Registered number: SC169996

SIGNATURE FLIGHT SUPPORT UK REGIONS LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

SIGNATURE FLIGHT SUPPORT UK REGIONS LIMITED

CONTENTS

COMPANY INFORMATION

Directors	S Fallon J-A Smith A Cowie (resigned 31 May 2022) J Nendick (appointed 31 May 2022)
Registered number	SC169996
Registered office	115 George Street 4th Floor Edinburgh Scotland EH2 4JN
Bankers	HSBC 14 Bradford Road Cleckheaton West Yorkshire BD19 3JR

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

Business review

During the year the business continued to provide specialist on-airport support services, including ground handling services and re-fuelling services, to the owners and operators of private and business aircraft. The business has continued to perform in line with expectations in the year considering there were COVID-19 related issues impacting demand in the period. There are signs of improvement noted in subsequent periods.

The key performance indicators for the business monitored by management are revenue, operating profit, net assets and staff numbers.

As set out in the Statement of Comprehensive Income, the Company realised revenue in the year of £27,426,404 (2020 - £17,442,129) and achieved operating profit for the year of £4,871,441 (2020 - £1,411,572).

Average staff numbers were 72 (2020 - 70).

Financial key performance indicators

The Company's profit before taxation for the year was £3,721,166 (2020 - £96,113) due to an increase in arrivals and fuel gallons sold as Covid-19 restrictions began to ease during the year.

The Company's balance sheet shows the Company's net asset position at £40,449,274 at the end of the period (2020 - £36,728,108). This year on year movement was driven by profit after tax of £3,681,666.

The Company intends to continue the principal activity which comprises the provision of ground aviation services including re-fuelling.

Principal risks and uncertainties

The Company's activities expose it to both operational and financial risks. The principal risks facing the business are as follows:

General economic environment

The Company's performance is impacted by the level of general aviation travel by private and business users. Management rely on the strong financial controls within the business to monitor the level of activity and take steps to respond to changes in the economic environment as appropriate.

The Company transacts predominantly in Pounds Sterling both in terms of sales and purchases and therefore does not consider the volatility of exchange rates to be a key risk to financial performance.

In addition, since March 2020, business operations have been impacted by the global COVID-19 pandemic.

Changes in legislation

Changes in aviation legislation can have an impact on the level of general aviation flying activity. The Company actively participates with all relevant industry bodies so it is able to respond and adjust the cost base of the business where necessary.

Ability to attract and retain high-quality and capable people

The Company looks to attract and retain the best people and has in place training programs to develop staff internally. In addition, staff are provided competitive remuneration packages and are rewarded for high achievement.

Financial risk management

The most important components of financial risk are credit risk, liquidity risk, cash flow risk and price risk. Management consider the largest risk to be recovery of debtor balances and as a result we carry out credit checks on all new customers, review credit limits for existing customers on an ongoing basis and also closely monitor the ageing of our receivable balances, enforcing recovery if required.

Credit risk

The Company's financial assets are bank balances and cash, trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity/cash flow risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments the Company actively liaises with the ultimate parent Company.

Price risk

The Company is not materially exposed to commodity price risk as increases/decreases are passed through to customers.

This report was approved by the board and signed on its behalf.

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J Nendick
Director
Date: 30 December 2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the Company is to provide specialist on-airport support services, including ground handling and re-fuelling services, to the owners and operators of private and business aircraft.

Results and dividends

The profit for the year, after taxation, amounted to £3,681,666 *(2020 - £96,113).*

The Company's turnover for the year amounted to £27,426,404 (2020 - £17,422,129). The net asset position of the Company's balance sheet at the end of the year was £40,449,274 (2020 - £36,728,108).

The Directors do not recommend the payment of a dividend (2020 - £nil).

Directors

The Directors who served during the year and up to the date of signing were:

S Fallon
J-A Smith
J Nendick (appointed 1 June 2022)
A Cowie (resigned 31 May 2022)

The Company has decided not to appoint a company secretary as permitted by Companies Act 2006.

Going concern

The Directors have carried out a review of the Company's outlook, with due regard to the risks and uncertainties to which the Company is exposed, the uncertain economic climate, including COVID-19 and the impact that this could have on trading performance. Based on this review, the Directors believe that the Company has adequate resources to continue in operational existence for at least 12 months from the signing date of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.
The Company participates in the Signature Aviation Limited group centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

Further details regarding the adoption of the going concern basis can be found in note 2 of the financial statements.

Future developments

For Company future prospects, please refer to the financial key performance indicators section of the Strategic Report.

