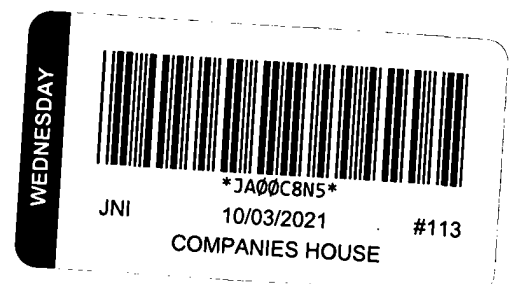


Registered No: 06617647

VistaJet International Limited

Report and Financial Statements

31 December 2019



Corporate Information

Registered No: 06617647

Director

I Moore

Secretary

I Rubli

Auditors

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

Bankers

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London
E14 5LB

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 2019.

Principal activities and review of the business

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

The 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 Group operates a superior fleet of 73 aircraft (71 owned and 2 operating lease) and 1 helicopter at year end 2019. 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 5.4 years across the fleet as at 31 December 2019.

The Group 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 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 continued revenue growth through Program sales to both new and existing customers. These customers will be derived from a diverse segment of industries globally. A large portion of the Group’s overheads are fixed and thus incremental revenue will drive margin improvement as witnessed in 2019.

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

Impact from Covid-19 to Group and Company

Whilst the COVID-19 pandemic did not have effects on the financial results and position of the Company as a standalone entity, it has impacted the Group as a whole. Since the Company’s principle activity is solely to provide service to the group, the directors have assessed whether the impact on the Group will materially affect the operations of the Company. The Group recognises that the key risk and uncertainty of its operations is that of not being able to provide flight services to its clients due to travel bans and the closure of several airports around the globe, with the main aim being that of containing the spread of the virus. Governments have promptly responded to this economic slowdown through multiple monetary and fiscal interventions to stabilise economic conditions.

In assessing the potential impact that the COVID-19 pandemic has had and will have on its operations, the Group has performed an extensive analyses and cash flow forecasts. The Group has based its forecasts on a number of reasonable assumptions and on the available information, management is satisfied that the Group has sufficient access to cash resources and facilities to meet obligations as and when they become due and payable.

The Company’s management has taken the following actions to assist in mitigating the risks from the downturn in activity and minimize the impact of COVID-19 to the Group as a whole.

Strategic Report

Registered No: 06617647

Impact from Covid-19 to Group and Company (continued)

Grants and loans:

- Business loans available in the UK, funding via both salary grants and loans have been obtained in 2020.

Employee related:

- Job retention schemes such as the UK's Furlough Scheme obtained
- All crew and flight operational teams are being retained to be in a position to re-activate activity without significant disruption in a short period of time
- For a very large proportion of non-furloughed (or equivalent scheme) staff we are reducing salaries, by on average 20% and the Group's Executive team have committed to a 50% reduction in their salaries.

General costs:

- All discretionary spending has been stopped.

Notwithstanding the fact that there is uncertainty as to how long the COVID-19 restrictions will last, unlike commercial aviation which has almost dried up completely, global business aviation activity whilst reduced is starting to show positive signs of recovery and the Group believes it is in a strong position to increase activity as the world re-opens.

Financial review of the Company

	2019 €'000	2018 €'000
Revenue	34,146	27,948
Operating profit/(loss)	1,453	(496)
Loss after tax	(1,465)	(2,479)
Year-end employees	299	276

In 2019 the Company successfully grew its revenues by 22.2% to €31,146,000. Due to leverage in the existing cost base, operating costs increased at a slower pace, 14.9%, which ultimately resulted in the Company generating €1,453,000 of operating profit compared to €496,000 operating loss in 2019. Foreign exchange gains / losses arising are not recoverable under the Company's cost plus arrangement.

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 Vista Global 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.

Strategic Report

Registered No: 06617647

Principal risks and uncertainties (continued)

Liquidity risk

Liquidity risk is managed through the Vista Global 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.

