJet Group's central treasury function and through inter- company borrowings.

Interest rate and price risk

Since the Company has no significant external borrowing the directors do not believe that the Company has significant exposure arising from interest rate or price risks.

Brexit risk

The Directors continue to monitor the potential impact of Brexit on the Company. Whilst the current uncertainty over how the UK will exit the EU creates some uncertainty for the business, the Directors consider the risks to the Company to be relatively low risk. The Directors are confident that the business is in a strong position to react quickly at the appropriate time when the future UK/EU relationship does become clearer.

On behalf of the board



I Moore
Director

Date: 20th December 2018

Directors' report

Registered No: 06617647

The director presents his annual report and the audited financial statements for the year ended 31 December 2017.

Results and dividends

The profit for the year amounted to €7,169,615 (2016: loss for the year €3,963,568). The company earned higher revenue during the year under review and generated a profit after tax due to the foreign exchange gains recognised in the year. The directors do not recommend the payment of any dividends.

Required disclosures in Strategic Report

Information in respect of principal activity, review of the business and future developments is included in the Strategic Report.

Directors' and officers' insurance

The directors of the Company, who served through the year are listed on page 2.

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Going Concern

The company's business activities, together with the factors likely to affect its future development and position, are set out above.

As at 31 December 2017 the company had net current liabilities of €18,739,642 (2016: €16,434,726). The company acts as a sales and marketing agent in respect of air transportation services provided by the VistaJet Group and participates in the group's centralised treasury arrangements. Consequently, the company is dependent on both the continuance of operations by the VistaJet Group and also continuing finance being made available by its parent undertaking to enable it to continue operating and to meet its liabilities as they fall due.

The director, having assessed the responses of the directors of the company's parent undertaking to their enquiries has no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the VistaJet Group to continue as a going concern. Further the directors of the parent undertaking have indicated that it is their present intention to continue to provide financial support to the company and to provide sufficient funds to the company for these purposes. Thus the Company continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Employees

VistaJet International Ltd is an equal opportunity employer. It is our policy that all persons shall have an equal opportunity for employment and advancement on the basis of ability, necessary qualifications and fitness for work irrespective of sex, age, marital status, civil partnership, sexual orientation, colour, race, creed, religion, national or ethnic origin.

The Company gives full and fair consideration to all applications for employment from disabled persons having regard to particular aptitudes and abilities, continuing where possible the employment of staff who become disabled and ensures that training and career development are encouraged.

Directors' report

Registered No: 06617647

Disclosure of information to the auditors

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

Re-appointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditors of the company.

By the order of the Board

On behalf of the board



I Moore
Director

Date: 20th December 2018

Directors' responsibilities statement

The director is responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable UK 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) 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 for that period.

In preparing those financial statements, the directors are required to:

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

Independent auditors' report

to the Shareholders of VistaJet International Limited

Opinion

We have audited the financial statements of VistaJet International Limited for the year ended 31 December 2017 which comprise of the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 21, 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 company's affairs as at 31 December 2017 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 below. 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 this report, we do not express any form of assurance conclusion thereon.

Independent auditors' report to the Shareholders of VistaJet International Limited

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 strategic report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

Independent auditors' report

to the Shareholders of VistaJet International Limited

A further description of our responsibilities for the audit of the financial statements is located 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 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

Ernst & Young LLP

Michael Christie (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: *20 December 2018*

Income Statement

for the year ended 31 December 2017

		2017	2016
	Notes	€	€
Revenue	2	21,317,987	19,945,755
Administrative expenses		(10,840,051)	(20,996,886)
Other operating income		4,277	549
Operating profit/(loss)	3	10,482,213	(1,050,582)
Finance income	6	-	61,066
Finance costs	7	(2,190,131)	(1,402,603)
Profit/(loss) before taxation		8,292,082	(2,392,119)
Taxation charge	8	(1,122,467)	(1,571,449)
Profit/(loss) for the financial year		<u>7,169,615</u>	<u>(3,963,568)</u>

All amounts above relate to continuing operations.

Statement of comprehensive income

for the year ended 31 December 2017

The company has no comprehensive income or loss other than the profit for the financial year of €7,169,615 (2016 – €3,963,568 loss).

