

Dragonfly Aviation Services Limited

Financial Statements for the Year Ended 31 October 2016

Dragonfly Aviation Services Limited

**Company Information
for the Year Ended 31 October 2016**

DIRECTORS:

N Palser
H R Palser

REGISTERED OFFICE:

The White Building Southside
Cardiff International Airport
Rhoose
Barry
CF62 3BD

REGISTERED NUMBER:

07948303 (England and Wales)

ACCOUNTANTS:

BPU Limited
Chartered Accountants
Radnor House
Greenwood Close
Cardiff Gate Business Park
Cardiff
CF23 8AA

**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 and members in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

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 2016 which comprise the Profit & Loss Account, 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 within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

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 ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Dragonfly Aviation Services Limited 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.

BPU Limited
Chartered Accountants

27 July 2017

Dragonfly Aviation Services Limited (Registered number: 07948303)

**Balance Sheet
31 October 2016**

		2016		2015	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	3	564,684		603,479	
Tangible assets	4	1,555,917		1,745,987	
		2,120,601		2,349,466	
CURRENT ASSETS					
Stocks		1,707		6,204	
Debtors	5	512,020		303,942	
Cash at bank and in hand		97,737		10,156	
		611,464		320,302	
CREDITORS					
Amounts falling due within one year	6	1,672,511		1,559,411	
NET CURRENT LIABILITIES		(1,061,047)		(1,239,109)	
TOTAL ASSETS LESS CURRENT LIABILITIES		1,059,554		1,110,357	
CREDITORS					
Amounts falling due after more than one year	7	1,676,643		1,694,195	
NET LIABILITIES		(617,089)		(583,838)	
CAPITAL AND RESERVES					
Called up share capital		100		100	
Retained earnings		(617,189)		(583,938)	
SHAREHOLDERS' FUNDS		(617,089)		(583,838)	

The notes form part of these financial statements

Balance Sheet - continued
31 October 2016

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2016 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 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
- (b) 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 financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Profit & Loss Account has not been delivered.

The financial statements were approved by the Board of Directors on 26 July 2017 and were signed on its behalf by:

H R Palser - Director

**Notes to the Financial Statements
for the Year Ended 31 October 2016**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

During the year the company's trading position has strengthened considerably. Augmented by a new contract, and by the management and charter of a new aircraft.

The trading performance in the current year to October 2017 has again strengthened considerably due to the continued effect of these factors and a much improved performance is expected again.

The Directors consider that the prospects moving forward continue to be positive and that the company will continue to substantially improve its financial performance. Further to this they fully support the company and accordingly consider it appropriate to adopt the going concern basis in preparing the financial statements.

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.

Licences

The licence held will be amortised on a straight line basis for 10 years, starting in 2016.

Tangible fixed assets

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

Aircraft	- 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.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2016

1. ACCOUNTING POLICIES - continued

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

2. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 10 (2015 - 9) .

3. INTANGIBLE FIXED ASSETS

	Goodwill	Licences	Totals
	£	£	£
COST			
At 1 November 2015			
and 31 October 2016	635,818	70,038	705,856
AMORTISATION			
At 1 November 2015	95,373	7,004	102,377
Amortisation for year	31,791	7,004	38,795
At 31 October 2016	127,164	14,008	141,172
NET BOOK VALUE			
At 31 October 2016	508,654	56,030	564,684
At 31 October 2015	540,445	63,034	603,479

Notes to the Financial Statements - continued
for the Year Ended 31 October 2016

4. TANGIBLE FIXED ASSETS

	Aircraft £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST					
At 1 November 2015	2,285,914	1,079	10,271	15,353	2,312,617
Additions	-	-	-	2,338	2,338
At 31 October 2016	<u>2,285,914</u>	<u>1,079</u>	<u>10,271</u>	<u>17,691</u>	<u>2,314,955</u>
DEPRECIATION					
At 1 November 2015	550,780	759	7,228	7,863	566,630
Charge for year	188,661	107	1,014	2,626	192,408
At 31 October 2016	<u>739,441</u>	<u>866</u>	<u>8,242</u>	<u>10,489</u>	<u>759,038</u>
NET BOOK VALUE					
At 31 October 2016	<u>1,546,473</u>	<u>213</u>	<u>2,029</u>	<u>7,202</u>	<u>1,555,917</u>
At 31 October 2015	<u>1,735,134</u>	<u>320</u>	<u>3,043</u>	<u>7,490</u>	<u>1,745,987</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	166,661	59,263
VAT	-	7,031
Prepayments and accrued income	<u>345,359</u>	<u>237,648</u>
	<u>512,020</u>	<u>303,942</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank loans and overdrafts	63,557	185,655
Trade creditors	267,510	209,768
Social security and other taxes	8,255	5,194
VAT	67,274	-
Other creditors	307,196	351,211
Directors' loan accounts	541,822	623,598
Accruals and deferred income	<u>416,897</u>	<u>183,985</u>
	<u>1,672,511</u>	<u>1,559,411</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2016

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016 £	2015 £
Other loans	<u>1,676,643</u>	<u>1,694,195</u>

8. **SECURED DEBTS**

The following secured debts are included within creditors:

	2016 £	2015 £
Bank overdrafts	63,557	185,655
Other loans	<u>1,857,283</u>	<u>1,903,206</u>
	<u>1,920,840</u>	<u>2,088,861</u>

9. **FIRST YEAR ADOPTION - FRS 102 1A**

This is the first year that the company has presented its results under FRS 102 Section 1A. The last financial statements under previous UK GAAP were for the period ended 31 October 2015 and the date of transition to FRS 102 Section 1A was 1 November 2014.

The changes in accounting policies, between UK GAAP and FRS 102 Section 1A, have affected the profit and loss account brought forward at 1 November 2015 by £7,004. The profit and loss account was re-stated with negative reserves of £583,838 as opposed to £576,834. This was as a result of amortisation being applied to the licence held on the balance sheet.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.