COVID-19 risk

As indicated in the earlier commentary, whilst the impact of COVID-19 has been relatively low to the Company, the Group has seen an impact, but the Group's business model has proven that we are able to adapt to the changing environments and have already regained significant flight activity and business performance. However, the Company and Group are in principle still at risk where flying activity is subject to continued uncertainty so all measures utilised to date continue to be available in order that the Company and Group can mitigate these risks.

Brexit risk

The Directors continued to monitor and prepare for the potential impact of Brexit on the Company and as the UK exited the EU in 2020 did not see any significant effect on the Company's operations. The Directors consider the risks to the Company to continue to be relatively low and that the business is in a strong position to react quickly to any further related Brexit issues.

Section 172(1) Statement

The following disclosures describe how the Director has had regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006.

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members, and in doing so have regard (amongst other matters) to:

- a) **the likely consequences of any decision in the long term, keeping in mind long term growth of the Company** - the Director works with the Group's Executive Committee to ensure that any decision taken is adding value to the overall business, not just any one department or business function, and on a long-term basis for the benefit of all.
- b) **the interests of the company's employees** - our long-term success is dependent on hiring, training, rewarding, and keeping employees for the long-term and we strive to do this by providing competitive pay and benefits package and creating an environment where employees can share their ideas freely and add value to decision making. We believe, and maintain, an inclusive culture is vital as each person brings unique value no matter their gender, race, age, education or place of birth.
- c) **the need to foster the company's business relationships with suppliers, customers and others** - by maintaining good relationships the business is able to secure the best terms and satisfaction which ultimately will flow through to the financial performance of the business. Regular meetings with key stakeholders drives efficiency and enables any feedback received to be viewed as a new business opportunity. We aim to provide customer service that exceeds customer expectations and that is superior to our competitors, enhancing their loyalty to us.
- d) **the impact of the company's operations on the community and the environment** – we recognise that aviation as an industry whilst meeting the needs of travellers also has an impact on the community and the environment and 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.

Strategic Report

Registered No: 06617647

Section 172(1) Statement (continued)

- e) **the desirability of the company maintaining a reputation for high standards of business conduct** - It is important for the Company and Group to maintain a reputation for high standards of business conduct. To this end, we require our employees to follow applicable laws and regulations and to operate ethically and operate a number of codes of conduct and policies applicable for all employees, and also specific groups of employees such as those involved in financial matters. We also maintain a supplier code of conduct to ensure we and suppliers work together in the appropriate framework.
- f) **the need to act fairly as between members of the company** – we understand that there are many different stakeholders of the Company. Their interests need to be carefully balanced and considered to ensure optimisation of each of their interests, which will ultimately optimize the interests of Company and Group.

The Director confirms compliance with this requirement.

On behalf of the board



I Moore
Director

Date: 09 March 2021

Directors' report

Registered No: 06617647

The director presents his annual report and the audited financial statements for the year ended 31 December 2019.

Results and dividends

The loss for the year amounted to €1,464,846 (2018: loss for the year €2,479,161). 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.

The Company acts as a sales and marketing agent in respect of air transportation services provided by the VistaJet Group, provides payroll and IT development services to the VistaJet Group, participates in the Vista Global Group's centralised treasury arrangements and is funded by way of intercompany trading and funding facilities that are repayable on demand. As at 31 December 2019 the Company had net current liabilities of €31,808,904 (2018: €28,408,496), including €33,276,624 (2018: €30,045,398) of amounts due to group undertakings. 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, including not demanding the repayment of amounts due to group undertakings.

The directors of the Company's ultimate parent undertaking Vista Global Holdings Limited have provided a letter indicating that they intend and are able to continue to provide financial support to the Company, including not demanding repayment of amounts owed by the Company to entities within the Vista Global Group and to provide sufficient funds to the Company for at least one year from approval of these financial statements.