Balance Sheet

for the period ended 31 December 2017

Registered No: 06617647

	Notes	2017 €	2016 €
Fixed assets			
Intangible assets	9	21,549,093	12,223,173
Tangible assets	10	393,803	404,416
		<u>21,942,896</u>	<u>12,627,589</u>
Current assets			
Stocks	11	98,823	96,992
Debtors – amounts falling due after more than one year	13	3,860,325	-
Debtors – amounts due within one year	12	15,574,319	2,783,843
Cash at bank and in hand		5,053,778	145,242
		<u>24,587,245</u>	<u>3,026,077</u>
Creditors: amounts falling due within one year	14	<u>(43,326,887)</u>	<u>(19,460,803)</u>
Net current liabilities		<u>(18,739,642)</u>	<u>(16,434,726)</u>
Total assets less current liabilities		<u>3,203,254</u>	<u>(3,807,137)</u>
Creditors: amounts falling due after more than one year	15	-	(90,152)
Deferred tax liabilities		(7,780)	(76,853)
Net liabilities		<u>3,195,474</u>	<u>(3,974,142)</u>
Equity			
Called up share capital	19	1	1
Profit and loss reserve		3,195,473	(3,974,142)
Total Shareholders equity/(deficit)		<u>3,195,474</u>	<u>(3,974,142)</u>

The financial statements were approved and authorised for issue by the board and authorised for issue on 20th December 2018 and were signed on its behalf by:



I Moore
Director

20/12/18

Statement of Changes in Equity

for the period ended 31 December 2017

	<i>Share capital</i> €	<i>Profit and loss reserve</i> €	<i>Total shareholders equity/(deficit)</i> €
At 1 January 2016	1	(10,574)	(10,573)
Loss for the year	-	(3,963,568)	(3,963,568)
At 31 December 2016	1	(3,974,142)	(3,974,141)
Profit for the year	-	7,169,615	7,169,615
At 31 December 2017	1	3,195,473	3,195,474

Statement of cash flows

for the period ended 31 December 2017

		2017	2016
	Notes	€	€
Net cash inflow from operating activities	21(a)	14,936,309	8,333,806
Investing activities			
Payments to acquire intangible fixed assets		(9,778,491)	(7,983,544)
Payments to acquire tangible fixed assets		(249,282)	(346,668)
Net cash flow from investing activities		(10,027,773)	(8,330,212)
Increase in cash and cash equivalents		4,908,536	3,594
Cash and cash equivalents at 1 January		145,242	141,648
Cash and cash equivalents at 31 December	21(b)	5,053,778	145,212

Notes to the financial statements

at 31 December 2017

1. Accounting policies

Basis of preparation

The Company is a private company limited by shares incorporated and domiciled in England and Wales. The registered office of the company is 52 Charles Street, London, W1J 5EU.

The financial statements have been prepared on a going concern basis. The Financial Statements have been prepared under the historical cost convention unless otherwise indicated.

The Company's financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Report Standard applicable in the UK and Ireland' (FRS 102) and the Companies Act 2006 for the year ended 31 December 2017 and 31 December 2016.

The company's business activities, together with the factors likely to affect its future development and position, are set out below.

As at 31 December 2017 the company had net current liabilities of €18,739,642 (2016: €16,434,726). Further, the company acts as a sales and marketing agent in respect of air transportation services provided by the VistaJet Group and participates in the group's centralised treasury arrangements. Consequently, the company is dependent on both the continuance of operations by the VistaJet Group and also continuing finance being made available by its parent undertaking to enable it to continue operating and to meet its liabilities as they fall due.

The director, having assessed the responses of the directors of the company's parent undertaking to their enquiries has no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the VistaJet Group to continue as a going concern. Further the directors of the parent undertaking have indicated that it is their present intention to continue to provide financial support to the company and to provide sufficient funds to the company for these purposes. Thus, the Company continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements are prepared in Euro (€) and all values are rounded to the nearest euro. The company's operating transactions and cash flows are primarily denominated in the Euro, consequently the company's functional currency is the Euro. The Euro is also the company's presentational currency.

The accounting policies which apply in preparing the financial statements for the period are set out below.

The financial statements of VistaJet International Limited were authorised for issue by the Board of Directors on 20th December 2018.

Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reporting for revenues and expenses during the year. However, the nature of the estimation means that actual outcomes could differ from those estimates.

In the course of preparing the company's financial statements, no judgements have been made in the process of applying the company's accounting policies, or in respect of these involving estimates which could have a significant effect on the amounts recognised in the financial statements.

