

Jet2 Transport Services Limited

Report and Accounts

For the year ended 31 March 2018



Jet2 Transport Services Limited

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Jet2 Transport Services Limited

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Philip Meeson	Executive Chairman
Stephen Heapy	Chief Executive Officer
Gary Brown	Chief Financial Officer
Ian Day	Legal Director

SECRETARY AND REGISTERED OFFICE

Ian Day
Low Fare Finder House
Leeds Bradford International Airport
Leeds
LS19 7TU

AUDITOR

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

BANKERS

Barclays Bank plc
1 Park Row
Leeds
LS1 5WU

HSBC Bank plc
4th Floor City Point
29 King Street
Leeds
LS1 2HL

Lloyds Bank plc
2nd Floor Lisbon House
116 Wellington Street
Leeds
LS1 4LT

SOLICITORS

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2EG

Norton Rose Fulbright LLP
3 More London Riverside
London
SE1 2AQ

Bird & Bird LLP
12 New Fetter Lane
London
EC4A 1JP

Jet2 Transport Services Limited

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 March 2018.

REVIEW OF BUSINESS

The principal activity of Jet2 Transport Services Limited ("the Company") is the purchase of flights and ancillary services from airline suppliers and the sale of those flights and ancillary services to tour operators.

The Company is a wholly owned subsidiary of **Jet2holidays** Limited and is a part of the Group headed by Dart Group PLC ("the Group"). All purchases and sales within the year are with other subsidiaries of the Group.

RESULTS AND DIVIDENDS

The results for the year are set out in the Profit and Loss Account and show a profit after taxation of £nil (2017: £nil). The Company has net assets of £2,000 (2017: £2,000).

PRINCIPAL RISKS AND UNCERTAINTIES

All transactions are entered into with other subsidiaries of the Company's ultimate parent, Dart Group PLC. The principal risks and uncertainties of Dart Group PLC, and the wider group, are disclosed in the accounts of that company.

KEY PERFORMANCE INDICATORS

The Company has not identified any key performance indicators due to all transactions being entered into with other subsidiaries of the Group.



Gary Brown

Director

6 September 2018

Jet2 Transport Services Limited

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 31 March 2018.

DIRECTORS AND THEIR INTERESTS

The details of Directors, who held office during the year and after the year end, are those listed on page 2.

None of the Directors who held office at the year end had any interest in the ordinary share capital of the Company. At 31 March 2018, Philip Meeson, Stephen Heapy and Gary Brown were Directors of the ultimate parent undertaking, Dart Group PLC, during the year. Their interests in the share capital of Dart Group PLC are disclosed in the accounts of that company.

GOING CONCERN

The Directors have prepared financial forecasts for the Company, comprising profit before and after taxation, balance sheets and cash flows through to 31 March 2021.

For the purposes of their assessment of the appropriateness of the preparation of the Company's accounts on a going concern basis, the Directors have considered the current cash position, the availability of banking facilities and sensitised forecasts of future trading through to 31 March 2021, including performance against the financial covenants of Dart Group PLC and the assessment of principal areas of risk and uncertainty.

Having considered the points outlined above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2018.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the date of approval of this Annual Report confirms 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 he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

AUDITOR

In accordance with section 487 of the Companies Act 2006, the Auditor is deemed to be re-appointed and KPMG LLP will therefore continue in office.

Jet2 Transport Services Limited

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By order of the Board



Gary Brown

Director

Jet2 Transport Service Limited

Registered No 02295912

6 September 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JET2 TRANSPORT SERVICES LIMITED

Opinion

We have audited the financial statements of Jet2 Transport Services Limited ("the Company") for the year ended 31 March 2018 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its result for the year then ended;
- have been properly prepared in accordance with UK Accounting Standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects.

Strategic Report and Directors' Report

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an Auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Adrian Stone (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Leeds, United Kingdom

6 September 2018

Jet2 Transport Services Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2018

	<i>Note</i>	2018 £000	2017 £000
REVENUE	4	655,068	497,331
Net operating expenses		(655,068)	(497,331)
PROFIT BEFORE TAXATION		-	-
Taxation		-	-
PROFIT FOR THE FINANCIAL YEAR		-	-

The notes on pages 11 to 14 form an integral part of these financial statements.

The results for the current and prior years all relate to continuing activities. There is no difference between the profit before taxation and the retained profit for the year stated above and their historical cost equivalents.

There are no items of comprehensive income other than the profit for the year of £nil (2017: £nil).