The directors are satisfied that the Vista Global Group has sufficient cash and liquidity to provide this support, which is further strengthened by a subsequent bond issue, in which Vista Global Group was able to secure \$150m in cash through a bond issue in February 2021. In particular, both the directors of the Company and those of the Vista Global Group have considered the impact of COVID-19 on the financial performance and cash flows of the Vista Global Group, including modelling sensitivities that consider the risk of reductions in revenues due to more adverse trading conditions, and which indicate the Vista Global Group is expected to continue to be cash generative and meet its obligations as they fall due for at least the next 12 months.

On the basis of their enquiries of the Vista Global Group's going concern assessment, the letter of support provided by Vista Global Holdings Limited, and the reasonable expectations that the Vista Global Group will continue as a going concern, the directors have concluded that the Company will be able to continue in operational existence for the foreseeable future. Consequently, the directors have concluded that it is appropriate to prepare the Company's financial statements on a going concern basis.

Directors' report

Registered No: 06617647

Employees

The Company 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.

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: 09 March 2021

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 2019 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 22, 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 2019 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.

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.

Emphasis of matter – Disclosures in relation to the impact of COVID-19

We draw attention to note 1 (Going concern) and note 22 of the financial statements, which describe the financial and operational consequences the company is facing as a result of COVID-19 and which is impacting consumer demand. Our opinion is not modified in respect of this matter.

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.

Independent auditors' report

to the Shareholders of VistaJet International Limited

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.

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.

Independent auditors' report

to the Shareholders of VistaJet International Limited

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.

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: 10 March 2021

Income Statement

for the year ended 31 December 2019

		2019	2018
	Notes	€	€
Revenue	2	34,146,250	27,947,749
Administrative expenses		(32,693,674)	(28,443,782)
Operating profit/(loss)	3	1,452,576	(496,033)
Finance income		3	-
Finance costs	6	(2,463,891)	(1,605,614)
Loss before taxation		(1,011,312)	(2,101,647)
Taxation charge	7	(453,534)	(377,514)
Loss for the financial year		<u>(1,464,846)</u>	<u>(2,479,161)</u>

All amounts above relate to continuing operations.

Statement of comprehensive income

for the year ended 31 December 2019

The company has no comprehensive income or loss other than the loss for the financial year of €1,464,846 (2018 – €2,479,161).

Balance Sheet

for the period ended 31 December 2019

Registered No: 06617647

	Notes	2019 €	2018 €
Fixed assets			
Intangible assets	8	30,253,998	28,636,112
Tangible assets	9	1,313,584	560,256
		<u>31,567,582</u>	<u>29,196,368</u>
Current assets			
Stocks	10	61,078	118,807
Debtors – amounts falling due after more than one year	12	1,467,000	3,046,313
Debtors – amounts due within one year	11	4,229,203	5,160,243
Cash at bank and in hand		445,967	21,577
		<u>6,203,248</u>	<u>8,346,940</u>
Creditors: amounts falling due within one year	13	(38,012,152)	(36,755,436)
Net current liabilities		<u>(31,808,904)</u>	<u>(28,408,496)</u>
Total assets less current liabilities		(241,322)	787,872
Creditors: amounts falling due after more than one year	14	(294,368)	(55,568)
Deferred tax liabilities		(9,824)	(15,991)
Net (liabilities)/assets		<u>(545,514)</u>	<u>716,313</u>
Equity			
Called up share capital	18	1	1
Capital contribution reserve		203,019	-
Profit and loss reserve		(748,534)	716,312
Total Shareholders (deficit)/equity		<u>(545,514)</u>	<u>716,313</u>

The financial statements were approved and authorised for issue by the board and authorised for issue on 09 March 2021 and were signed on its behalf by:



I Moore
Director

Statement of Changes in Equity

for the period ended 31 December 2019

	<i>Share Capital</i>	<i>Capital contribution reserve</i>	<i>Profit and loss reserve</i>	<i>Total shareholders equity/(deficit)</i>
	€	€	€	€
At 1 January 2018	1	-	3,195,473	3,195,474
Loss for the year	-	-	(2,479,161)	(2,479,161)
At 31 December 2018	1	-	716,312	716,313
Loss for the year	-	-	(1,464,846)	(1,464,846)
Share based payment charge	-	203,019	-	203,019
At 31 December 2019	1	203,019	(748,534)	(545,514)