Engagement with employees

The Company recognises the value of the involvement of its employees and continues its practice of keeping them informed of matters affecting them as employees and factors affecting the Company's performance. During the year regular meetings were held with employees.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Disabled employees

It is the Company's policy to make reasonable accommodations and give full consideration to suitable applications for employment for disabled persons. In the event of a member of staff becoming disabled every effort is made to ensure that employment continues or training is provided for other positions within the Company.

Matters covered in the strategic report

The matters pertaining to the material risks that the Company is exposed to is disclosed in the principal risks and uncertainties section of the Strategic Report.

This report was approved by the board and signed on its behalf.

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J Nendick
Director
Date: 30 December 2022

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors are responsible for preparing the Strategic Report, the Directors' Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	*2020* *£*
Turnover	4	**27,426,404**	*17,442,129*
Cost of sales		**(22,544,289)**	*(15,621,859)*
Gross profit		**4,882,115**	*1,820,270*
Administrative expenses		**(10,674)**	*(408,698)*
Operating profit	5	**4,871,441**	*1,411,572*
Interest payable and similar expense	8	**(1,150,275)**	*(1,301,141)*
Profit before taxation		**3,721,166**	*110,431*
Tax on profit	9	**(39,500)**	*(14,318)*
Profit for the financial year		**3,681,666**	*96,113*

There was no other comprehensive income for 2021 (2020 - £NIL).

The notes on pages 12 to 34 form part of these financial statements.

All operations are continuing for the financial period.

SIGNATURE FLIGHT SUPPORT UK REGIONS LIMITED
REGISTERED NUMBER: SC169996

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £		*2020 £*
Fixed assets					
Intangible Assets			**4,147,661**		*4,293,214*
Tangible assets	12		**6,722,491**		*7,149,168*
Investments	13		**34,061,517**		*34,061,517*
			44,931,669		*45,503,899*
Current assets					
Stocks	15	**71,135**		*37,349*	
Debtors	16	**67,518,637**		*61,787,464*	
Cash at bank and in hand	17	**533,014**		*331,636*	
		68,122,786		*62,156,449*	
Current liabilities					
Creditors: amounts falling due within one year	18	**(69,215,501)**		*(67,180,533)*	
Net current liabilities			**(1,092,715)**		*(5,024,084)*
Total assets less current liabilities			**43,838,954**		*40,479,815*
Non current liabilities					
Deferred taxation	10	**(95,589)**		*(56,089)*	
Creditors: amounts falling due after more than one year	19	**(3,333,591)**		*(3,695,618)*	
			(3,429,180)		*(3,751,707)*
Net assets			**40,409,774**		*36,728,108*
Capital and reserves					
Called up share capital	21		**2,273,635**		*2,273,635*
Share premium account			**1**		*1*
Profit and loss account			**38,136,138**		*34,454,472*
			40,409,774		*36,728,108*

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 December 2022.

JNendick

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J Nendick
Director

The notes on pages 12 to 34 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	**2,273,635**	**1**	**34,358,359**	**36,631,995**
Comprehensive income for the year				
Profit for the year	-	-	**96,113**	**96,113**
Total comprehensive income for the year	-	-	**96,113**	**96,113**
At 31 December 2019	**2,273,635**	**1**	**34,454,472**	**36,728,108**
Comprehensive income for the year				
Profit for the year	-	-	**3,681,666**	**3,681,666**
Total comprehensive income for the year	-	-	**3,681,666**	**3,681,666**
At 31 December 2021	**2,273,635**	**1**	**38,136,138**	**40,409,774**

The notes on pages 12 to 34 form part of these financial statements.

1. General information

Signature Flight Support UK Regions Limited is a Company incorporated in the United Kingdom (Scotland) under the Companies Act 2006 and registered in Scotland. The address of the registered office is given on the front page. The Company is private and limited by shares. The nature of the Company's operations and its principal activities are set out in the Directors' Report.

These financial statements are presented in Pounds Sterling as this is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group financial statements of Signature Aviation Limited. The group Financial Statements of Signature Aviation Limited are available to the public and can be obtained as set out in note 22.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015, July 2016 and July 2017 and the Triennial Review Amendments issued by the FRC in December 2017.

Exemption taken from the requirements of IFRS 3 Business Combinations to most of the detailed disclosure requirements of this standard, however some basic information would still need to be disclosed on the acquisition, including: the name of the acquired entity, the date of the acquisition and the percentage equity acquired, the fair value of the consideration paid, and the assets and liabilities acquired.

Exemption taken from the requirements of IFRS 7 Financial Instruments to all the disclosure requirements of this standard.

Exemption taken from the requirements of IAS 1 Presentation of Financial Statements to producing a statement of cash flows for period, a reconciliation of property, plant and equipment, intangible assets, investment properties, biological assets and the number of shares outstanding at the beginning and end of the comparative period, and from the capital management disclosures.