Jet2 Transport Services Limited

BALANCE SHEET

at 31 March 2018

	<i>Note</i>	2018 £000	2017 £000
CURRENT ASSETS			
Debtors	6	775,042	602,455
Cash and cash equivalents		-	1,148
		775,042	603,603
CREDITORS: amounts falling due within one year	7	(775,040)	(603,601)
NET CURRENT ASSETS		2	2
NET ASSETS		2	2
SHAREHOLDER'S EQUITY			
Called up share capital	8	2	2
TOTAL SHAREHOLDER'S EQUITY		2	2

The accounts were approved by the Board of Directors at a meeting held on 6 September 2018 and were signed on its behalf by:



Gary Brown

Director

Jet2 Transport Services Limited

Registered No 02295912

Jet2 Transport Services Limited

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

	Share Capital £000	Total shareholder's equity £000
Balance at 31 March 2016	2	2
Balance at 31 March 2017	2	2
Balance at 31 March 2018	2	2

Jet2 Transport Services Limited

NOTES TO THE ACCOUNTS

1. BASIS OF PREPARATION

Jet2 Transport Services Limited is a company incorporated in England & Wales and the financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 *Application of Financial Reporting Requirements* issued by the Financial Reporting Council. Accordingly, the Company adopts FRS 101 *Reduced Disclosure Framework*, under which these financial statements have been prepared.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- transactions with other Group companies;
- capital management;
- the effects of new but not yet effective IFRS; and
- compensation of key management personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

2. ACCOUNTING POLICIES

Going concern

The Directors have prepared financial forecasts for the Company, comprising profit before and after taxation, balance sheets and cash flows through to 31 March 2021.

For the purposes of their assessment of the appropriateness of the preparation of the Company's accounts on a going concern basis, the Directors have considered the current cash position, the availability of banking facilities and sensitised forecasts of future trading through to 31 March 2021, including performance against the financial covenants of Dart Group PLC, and the assessment of principal areas of risk and uncertainty.

Having considered the points above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2018.

Jet2 Transport Services Limited

NOTES TO THE ACCOUNTS (continued)

2. ACCOUNTING POLICIES (continued)

Taxation

The charge for taxation is based on the profit for the year.

Cash and cash equivalents

Cash and cash equivalents includes short-term deposits maturing within three months of placement.

Financial instruments

Trade and other receivables and payables

Trade and other receivables and payables are recognised at fair value and, where applicable, subsequently measured at amortised cost based on their respective effective interest rate.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Such estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

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 changed and in future periods if applicable.

Critical judgements in applying accounting policies

The Directors have identified no critical judgements made in the application of the Company's accounting policies which would have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The Directors have assessed that there are no key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Jet2 Transport Services Limited

NOTES TO THE ACCOUNTS (continued)

4. REVENUE

Revenue arises solely in the UK and from group undertakings. Revenue relates to the resale of both scheduled passenger flights and ancillary services and is recognised at the date of flight departure.

5. STAFF COSTS

The Company had no employees in the year.

The Directors did not receive any remuneration from the Company during the year.

During the year Philip Meeson, Stephen Heapy and Gary Brown were paid by the Company's ultimate parent company Dart Group PLC. Details of their remuneration are disclosed in the accounts of that company.

6. DEBTORS

	2018 £000	2017 £000
VAT	1,045	1,360
Amounts due from group undertakings	<u>773,997</u>	<u>601,095</u>
	<u>775,02</u>	<u>602,455</u>

7. CREDITORS: amounts falling due within one year

	2018 £000	2017 £000
Bank overdrafts	1,043	-
Amounts due to group undertakings	<u>773,997</u>	<u>603,601</u>
	<u>775,040</u>	<u>603,601</u>

Amounts due to group undertakings are payable on demand and are not interest bearing.

The bank overdrafts are part of the ultimate parent Group, Dart Group PLC's composite banking facility which allows the offset of individual bank and overdraft accounts across a range of currencies. As such no interest is payable on the overdrafts included above.

8. SHARE CAPITAL

	2018 £000	2017 £000
<i>Allotted, called up and fully paid</i>		
2,000 ordinary shares of £1 each	<u>2</u>	<u>2</u>

NOTES TO THE ACCOUNTS (continued)

9. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 8(k) of FRS 101, not to disclose transactions and balances with other Dart Group PLC entities that are wholly owned by a member of the Group.

10. ULTIMATE PARENT UNDERTAKING

The parent of the smallest group of undertakings for which consolidated accounts are drawn up, and of which the Company is a member is **Jet2.com** Limited, a company incorporated in England and Wales.

The parent of the largest group of undertakings, for which consolidated accounts are drawn up, and of which the Company is a member, is Dart Group PLC. Dart Group PLC is registered in England and Wales and copies of its accounts can be obtained from Low Fare Finder House, Leeds Bradford Airport, Leeds, LS19 7TU.