

**Company Registration No. 05845142**

**Amsair Aircraft Limited**

**Report and Financial Statements**

**Year ended 30 June 2011**

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# **Amsair Aircraft Limited**

## **Report and financial statements 2011**

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# **Amsair Aircraft Limited**

## **Report and financial statements 2011**

### **Officers and professional advisers**

#### **Directors**

Colin T Sandy  
Andrew N Cohen  
Daniel P Sugar  
Simon Sugar  
Claude M Littner

#### **Secretary**

Colin T Sandy

#### **Registered Office**

West Wing  
Sterling House  
Langston Road  
Loughton  
Essex  
IG10 3TS

#### **Bankers**

Lloyds TSB Bank plc  
City Office  
11-15 Monument Street  
London  
EC3V 9JA

#### **Solicitors**

Herbert Smith  
Exchange House  
Primrose Street  
London  
EC2A 2HS

#### **Auditor**

Deloitte LLP  
Chartered Accountants  
London

# **Amsair Aircraft Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 June 2011

This directors' report has been prepared in accordance with the special provisions relating to small companies under S415A of the Companies Act 2006

### **Principal activities**

The Company is principally engaged in the business of chartering aircraft

### **Business Review**

The loss on ordinary activities after taxation for the year was £191,468 (2010 £316,810). The sale of the old and purchase of the new aeroplanes although simultaneous caused a void in the availability of an aircraft for chartering. This together with other factors, including change of aircraft operator, and getting the new aeroplane available for charter, saw a decline in chartering income.

The directors are of the opinion that the new operator will need time to build up a chartering client base and therefore chartering income may continue to remain lower than previous years.

### **Going concern**

The directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about future trading. The Company has received a letter from Amshold Group Limited stating that it will continue to provide financial support for at least twelve months from the date of signing the financial statements.

On the basis of this review, and after making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

### **Financial instruments**

The directors considered the risks attached to the Company's financial instruments which principally comprise operating debtors and operating creditors and loans to and from other group companies. The directors have taken a prudent approach in their consideration of the various risks attached to the financial instruments of the Company. The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities and the financial statements.

The directors' policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so. The Company had no hedged transactions during the year.

### **Dividends**

The directors do not propose the payment of a dividend (2010 £nil).

# **Amsair Aircraft Limited**

## **Directors' report (continued)**

### **Directors**

The directors who held office throughout the year and subsequently, except as noted are listed below

Colin T Sandy  
Andrew N Cohen  
Daniel P Sugar  
Simon Sugar  
Claude M Littner

### **Directors' Indemnities**

The directors and officers of the Company, use the policy taken out by Amshold Group Limited, the ultimate parent company, for indemnity insurance

### **Auditor**

Each of the persons who is a director 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/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

A resolution to re-appoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting

Approved by the Board and signed on its behalf



Colin T Sandy  
Secretary  
1 November 2011

Registered Office  
West Wing, Sterling House, Langston Road  
Loughton, Essex IG10 3TS

## **Amsair Aircraft Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the sole member of Amsair Aircraft Limited**

We have audited the financial statements of Amsair Aircraft Limited for the year ended 30 June 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's 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 member, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 June 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the sole member of Amsair Aircraft Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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 take advantage of the small companies exemption in preparing the directors' report



Andrew Clark (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

1 November 2011



## Amsair Aircraft Limited

### Profit and loss account Year ended 30 June 2011

	Notes	2011 £	2010 £
Turnover	2	346,159	987,429
Cost of sales		(1,183,574)	(1,289,234 )
Gross loss		(837,415)	(301,805)
Administrative expenses		(102,850)	(120,094)
Operating loss	4	(940,265)	(421,899)
Profit on disposal of fixed assets		1,123,753	-
Interest receivable and similar income	5	-	1
Interest payable and similar charges	6	(501,135)	(18,116)
Loss on ordinary activities before taxation		(317,647)	(440,014)
Tax credit on loss on ordinary activities	7	126,179	123,204
Loss for the financial year	13	(191,468)	(316,810)

There is no difference between the reported loss on ordinary activities after tax and the equivalent historical cost amount, consequently no statement of total recognised gains and losses has been presented