Notes to the financial statements

at 31 December 2017

1. Accounting policies (continued)

Significant account policies

Intangible fixed assets

Expenditure on development of the Company's products is capitalised at cost where all the following criteria are met:

- There is a clearly defined project;
- Expenditure is separately identifiable;
- The project has been assessed with reasonable certainty to be technically feasible and commercially viable; and
- Future revenues can be reasonably expected to exceed amounts capitalised.

Development costs are amortised on a straight line basis over their estimated useful lives of 7 years. The carrying value of intangible assets is reviewed for impairment or if events or changes in circumstances indicate the carrying value may not be recoverable.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold Improvements	- over 4 years
Fixtures and Fittings	- over 5 years
Equipment	- over 3 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred taxation is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements except that:

- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Notes to the financial statements

at 31 December 2017

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are initially recorded in the entities functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Stocks

Stock is stated at the lower of cost and net realisable value, where cost represents the direct purchase price.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding overdrafts.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statements in administrative expenses.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Assets held under finance lease

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the assets have passed to the company and the hire purchase contracts are capitalised in the balance sheet and depreciated over the shorter of the lease term and the asset useful life. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction in the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Interest bearing loans and overdrafts

Interest bearing loans and overdrafts are initially recorded at fair value, being the proceeds received net of direct issue costs. After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest method. Except for interest capitalised in relation to significant capital projects interest payable is reflected in the income statement as it arises.

2. Revenue

Revenue is recognised to the extent that the company obtains the right to consideration under its sales agency agreement with its principal in exchange for performance, which in respect of sales and marketing services provided to the principal is usually as those services are provided. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and value added tax.

Notes to the financial statements

at 31 December 2017

3. Operating profit/(loss)

This is stated after (crediting)/charging:

	2017 €	2016 €
Auditors remuneration:		
- Fees payable to the company's auditor for the audit of the company's annual financial statements	30,437	29,496
- Tax compliance services	-	12,281
Amortisation of intangible assets (included in Admin expenses)	283,010	126,542
Amortisation of intangible assets held under finance lease (included in Admin expenses)	169,561	228,059
Depreciation of owned assets	259,896	278,787
Operating lease rentals – land and buildings	1,114,809	1,113,322
Foreign exchange (gain)/loss	(8,370,133)	2,000,381

4. Employees

	2017 €	2016 €
Wages and salaries	7,119,672	8,092,798
Social security costs	762,507	751,366
Other pension costs	288,555	276,669
	<u>8,170,734</u>	<u>9,120,833</u>

Other pension costs of £288,555 (2016: £276,669) are in respect of the defined contribution scheme.

The average monthly number of employees during the period was as follows:

	2017 No.	2016 No.
Operations	118	118
Administration	135	124
	<u>253</u>	<u>242</u>

5. Directors' emoluments

	2017 €	2016 €
Aggregate remuneration in respect of qualifying services	<u>156,668</u>	<u>161,819</u>
Aggregate amounts receivable under long term incentive plans	<u>-</u>	<u>-</u>

6. Finance income

	2017 €	2016 €
Interest receivable from group undertakings	<u>-</u>	<u>61,066</u>

Notes to the financial statements

at 31 December 2017

7. Finance costs

	2017 €	2016 €
Interest payable to group undertakings	2,139,676	1,387,687
Interest Expense on bank overdraft	50,455	14,916
	<u>2,190,131</u>	<u>1,402,603</u>

8. Taxation

(a) Tax on profit/(loss)

The tax on profit/(loss) is comprised as follows:

	2017 €	2016 €
<i>Current tax:</i>		
UK corporation tax	1,449,221	960,941
UK corporation tax - adjustments in respect of prior periods	(259,279)	557,657
Foreign taxation	1,598	14,904
Total current tax	<u>1,191,540</u>	<u>1,533,502</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(6,094)	(128,552)
Adjustments in respect of previous periods	(62,979)	168,660
Effect of tax rate change on opening balance	-	(2,161)
Total deferred tax	<u>(69,073)</u>	<u>37,947</u>
Total tax charge for the year	<u>1,122,467</u>	<u>1,571,449</u>

(b) Factors affecting the total tax charge

The tax assessed for the year varies from the standard rate of corporation tax in the United Kingdom of 19.25% (2016: 20%). The differences are reconciled below:

	2017 €	2016 €
Profit/(Loss) before taxation	<u>8,292,082</u>	<u>(2,392,119)</u>
Profit/(loss) by rate of tax of 19.25% (2016: 20%)	1,595,943	(478,424)
Effects of:		
Expenses not deductible for tax purposes	408,532	291,336
Income not taxable	(564,883)	-
Foreign tax charges	1,598	14,904
Current year transfer pricing adjustment	-	784,394
Adjustments in respect of prior periods	(322,258)	726,317
Changes in tax rate	3,535	63,849
Deferred tax not recognised	-	169,073
Total tax charge for the year (note 8(a))	<u>1,122,467</u>	<u>1,571,449</u>

Notes to the financial statements

at 31 December 2017

8. Taxation (continued)

(c) Deferred tax

The deferred tax liability recognised is comprised as follows:

	2017 €	2016 €
Accelerated capital allowances	37,147	99,431
Short term timing differences	(29,367)	(22,578)
	<u>7,780</u>	<u>76,853</u>
		€
At 1 January 2017		76,853
Deferred tax charge in profit and loss account (note 8(a))		(69,073)
At 31 December 2017		<u>7,780</u>

9. Intangible fixed assets

	Software €	Total €
Cost:		
Opening balance at 1 January 2017	13,042,198	13,042,198
Additions	<u>9,778,491</u>	<u>9,778,491</u>
At 31 December 2017	<u>22,820,689</u>	<u>22,820,689</u>
Amortisation:		
Opening balance at 1 January 2017	819,025	819,025
Provided during the year	<u>452,571</u>	<u>452,571</u>
At 31 December 2017	<u>1,271,596</u>	<u>1,271,596</u>
Net book value:		
At 31 December 2017	<u>21,549,093</u>	<u>21,549,093</u>
At 31 December 2016	<u>12,223,173</u>	<u>12,223,173</u>

Notes to the financial statements

at 31 December 2017

9. Intangible fixed assets (continued)

Included in the amounts for software expenses above are the following amounts relating to leased assets and assets held acquired under hire purchase contracts:

	€
Cost:	
Opening balance at 1 January 2017	623,532
Additions	-
At 31 December 2017	<u>623,532</u>
Amortisation:	
Opening balance at 1 January 2017	358,223
Provided during the year	<u>169,561</u>
At 31 December 2017	<u>527,784</u>
Net Book value:	
At 31 December 2017	<u>95,748</u>
At 31 December 2016	<u>265,309</u>

10. Tangible fixed assets

	<i>Short Leasehold Improvements</i> €	<i>Fixtures & Fittings</i> €	<i>Equipment</i> €	<i>Total</i> €
Cost:				
Opening balance at 1 January 2017	222,005	286,444	1,206,162	1,714,611
Additions	<u>109,893</u>	<u>3,060</u>	<u>136,330</u>	<u>249,283</u>
At 31 December 2017	<u>331,898</u>	<u>289,504</u>	<u>1,342,492</u>	<u>1,963,894</u>
Depreciation:				
Opening balance at 1 January 2017	178,728	170,367	961,100	1,310,195
Provided during the year	<u>57,870</u>	<u>31,064</u>	<u>170,962</u>	<u>259,896</u>
At 31 December 2017	<u>236,598</u>	<u>201,431</u>	<u>1,132,062</u>	<u>1,570,091</u>
Net book value:				
At 31 December 2017	<u>95,300</u>	<u>88,073</u>	<u>210,430</u>	<u>393,803</u>
At 31 December 2016	<u>43,277</u>	<u>116,077</u>	<u>245,062</u>	<u>404,416</u>

Notes to the financial statements

at 31 December 2017

11. Stocks

	2017 €	2016 €
Consumables	98,823	96,992

Total stocks recognised as an expense in the income statement amounted to €134,356 (2016: €190,447)

12. Debtors: amounts falling due within one year

	2017 €	2016 €
Other debtors	591,605	1,116,985
Amounts owed by parent	815,485	402,732
Amounts owed by group undertakings	10,979,381	-
Prepayments and accrued income	3,187,848	1,264,126
	<u>15,574,319</u>	<u>2,783,843</u>

13. Debtors: amounts falling due in more than one year

	2017 €	2016 €
Prepayments and accrued income	3,860,325	-
	<u>3,860,325</u>	<u>-</u>

