

Essexjets Limited
Unaudited Financial Statements
31 May 2017

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Essexjets Limited
Financial Statements
Year ended 31 May 2017

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Essexjets Limited

Officers and Professional Advisers

The board of directors

R Balasuriya
S Mulholland

Company secretary

C J Payne

Registered office

45 Westerham Road
Sevenoaks
Kent
United Kingdom
TN13 2QB

Essexjets Limited

Directors' Report

Year ended 31 May 2017

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

Principal activities

The principal activity of the company during the period was to lease an aircraft.

Directors

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

R Balasuriya

S Mulholland

(Appointed 15 July 2016)

Small company provisions

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

This report was approved by the board of directors on 22 February 2018 and signed on behalf of the board by:



S Mulholland
Director

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

Essexjets Limited
Statement of Comprehensive Income
Year ended 31 May 2017

		Year to 31 May 17 £	Period from 22 May 15 to 31 May 16 £
Turnover	Note 4	37,544	39,174
Cost of sales		<u>36,167</u>	<u>(36,167)</u>
Gross profit		73,711	3,007
Administrative expenses		<u>(677,858)</u>	<u>(128,044)</u>
Operating loss	5	(604,147)	(125,037)
Interest payable and similar expenses	6	<u>(69,226)</u>	<u>-</u>
Loss before taxation		(673,373)	(125,037)
Tax on loss		<u>-</u>	<u>-</u>
Loss for the financial year and total comprehensive income		<u>(673,373)</u>	<u>(125,037)</u>

All the activities of the company are from continuing operations.

The notes on pages 6 to 11 form part of these financial statements.

Essexjets Limited
Statement of Financial Position
31 May 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	8	5,990,045	1,152,397
Current assets			
Debtors	9	–	39,174
Creditors: amounts falling due within one year	10	<u>(2,135,622)</u>	<u>(1,316,508)</u>
Net current liabilities		<u>(2,135,622)</u>	<u>(1,277,334)</u>
Total assets less current liabilities		3,854,423	(124,937)
Creditors: amounts falling due after more than one year	11	<u>(4,652,733)</u>	<u>–</u>
Net liabilities		<u>(798,310)</u>	<u>(124,937)</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account		<u>(798,410)</u>	<u>(125,037)</u>
Shareholders deficit		<u>(798,310)</u>	<u>(124,937)</u>

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

For the year ending 31 May 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 22 February 2018, and are signed on behalf of the board by:


S Mulholland
Director

Company registration number: 09605016

The notes on pages 6 to 11 form part of these financial statements.

Essexjets Limited
Statement of Changes in Equity
Year ended 31 May 2017

	Called up share capital £	Profit and loss account £	Total £
At 22 May 2015	—	—	—
Loss for the year	—	(125,037)	(125,037)
Total comprehensive income for the year	—	(125,037)	(125,037)
Issue of shares	100	—	100
Total investments by and distributions to owners	100	—	100
At 31 May 2016	100	(125,037)	(124,937)
Loss for the year	—	(673,373)	(673,373)
Total comprehensive income for the year	—	(673,373)	(673,373)
At 31 May 2017	<u>100</u>	<u>(798,410)</u>	<u>(798,310)</u>

The notes on pages 6 to 11 form part of these financial statements.

Essexjets Limited

Notes to the Financial Statements

Year ended 31 May 2017

1. General information

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

2. Statement of compliance

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

As at 31 May 2017 the company had net liabilities of £798,310. The company has the continued financial support of the director, R Balasuriya. Based on this support, the company will have sufficient resources to meet its financial liabilities as they fall due and the director has therefore prepared the financial statements on the going concern basis.

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

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 22 May 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 15.

Essexjets Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2017

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

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

In preparing these financial statements, the directors have made the following judgements:

Whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Revenue recognition

The turnover shown in the profit and loss account represents income derived from leasing an aircraft during the period and is recognised on a receivable basis.

Foreign currencies

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

Tangible assets

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

Depreciation

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

Plant and machinery	- 10% straight line
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Essexjets Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2017

3. Accounting policies *(continued)*

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

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

Financial assets

Trade, group and other debtors

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

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

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

Trade, group and other creditors

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

Borrowings

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

Derecognition of financial assets and liabilities

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

4. Turnover

Turnover arises from:

	Year to 31 May 17	Period from 22 May 15 to 31 May 16
	£	£
Rendering of services	<u>37,544</u>	<u>39,174</u>

Essexjets Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2017

4. Turnover *(continued)*

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging:

	Year to 31 May 17 £	Period from 22 May 15 to 31 May 16 £
Depreciation of tangible assets	613,723	128,044
Loss on disposal of tangible assets	146,306	-
Foreign exchange differences	(173,226)	-

6. Interest payable and similar expenses

	Year to 31 May 17 £	Period from 22 May 15 to 31 May 16 £
Interest on banks loans and overdrafts	69,226	-

7. Taxation on ordinary activities

The company has taxable trading losses for the period ending 31 May 2017 of £114,290 available to be carried forward and offset against future taxable trading profits.

8. Tangible assets

	Plant and machinery £	Total £
Cost		
At 1 June 2016	1,280,441	1,280,441
Additions	6,475,725	6,475,725
Disposals	(1,280,441)	(1,280,441)
At 31 May 2017	6,475,725	6,475,725
Depreciation		
At 1 June 2016	128,044	128,044
Charge for the year	613,723	613,723
Disposals	(256,087)	(256,087)
At 31 May 2017	485,680	485,680
Carrying amount		
At 31 May 2017	5,990,045	5,990,045
At 31 May 2016	1,152,397	1,152,397

Essexjets Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2017

9. Debtors

	2017	2016
	£	£
Other debtors	<u>-</u>	<u>39,174</u>

10. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans	513,941	-
Accruals and deferred income	27,410	-
Other creditors	<u>1,594,271</u>	<u>1,316,508</u>
	<u>2,135,622</u>	<u>1,316,508</u>

11. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans	<u>4,652,733</u>	<u>-</u>

12. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Essexjets Limited

Notes to the Financial Statements *(continued)*

Year ended 31 May 2017

13. Related party transactions

Included in other creditors is a loan from R Balasuriya of £1,060,465 (2016: £319,975). The loan is interest-free and payable on demand.

Included in other creditors is a loan from Direct Commercial of £419,908 (2016: £Nil). The loan is interest-free and payable on demand.

Essexjets Limited and Zenith Aviation Limited are related by virtue of S Mulholland is a director of both companies.

During the period ending 31 May 2017, total turnover of £37,544 (2016: £39,174) was due from Zenith Aviation Limited. Included in other debtors, as at 31 May 2017, is the balance due from Zenith Aviation Limited of £nil (2016: £39,174).

During the period ending 31 May 2016, total maintenance costs of £36,167 were recharged from Zenith Aviation Limited. During the year ended 31 May 2017 subsequently these maintenance costs were credited in full for £36,167.

During the year ended 31 May 2017, Zenith Aviation Limited paid for expenditure on behalf of Essexjets Limited totalling £91,055 (2016: £nil) in respect to the selling and purchase of aircraft. Included in other creditors is a balance owing to Zenith Aviation Limited of £10,458 (2016: £nil).

During the year ended 31 May 2017, Zenith Aviation Limited received sale proceeds on behalf of Essexjets Limited of £934,575 (2016: £nil) in respect of selling the aircraft.

14. Controlling party

The company was under the control of R Balasuriya throughout the period. R Balasuriya is the managing director and majority shareholder.

15. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 22 May 2015.

No transitional adjustments were required in equity or profit or loss for the period.