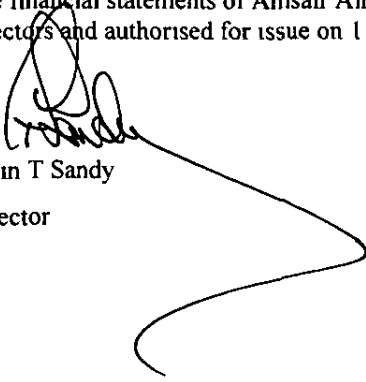
All activities derive from continuing activities

# Amsair Aircraft Limited

## Balance sheet 30 June 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible fixed assets	8	<u>16,269,468</u>	<u>7,893,160</u>
<b>Current assets</b>			
Debtors	9	65,916	7,437,568
Cash at bank and in hand		<u>3,183</u>	<u>34,397</u>
		<u>69,099</u>	<u>7,471,965</u>
<b>Creditors amounts falling due within one year</b>	10	<u>(14,925,334)</u>	<u>(13,588,806)</u>
<b>Net current liabilities</b>		<u>(14,856,235)</u>	<u>(6,116,841)</u>
<b>Total assets less current liabilities</b>		<u>1,413,233</u>	<u>1,776,319</u>
<b>Provisions for liabilities</b>	11	<u>(473,970)</u>	<u>(645,588)</u>
		<u>939,263</u>	<u>1,130,731</u>
<b>Capital and reserves</b>			
Called up share capital	12	1	1
Profit and loss account		<u>939,262</u>	<u>1,130,730</u>
<b>Shareholder's funds</b>	13	<u>939,263</u>	<u>1,130,731</u>

The financial statements of Amsair Aircraft Limited, registered number 05845142, were approved by the board of directors and authorised for issue on 1 November 2011. They were signed on its behalf by

  
Colin T Sandy  
Director

# Amsair Aircraft Limited

## Notes to the accounts Year ended 30 June 2011

### 1. Accounting policies

The financial statements are prepared in accordance with United Kingdom law and accounting standards. The particular accounting policies adopted by the directors are described below, and have been consistently applied in the current and prior years.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Going Concern

The financial statements are prepared on a historical cost convention basis and prepared on a going concern basis as discussed in the directors' report on page 2.

#### Tangible fixed assets

Tangible fixed assets are stated at cost, less provision for impairment.

Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives. Depreciation is not charged on assets in the course of construction. A full month's charge is made in the month of acquisition and none in the month of disposal. The annual depreciation rates and methods are as follows:

Aircraft engines	-	straight-line basis over 10 years
Aircraft frames	-	straight-line basis over 20 years

#### Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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

# Amsair Aircraft Limited

## Notes to the accounts Year ended 30 June 2011

### 1. Accounting policies (continued)

#### Cash flows

As the Company is a wholly-owned subsidiary, the cash flows of the Company are included in the consolidated cashflow statement of its parent undertaking. Consequently the Company is exempt under the provisions of Financial Reporting Standard 1 (Revised) - "Cash Flow Statements", from publishing a separate cash flow statement

### 2. Turnover

Turnover comprises chartering income receivable by the Company, wholly arising in the United Kingdom and is recognised on the raising of the sales invoice

### 3. Staff costs

The Company had no employees in either the current or prior year. The directors received no emoluments during the current or prior year.

### 4. Operating profit/loss

Loss on ordinary activities before taxation is stated after charging

	2011 £	2010 £
Depreciation on owned assets	707,774	593,856
Auditor's remuneration – fee for the statutory audit of the company's annual accounts	2,075	3,000
- company secretarial fees	615	620
	<u>710,464</u>	<u>597,476</u>

### 5. Interest receivable and similar income

	2011 £	2010 £
Bank interest	-	1
	<u>-</u>	<u>1</u>

### 6. Interest payable and similar charges

	2011 £	2010 £
Loss /(Gain) on exchange	431,677	(30,877)
Bank charges and interest	40	57
Interest payable to group undertaking	69,418	48,936
	<u>501,135</u>	<u>18,116</u>

Interest is payable on the amount owed to other group companies at variable rates based on Bank of England base rates

# Amsair Aircraft Limited

## Notes to the accounts Year ended 30 June 2011

### 7. Tax credit on loss on ordinary activities

#### (i) Analysis of tax credit on ordinary activities

	2011 £	2010 £
Total current tax credit	(45,439)	205,860
Total current tax credit	(45,439)	205,860
Deferred taxation	171,618	(82,656)
Total tax credit on ordinary activities	126,179	123,204

The Finance Act 2011, which provides for a reduction in the main rate of corporation tax from 26% to 25% effective from 1 April 2011, was subsequently enacted on 5<sup>th</sup> July 2011. As it was not substantively enacted at the balance sheet date, this rate reduction is not yet reflected in these financial statements in accordance with FRS 21, as it is a non-adjusting event occurring after the reporting period.