14. Creditors: amounts falling due within one year

	2017 €	2016 €
Trade creditors	1,839,421	1,462,172
Amounts owed to group undertakings	36,108,678	12,435,560
Other creditors	773,631	1,520,569
Accruals and deferred income	1,418,822	1,841,064
Corporation tax payable	2,364,351	1,174,411
Other taxation and social security	734,987	874,326
Obligations under finance lease	86,997	152,701
	<u>43,326,887</u>	<u>19,460,803</u>

15. Creditors: amounts falling due in more than one year

	2017 €	2016 €
Obligations under finance lease	-	90,152
	<u>-</u>	<u>90,152</u>

Notes to the financial statements

at 31 December 2017

16. Pensions

The company operates a defined contribution pension plan in the United Kingdom for eligible employees and benefits are based on each individual member's personal account. Unpaid contributions outstanding at the year-end of €172,746 (2016: €132,809) are included in 'other creditors' and 'Accruals and deferred income' (note 13). Pension contributions recognised through the Income Statement during the year were €288,555 (2016: €276,669).

17. Obligations under leases and hire purchase agreements

At 31 December future minimum rentals payable under non-cancellable operating leases are as follows:

	<i>Land and Buildings</i>	
	<i>2017</i>	<i>2016</i>
	€	€
Operating leases which expire:		
Within one year	1,202,431	1,307,294
In two to five years	4,054,751	4,398,633
In over five years	2,844,960	3,960,142
Total	<u>8,102,142</u>	<u>9,666,069</u>

Amounts due under finance lease and hire purchase contracts are as follows:

	<i>2017</i>	<i>2016</i>
	€	€
Minimum lease payments payable:		
Within one year	88,087	156,023
Between one and five years	-	91,282
	<u>88,087</u>	<u>247,305</u>
Less: future finance charges	<u>(1,090)</u>	<u>(4,451)</u>
	<u>86,997</u>	<u>242,854</u>

18. Related party transactions

The company has taken advantage of the exemption in FRS 102.33.1A from disclosing transactions with those related parties that are companies wholly owned within the VistaJet Group Holding Limited.

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group, are considered to be the key management personnel. Total remuneration in respect of these individuals is €586,926 (2016: €739,208).

Notes to the financial statements

at 31 December 2017

19. Issued share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

	No.	2017 €	No.	Authorised 2016 €
Ordinary shares of €1 each	<u>100,000</u>	<u>127,828</u>	<u>100,000</u>	<u>127,828</u>
	No.	2017 €	No.	Allotted and called up 2016 €
Ordinary shares of €1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The company's share capital remains unpaid and the amount receivable of €1 is included within other debtors.

The company's Sterling denominated share capital has been translated at a rate of £1 = €1.27828 the rate applied to convert the balance sheet of the company on adoption of the Euro as the local and reporting currency on the acquisition of the trade and assets of the SkyJet business.

20. Ultimate parent undertaking and controlling party

The immediate parent of the company is VistaJet Operations Holding Limited, a Company registered in Malta with its registered address at Skyparks Business Centre, Malta International Airport, Luqa, LQA 4000.

The Company's ultimate parent is VistaJet Group Holding Limited also incorporated in Malta, and for which group financial statements are drawn up. The majority shareholder and ultimate controlling party of VistaJet Group is Mr Thomas Flohr.

21. Notes to the statement of cash flows

(a) Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	2017 €	2016 €
Operating profit/(loss) for the year	10,482,213	(1,050,582)
Adjustments to reconcile profit/(loss) for the year to net cash flow from operating activities		
Depreciation	259,896	278,787
Amortisation	452,571	354,601
(Increase)/decrease in debtors	(16,650,802)	7,645,316
(Increase)/decrease in stock	(1,831)	93,300
Increase in creditors	20,395,860	1,180,046
Taxation		
Corporation tax paid	-	(167,662)
Overseas tax paid	(1,598)	-
Net cash inflow from operating activities	<u>14,936,309</u>	<u>8,333,806</u>

Notes to the financial statements
at 31 December 2017

21. Notes to the statement of cash flows (continued)

(b) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	<i>At</i> <i>31 December</i> <i>2017</i> €	<i>At</i> <i>31 December</i> <i>2016</i> €
Cash at bank and in hand	<u>5,053,778</u>	<u>145,242</u>