Statement of cash flows

for the period ended 31 December 2019

		2019	2018
	Notes	€	€
Net cash inflow from operating activities	20(a)	<u>6,918,804</u>	<u>4,496,318</u>
Investing activities			
Payments to acquire intangible fixed assets		(5,501,426)	(9,107,195)
Payments to acquire tangible fixed assets		<u>(657,454)</u>	<u>(421,324)</u>
Net cash outflow from investing activities		<u>(6,158,880)</u>	<u>(9,528,519)</u>
Financing activities			
Payments to acquire finance lease assets		(276,655)	-
Interest payments		<u>(58,879)</u>	<u>-</u>
Net cash outflow from financing activities		<u>(335,534)</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents		424,390	(5,032,201)
Cash and cash equivalents at 1 January		<u>21,577</u>	<u>5,053,778</u>
Cash and cash equivalents at 31 December	20(b)	<u>445,967</u>	<u>21,577</u>

Notes to the financial statements

at 31 December 2019

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.

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 09 March 2021.

Going concern

The Company acts as a sales and marketing agent in respect of air transportation services provided by the VistaJet Group, provides payroll and IT development services to the VistaJet Group, participates in the Vista Global Group's centralised treasury arrangements and is funded by way of intercompany trading and funding facilities that are repayable on demand. As at 31 December 2019 the Company had net current liabilities of €31,808,904 (2018: €28,408,496), including €33,276,624 (2018: €30,045,398) of amounts due to group undertakings. 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, including not demanding the repayment of amounts due to group undertakings.

The directors of the Company's ultimate parent undertaking Vista Global Holdings Limited have provided a letter indicating that they intend to and are able to continue to provide financial support to the Company, including not demanding repayment of amounts owed by the Company to entities within the Vista Global Group and to provide sufficient funds to the Company for at least one year from approval of these financial statements.

The directors are satisfied that the Vista Global Group has sufficient cash and liquidity to provide this support, which is further strengthened by a subsequent bond issue, in which Vista Global Group was able to secure \$150m in cash through a bond issue in February 2021. In particular, both the directors of the Company and those of the Vista Global Group have considered the impact of COVID-19 on the financial performance and cash flows of the Vista Global Group, including modelling sensitivities that consider the risk of reductions in revenues due to more adverse trading conditions, and which indicate the Vista Global Group is expected to continue to be cash generative and meet its obligations as they fall due for at least the next 12 months.

On the basis of their enquiries of the Vista Global Group's going concern assessment, the letter of support provided by Vista Global Holdings Limited, and the reasonable expectations that the Vista Global Group will continue as a going concern, the directors have concluded that the Company will be able to continue in operational existence for the foreseeable future. Consequently, the directors have concluded that it is appropriate to prepare the Company's financial statements on a going concern basis.

Notes to the financial statements

at 31 December 2019

1. Accounting policies (continued)

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.

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
IT and Office 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:

Notes to the financial statements

at 31 December 2019

1. Accounting policies (continued)

Deferred tax (continued)

- 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.

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.

Notes to the financial statements

at 31 December 2019

1. Accounting policies (continued)

Share-based payments

Share based compensation benefits are provided to employees and independent contractors via the Vista Global Holding Ltd Employee Share Option Plan. Information relating to this scheme is set out in Note 21 (Share based payment plan).

The fair value of options granted under the Vista Global Holding Employee Share Option Plan to eligible participants of the Company is recognised as an employee benefits expense, with a corresponding increase in equity through a capital contribution reserve. The total amount to be expensed is determined by reference to the fair value of the options granted at the date of their grant using an appropriate pricing model and considering the following:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. EBITDA targets and remaining an employee of the entity or providing services to the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for an exit event that is not linked to service to occur prior to the participant being able to exercise the options).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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, marketing and payroll services provided to the principal is usually as those services are provided. In respect of IT development services revenue is recognised as the capitalised IT development costs are amortised. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and value added tax.