The Government has also indicated that it intends to enact future reductions in the main tax rate of 1% each year down to 24% by 1 April 2014. The future 1% main tax rate reductions are expected to have a similar impact on our financial statements as outlined above, however the actual impact will be dependent on our deferred tax position at that time.

#### (ii) Factors affecting tax credit for the current year

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK 27.50% (2010: 28%). The differences are explained below:

	2011 £	2010 £
Loss on ordinary activities before tax	(317,647)	(440,014)
Tax at 27.50% (2010: 28%) thereon	87,357	123,204
Effects of:		
Expenses not deductible	(44)	-
Capital allowances in excess of depreciation	(132,752)	82,656
Current tax credit for year	(45,439)	205,860

# Amsair Aircraft Limited

## Notes to the accounts Year ended 30 June 2011

### 8. Tangible fixed assets

	Aircraft £
<b>Cost</b>	
At 1 July 2010	10,273,054
Additions	16,830,484
Disposals	(10,273,054)
	<u>16,830,484</u>
At June 2011	<u>16,830,484</u>
<b>Depreciation</b>	
At 1 July 2010	2,379,894
Charge for the year	707,774
Elimination on disposal	(2,526,652)
	<u>561,016</u>
At 30 June 2011	<u>561,016</u>
<b>Net book value</b>	
At 30 June 2011	<u>16,269,468</u>
At 30 June 2010	<u>7,893,160</u>

### 9. Debtors

	2011 £	2010 £
Amounts falling due within one year		
Other debtors	-	7,357,671
Prepayments and accrued income	65,916	79,897
	<u>65,916</u>	<u>7,437,568</u>

### 10. Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	-	30,849
Amounts owed to group undertakings	14,805,514	13,513,144
Accruals and deferred income	74,381	44,813
Corporation tax	45,439	-
	<u>14,925,334</u>	<u>13,588,806</u>

# Amsair Aircraft Limited

## Notes to the accounts Year ended 30 June 2011

### 11 Provisions for liabilities and charges

#### *(i) Movement in deferred tax*

	2011 £	2010 £
Deferred taxation movement for the year		
Effect of change in tax rate	38,866	-
Origination and reversal of timing differences	132,752	82,656
	<u>171,618</u>	<u>82,656</u>

#### *(ii) Analysis of deferred tax*

	2011 £	2010 £
At 1 July	645,588	562,932
Depreciation in excess of capital allowances	(171,618)	(82,656)
At 30 June	<u>473,970</u>	<u>645,588</u>

### 12 Called up share capital

	2011 £	2010 £
Authorised, called up, allotted and fully paid: Ordinary share of £1	<u>1</u>	<u>1</u>

### 13 Reconciliation of movement in shareholder's funds

	2011 £	2010 £
At 30 June 2010	1,130,731	1,447,541
Loss for the year	(191,468)	(316,810)
At 30 June 2011	<u>939,263</u>	<u>1,130,731</u>

## **Amsair Aircraft Limited**

### **Notes to the accounts Year ended 30 June 2011**

#### **14. Ultimate parent company and controlling party**

At 30 June 2011, the ultimate controlling party was Lord Sugar.

The immediate parent Company is Amsair Limited, a company incorporated in Great Britain and registered in England and Wales. The ultimate parent company is Amshold Group Limited, a Company incorporated in Great Britain which is the parent undertaking of the largest and smallest group which includes the Company and for which group financial statements are prepared. Copies of the group financial statements of Amshold Group Limited are available from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.

#### **15. Related party transactions**

The Company has taken advantage of the exemption from related party disclosure in accordance with Paragraph 3(c) of Financial Reporting Standard No. 8.

At year end, the Company's ultimate parent company, Amshold Group Limited, owed 100% of Amsprop Limited, which in turn owned 100% of Amsprop Estates Limited.

Transactions with these entities were as follows:

(a) Hire of aircraft by Amsprop Estates Limited	£147,905 (2010: £168,644)
(b) Hire of aircraft by Amshold Group Limited	£147,905 (2010: £168,644)

The above transactions were carried out on an arm's length basis under normal terms.