

Dragonfly Aviation Services Limited
Abbreviated Accounts for the Year Ended 31 October 2015

Radnor House
Greenwood Close
Cardiff Gate Business Park
Cardiff CF23 8AA



Registered to carry on audit work
and regulated for a range of
investment business activities by
the Institute of Chartered
Accountants in England and Wales.

bpu Chartered Accountants is a
trading name of BPU Ltd
Company Number 3723948
Registered in Wales

A list of directors is available from the
registered office above

**Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Dragonfly Aviation Services Limited**



The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements, from which the unaudited abbreviated accounts (set out on pages two to seven) have been prepared.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Dragonfly Aviation Services Limited for the year ended 31 October 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made solely to the Board of Directors of Dragonfly Aviation Services Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Dragonfly Aviation Services Limited and state those matters that we have agreed to state to the Board of Directors of Dragonfly Aviation Services Limited, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Dragonfly Aviation Services Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Dragonfly Aviation Services Limited. You consider that Dragonfly Aviation Services Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Dragonfly Aviation Services Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

A handwritten signature in dark ink, appearing to read 'J. Perkin'.

BPU Limited
Chartered Accountants

27 July 2016

This page does not form part of the abbreviated accounts

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Dragonfly Aviation Services Limited (Registered number: 07948303)

**Abbreviated Balance Sheet
31 October 2015**

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	2	610,483	597,642
Tangible assets	3	1,745,987	1,864,392
		<u>2,356,470</u>	<u>2,462,034</u>
CURRENT ASSETS			
Stocks		6,204	1,341
Debtors		303,942	346,965
Cash at bank and in hand		10,156	16,196
		<u>320,302</u>	<u>364,502</u>
CREDITORS			
Amounts falling due within one year	4	1,559,411	1,350,348
NET CURRENT LIABILITIES		<u>(1,239,109)</u>	<u>(985,846)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,117,361</u>	<u>1,476,188</u>
CREDITORS			
Amounts falling due after more than one year	4	1,694,195	1,875,332
NET LIABILITIES		<u>(576,834)</u>	<u>(399,144)</u>
CAPITAL AND RESERVES			
Called up share capital	5	100	100
Profit and loss account		(576,934)	(399,244)
SHAREHOLDERS' FUNDS		<u>(576,834)</u>	<u>(399,144)</u>

The notes form part of these abbreviated accounts

Dragonfly Aviation Services Limited (Registered number: 07948303)

Abbreviated Balance Sheet - continued
31 October 2015

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2015.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2015 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 26th July 2016 and were signed on its behalf by:


.....
H R Palser - Director

The notes form part of these abbreviated accounts

**Notes to the Abbreviated Accounts
for the Year Ended 31 October 2015**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

During the year demand for the company's private air-charter services was strong but unscheduled maintenance downtime resulted in actual flying hours and hence sales revenues being marginally lower than forecast. Whilst charter hours for the company's King Air fleet have remained steady in the first half of the current year the directors are confident that the company will deliver a much stronger trading performance in the second half as a result of successfully concluding negotiations for two new commercial contracts. The first of these is for the management and charter operation of a corporate client's Nextant 400i jet, which has already commenced operation under the company's own AOC, and the second is a prestigious "Hot Stand-by" contract with an international carrier for an initial 5-month period starting in June 2016. The directors believe that these contracts will allow the business to significantly develop its private air-charter services and likewise substantially improve its trading and financial performance in subsequent accounting periods.

Following the successful restructuring of its debt funding in the 2014 year and with the positive and immediate cashflow contribution from the new contractual arrangements the directors are confident that the company has access to sufficient working capital to allow it to operate at enhanced activity levels for the foreseeable future.

Accordingly, the directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover is the amount derived from the provision of aircraft chartering services, net of value added tax, and falls within the company's ordinary activities. Revenue is recognised in the period in which the services are provided. All turnover arises in the United Kingdom.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2012, is being amortised evenly over its estimated useful life of twenty years.

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 October 2015**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Aircraft base airframe, engines and avionics	- 5 - 33% straight line
Fixtures and fittings	- 33% reducing balance
Motor vehicles	- 33% reducing balance
Office equipment	- 33% reducing balance

A substantial element of the value of an aircraft is related to the life remaining of its engines, before overhaul or replacement is required. The time remaining before overhaul is known, and the proportion of the value of the aircraft attributable to the remaining life of its engines is amortised over this known period of time. Other costs incurred which provide enhancement of the aircrafts' value are capitalised and amortised over the length of time for which the benefit of the enhancement subsists.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Full provision is made for deferred taxation resulting from material timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

Hire purchase and leasing commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Development costs

Development expenditure have been capitalised in accordance with SSAP 13 in relation to the company's Air Operators Certificate (AOC), which was granted in December 2014. The expenditure is being amortised over the expected useful economic life of the asset.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 October 2015

2. INTANGIBLE FIXED ASSETS

	Total £
COST	
At 1 November 2014	661,224
Additions	44,632
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At 31 October 2015	705,856
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AMORTISATION	
At 1 November 2014	63,582
Amortisation for year	31,791
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At 31 October 2015	95,373
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NET BOOK VALUE	
At 31 October 2015	610,483
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At 31 October 2014	597,642
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3. TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 November 2014	2,261,952
Additions	50,665
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At 31 October 2015	2,312,617
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DEPRECIATION	
At 1 November 2014	397,560
Charge for year	169,070
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At 31 October 2015	566,630
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NET BOOK VALUE	
At 31 October 2015	1,745,987
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At 31 October 2014	1,864,392
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**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 October 2015**

4. CREDITORS

The following secured debts are included within creditors:

	2015	2014
	£	£
Bank overdrafts	185,655	68,393
Other loans	1,903,206	2,077,130
	<u>2,088,861</u>	<u>2,145,523</u>

5. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015	2014
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>