3. Operating profit/(loss)

This is stated after (crediting)/charging:

	2019	2018
	€	€
Auditors remuneration:		
- Fees payable to the company's auditor for the audit of the company's annual financial statements	40,339	45,418
Amortisation of intangible assets (included in Admin expenses)	3,975,995	1,897,397
Amortisation of intangible assets held under finance lease (included in Admin expenses)	53,859	122,779
Depreciation of owned assets	522,425	254,871
Operating lease rentals – land and buildings	1,546,270	1,087,530
Foreign exchange loss	2,244,491	3,926,626

4. Employees

	2019	2018
	€	€
Wages and salaries	11,165,892	8,908,916
Social security costs	1,048,391	1,004,825
Other pension costs	701,616	371,358
Share based payment costs	203,019	-
	<u>13,118,918</u>	<u>10,285,099</u>

Notes to the financial statements

at 31 December 2019

4. Employees (continued)

Other pension costs of €701,616 (2018: €371,358) are in respect of the Salary Sacrifice and defined contribution scheme.

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

	2019 No.	2018 No.
Operations	115	117
Administration	164	153
	<u>279</u>	<u>270</u>

5. Directors' emoluments

	2019 €	2018 €
Aggregate remuneration in respect of qualifying services	-	67,515
Aggregate amounts receivable under long term incentive plans	-	-

The amounts of remuneration payable to the director in respect of his services to the Company is considered negligible.

6. Finance costs

	2019 €	2018 €
Interest payable to group undertakings	2,363,801	1,598,072
Interest expense third party	39,943	965
Interest expense finance lease	60,147	6,577
	<u>2,463,891</u>	<u>1,605,614</u>

7. Taxation

(a) Tax on loss

The tax on loss is comprised as follows:

	2019 €	2018 €
<i>Current tax:</i>		
UK corporation tax	282,079	410,720
UK corporation tax - adjustments in respect of prior periods	98,757	(41,417)
Foreign tax charged to foreign branch	78,865	-
Total current tax charge	<u>459,701</u>	<u>369,303</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(29,395)	1,329
Adjustments in respect of previous periods	23,228	6,882
Total deferred tax (credit)/charge	<u>(6,167)</u>	<u>8,211</u>
Total tax charge for the year	<u>453,534</u>	<u>377,514</u>

Notes to the financial statements

at 31 December 2019

7. Taxation (continued)

(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% (2018: 19%). The differences are reconciled below:

	2019 €	2018 €
Loss before taxation	(1,011,312)	(2,101,647)
Loss by rate of tax of 19% (2018: 19%)	(192,149)	(399,313)
Effects of:		
Fixed asset differences	7,171	7,676
Expenses not deductible for tax purposes	681,621	801,185
Foreign tax charged to foreign branch	78,865	-
Adjustments in respect of prior periods for exchange differences	98,757	(41,417)
Adjustments to tax charge in respect of previous periods – deferred tax	23,228	6,882
Impact of change in tax rate	3,458	2,501
Foreign permanent establishment exemption	(247,417)	-
Total tax charge for the year (note 7(a))	453,534	377,514

(c) Deferred tax

The deferred tax liability recognised is comprised as follows:

	2019 €	2018 €
Fixed assets temporary differences	61,034	55,090
Short term timing differences	(51,210)	(39,099)
	9,824	15,991
		€
At 1 January 2019		15,991
Deferred tax credit in profit and loss account (note 7(a))		(6,167)
At 31 December 2019		9,824

Notes to the financial statements

at 31 December 2019

8. Intangible fixed assets

	<i>Software</i> €	<i>Total</i> €
Cost:		
Opening balance at 1 January 2019	31,927,884	31,927,884
Additions	5,647,740	5,647,740
At 31 December 2019	<u>37,575,624</u>	<u>37,575,624</u>
Amortisation:		
Opening balance at 1 January 2019	3,291,772	3,291,772
Provided during the year	4,029,854	4,029,854
At 31 December 2019	<u>7,321,626</u>	<u>7,321,627</u>
Net book value:		
At 31 December 2019	<u>30,253,998</u>	<u>30,253,998</u>
At 31 December 2018	<u>28,636,112</u>	<u>28,636,112</u>

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 2019	939,542
Additions	-
At 31 December 2019	<u>939,542</u>
Amortisation:	
Opening balance at 1 January 2019	650,563
Provided during the year	53,859
At 31 December 2019	<u>704,422</u>
Net Book value:	
At 31 December 2019	<u>235,120</u>
At 31 December 2018	<u>288,979</u>

Notes to the financial statements

at 31 December 2019

9. Tangible fixed assets

	<i>Short Leasehold Improvements</i>	<i>Cars</i>	<i>Fixtures & Fittings</i>	<i>IT & Office Equipment</i>	<i>Total</i>
Cost:	€	€	€	€	€
At 1 January 2019	331,898	-	567,910	1,485,409	2,385,217
Additions	-	194,175	90,609	990,970	1,275,754
At 31 December 2019	331,898	194,175	658,519	2,476,379	3,660,971
Depreciation:					
At 1 January 2019	281,947	-	236,657	1,306,358	1,824,962
Provided during the year	29,971	3,236	97,855	391,363	522,425
At 31 December 2019	311,918	3,236	334,512	1,697,721	2,347,387
Net book value:					
At 31 December 2019	19,980	190,939	324,007	778,658	1,313,584
At 31 December 2018	49,951	-	331,253	179,051	560,256

10. Stocks

	2019 €	2018 €
Consumables	61,078	118,807

Total stocks recognised as an expense in the income statement amounted to €87,503 (2018: €126,795)

11. Debtors: amounts falling due within one year

	2019 €	2018 €
Other debtors	696,564	966,836
Amounts owed by parent undertaking	-	485,673
Prepayments and accrued income	3,532,639	3,707,734
	4,229,203	5,160,243

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

	2019 €	2018 €
Prepayments and accrued income	1,467,000	3,046,313
	1,467,000	3,046,313

Notes to the financial statements

at 31 December 2019

13. Creditors: amounts falling due within one year

	2019 €	2018 €
Trade creditors	865,893	2,358,703
Amounts owed to group undertakings	33,276,624	30,045,398
Other creditors	216,200	184,913
Accruals and deferred income	909,438	907,987
Corporation tax payable	1,547,758	2,554,593
Other taxation and social security	810,583	579,305
Obligations under finance leases	385,656	124,537
	<u>38,012,152</u>	<u>36,755,436</u>

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

	2019 €	2018 €
Obligations under finance leases	294,368	55,568
	<u>294,368</u>	<u>55,568</u>

15. 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 €306,714 (2018: €229,992) are included in 'other creditors' and 'Accruals and deferred income' (note 13). Pension contributions recognised through the Income Statement during the year were €701,616 (2018: €371,358).

16. 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>	
	2019 €	2018 €
Operating leases which expire:		
Within one year	1,668,682	1,590,204
In two to five years	4,925,141	5,054,134
In over five years	1,035,155	2,042,971
Total	<u>7,628,978</u>	<u>8,687,309</u>

Notes to the financial statements

at 31 December 2019

16. Obligations under leases and hire purchase agreements (continued)

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

	2019 €	2018 €
Minimum lease payments payable:		
Within one year	385,656	124,537
Between one and five years	348,064	59,137
	<u>733,720</u>	<u>183,674</u>
Less: future finance charges	(53,696)	(3,569)
	<u>680,024</u>	<u>180,105</u>

17. 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 Vista Global Holding Limited Group.

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 €733,366 (2018: €927,744).

18. 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.

	2019 No.	2019 €	Authorised 2018 No.	Authorised 2018 €
Ordinary shares of £1 each	<u>100,000</u>	<u>127,828</u>	<u>100,000</u>	<u>127,828</u>
	No.	2019 €	Allotted and called up 2018 No.	Allotted and called up 2018 €
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.

Notes to the financial statements

at 31 December 2019

19. 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 Vista Global Holding Limited which is incorporated in the United Arab Emirates - Dubai, and for which group financial statements are drawn up. The majority shareholder and ultimate controlling party of Vista Global Holding Limited is Mr Thomas Flohr.

20. Notes to the statement of cash flows

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

	2019 €	2018 €
Operating profit/(loss) for the year	1,452,576	(496,033)
<i>Adjustments to reconcile operating profit/(loss) for the year to net cash flow from operating activities:</i>		
Depreciation of tangible fixed assets	522,425	254,871
Share based payment charge	203,019	-
Amortisation of intangible fixed assets	4,029,854	2,020,176
Decrease in debtors	2,510,352	11,228,088
Decrease in stock	57,729	(19,984)
Decrease in creditors	(390,615)	(8,311,739)
Taxation		
Corporation tax paid	(1,466,536)	(179,061)
Net cash inflow from operating activities	<u>6,918,804</u>	<u>4,496,318</u>

(b) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	At 31 December 2019 €	At 31 December 2018 €
Cash at bank and in hand	<u>445,967</u>	<u>21,577</u>

21. Share based payment plan

During 2019, the ultimate parent company, Vista Global Holdings Ltd ("Vista Global"), established a new share option plan designed to provide long-term incentives to certain Vista Global Group eligible employees, directors and independent contractors. Participation in the plan is at the Board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. An eligible participant may choose not to participate in the option plan or may renounce his option in whole or in part at any time after grant by giving appropriate notice as defined in the plan's rules.

Notes to the financial statements

at 31 December 2019

21. Share based payment plan (continued)

Under the plan's rules, participants are granted options exercisable in shares of Vista Global, that are conditional on: (i) the participants providing a specified number of years' service (ranging from one to five years after the grant date) and, over the same period, (ii) on the Group's EBITDA increasing by a specified percentage (collectively, "the Vesting Conditions"). For tranche of options where the Vesting Conditions have been met, the participants are entitled to exercise the respective tranche of options ("the Vested Options"), subject to the exit event condition below, without the requirement to provide further services to the Group.

Vested Options become unconditionally exercisable in the event of an exit event, which includes the Vista Global shares becoming listed; the whole or substantially the whole of the trade and assets of Vista Global being transferred to another company that is not within control of the Group; or a change of control. Other limited events may give rise to exercisability only at the Vista Global Board's discretion. In any case, all options lapse if none of the exit events occur ten years from the grant date.

If a participant terminates the provision of services to the Group prior to an exit event occurring, the number of any Vested Options that may become exercisable in the event of an occurrence of an exit event may be reduced on a pro rata basis. The reduction in the number of exercisable options is dependent on the market price of the Vista Global shares on the fifth year after grant, as compared to the market price of the shares at the date of an exit event.

Options are granted under the plan for no consideration and carry no dividend or voting rights.

When exercisable, each option is convertible into one non-voting share of Vista Global. The Group has the right, but not the obligation, to settle the options in cash, based on the value of the shares less the participant's exercise price. However, it is the Vista Global Board's intention to settle the options in shares if and when these become exercisable; consequently, any options granted under the plan are classified, recognised and measured as equity-settled options.

Set out below are summaries of options granted under the plan to those eligible participants of the Company:

Option A	Weighted average fair value in \$ per		Number of options	
	2019	2018	2019	2018
As at 1 January	-	-	-	-
Granted during the year	5.31	-	270,899	-
Forfeited during the year	-	-	-	-
As at 31 December	5.31	-	270,899	-

Option B	Weighted average fair value in \$ per		Number of options	
	2019	2018	2019	2018
As at 1 January	-	-	-	-
Granted during the year	1.90	-	315,548	-
Forfeited during the year	-	-	-	-
As at 31 December	1.90	-	315,548	-

No options were vested, exercisable or expired during 2019.

Notes to the financial statements

at 31 December 2019

21. Share based payment plan (continued)

	Grant dates	Expiry date	Exercise price in \$ per option	Number of options as at 31 December	
				2019	2018
Option A	June 1, 2019	May 31, 2029	12.27	270,899	-
Option B	June 1, 2019	May 31, 2029	28.94	315,548	-
				586,447	-
				2019	2018
Weighted average remaining contractual life of options outstanding at the end of				7 years	-

Share options outstanding at the end of the year, in respect of those eligible participants of the Company, have the following expiry dates and exercise prices:

Fair value of options granted under the plan

The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a probability distribution for the term of the option and the impact of dilution (where material), and takes into account the exercise price, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.

The model inputs for options granted during the year ended 31 December 2019 included:

- Options are granted for no consideration and become exercisable based if an exit event occurs throughout ten years from the grant date. The probability of an exit event taking place in the first five years from grant is estimated to be 0%, whilst the probability of an exit event occurring on the: sixth year is 25%; seventh year is 25%; eighth year is 20%; ninth year is 10%; and the tenth year is 10%. The probability of an exit event not occurring is estimated at 10%
- Exercise price: Option A \$12.27, Option B \$28.94
- Grant date: 1 June 2019
- Expiry date: 31 May 2029
- Expected price volatility of Vista Global's shares: 29.4%
- Expected dividend yield: 0%
- Risk-free interest rate: 1.96%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Significant estimate – inputs into the recognition of share-based payment expenses

The recognition of share-based payment expenses is based on estimates that determine the fair value of options granted, as well as participant forfeiture rates.

A number of the inputs that form the basis of the fair value of options, disclosed above, are intrinsically sources of estimation uncertainty since they are dependent on the directors' best estimated about future events. Movements in fair value of equity-settled options are not recognised in the financial statements, therefore subsequent changes to the fair valuation of the options will not have any impact on the fair value determined at grant date, which forms the basis of the share-based payment expense.

Additionally, the directors make estimates regarding the number of options that are expected to vest, including whether they expect the Group to meet the performance conditions (EBITDA targets), and on the number of participants that are expected to meet the service conditions. As at reporting date, the directors' best estimate is that the EBITDA targets will be met for each tranche of options granted. Failure to meet such EBITDA targets for each of the tranches of options would immediately result in a forfeiture, and hence a reversal of the expense recognised.

Notes to the financial statements

at 31 December 2019

21. Share based payment plan (continued)

Historical staff turnover rates are used as a basis for the Company's estimates regarding the number of employees that management expect to meet the service conditions.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

As at 31 December	2019 €	2018 €
Options issued under the Vista Global Group employee share option plan	203,019	-

22. Subsequent Events

The COVID-19 pandemic and its underlying uncertainties have impacted most industries on a global level, with the service line in which the Company's parent group engages being no exception. Whilst the COVID-19 pandemic has not significantly affected the operations, financial results and position of the Company as a standalone entity, it has impacted the operations of the Vista Global Group through being unable to provide flight services to its clients due to travel bans and the closure of several airports around the globe. In order to manage costs and cash flows through the pandemic the Group has furloughed certain staff availing of government financial support measures, reduced the salaries of non-furloughed staff including group executives, ceased discretionary expenditure and drew down a loan facility of £20m from Barclays in September 20 under government's (CLBILS) scheme. This loan facility was obtained through the Company, and payable in 3 years. The impact of COVID-19 on the Company's ability to continue as a going concern is set out in note 1. The scale and duration of the pandemic remains uncertain and could impact the Vista Global Group's earnings and cash flows in the future. However, the directors do not expect an impairment of the Company's tangible assets, intangible assets, stocks or debtors to arise.