Exemption taken from the requirements of IAS 7 Statement of Cash Flows to disclosing a statement of cash flows.

Exemption taken from the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose details of a new IFRS which has been issued but is not yet effective and has not been applied by the entity.

Exemption taken from the requirements of IAS 24 Related Party Disclosures to disclosing related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to a transaction is wholly owned by a member.

Exemption taken from the requirements of IAS 36 Impairment of Assets to disclosure of assumptions and the effect of changes in assumptions and valuation techniques, relating to cash generating units which contain goodwill or an intangible asset with an indefinite useful life.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

In determining whether the Company's financial statements can be prepared on a going concern basis, the Directors has considered all the factors likely to affect its future development, performance, and its financial position including the matters disclosed in the Directors' report. They have also made enquiries of the parent company Signature Aviation Limited.

The Directors, having assessed the responses of the Directors of the Company's parent Signature Aviation Limited to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Signature Aviation Limited to continue as a going concern or its ability to continue with the current banking arrangements. Accordingly, the financial statements have been prepared on a going concern basis.

The Directors have carried out a review of the Company's outlook, with due regard to the risks and uncertainties to which the Company is exposed, the uncertain economic climate, including COVID-19, and the impact that this could have on trading performance. Based on this review, the Directors believe that the Company has adequate resources to continue in operational existence for at least 12 months from the signing date of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis..

2.3 Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for rebates and other similar allowances.

The main revenue streams included are parking/hangarage, re-fuelling and ground handling services. Parking/hangarage revenue is accrued and recognised whilst the aircraft is parked on the ramp or at a fixed monthly contractual rate for aircraft based at UK region bases. Fuel revenue is accrued at the point that the fuel is pumped into the aircraft. Ground handling revenue is accrued at the point the service is provided.

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.6 Operating profit

Operating profit is stated before investment income and finance costs.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.8 Taxation

The charge for taxation is based on the profit for the year and comprises current and deferred taxation. Current tax is calculated at tax rates which have been enacted or substantively enacted as at the balance sheet date.

Deferred taxation takes into account taxation deferred due to temporary differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is accounted for using the balance sheet liability method and is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit.

No provision is made for temporary differences on unremitted earnings of foreign subsidiaries, joint ventures or associates where the Company has control and the reversal of the temporary difference is not foreseeable.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at tax rates which have been enacted or substantively enacted at the balance sheet date and that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited to the Statement of Comprehensive Income, in which case the deferred tax is also dealt with in the Statement of Comprehensive Income.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Land and Buildings	- 2% to 33%
Plant and machinery	- 3% to 50%
Motor vehicles	- 10% to 20%
Fixtures and fittings	- 10% to 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

2. Accounting policies (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Bad Debt provision

The Company holds a provision for bad debt which is calculated in line with the Signature Group policy.

Debt overdue 60-90 days	30% Provision
Debt overdue >90 days	80% Provision

In addition management reviews the ledger and will amend the above provision where additional information is known about a customer e.g. the customer is in administration.

2.13 Financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2. Accounting policies (continued)

2.13.1 Classification of financial assets

The Company does not hold any financial assets classified as held at fair value though comprehensive income. Consequently all financial assets that meet the following conditions and are measured subsequently at amortised cost using the effective interest method:

• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss.

2.13.2 Impairment of financial assets

Financial assets, other than those carried at fair value through the profit and loss account, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

2.13.3 Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2. Accounting policies (continued)

2.14 *Financial liabilities and equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

2.14.2 Financial liabilities

The Company does not hold any financial liabilities classified as held at fair value though profit or loss. Consequently all financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

2.14.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2. Accounting policies (continued)

2.15 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.16 Leases

Accounting policy for leases

When a contractual arrangement contains a lease, the Company recognises a lease liability and a corresponding right-of-use asset at the commencement of the lease.

At the commencement date the lease liability is measured at the present value of the future lease payments, discounted using the Company's incremental borrowing rate where the interest rate in the lease is not readily determined.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

In general, where extension options exist, the Company recognises these as part of the lease liability as invariably these are exercised.

The lease liability is presented within the creditors note to the financial statements. Subsequently, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected

2. Accounting policies (continued)

2.16 Leases (continued)

payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

2. Accounting policies (continued)

2.16 Leases (continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms of the lease, a provision is recognised and measured under IAS 37 and included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented within the tangible fixed asset note to the financial statements.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occur and are generally included within cost of sales in the income statement.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2.17 Government grants

Government grants relating to costs are received by a Group company and recharged via intercompany transactions. The transactions are recognised over the period necessary to match them with the costs that they are expected to compensate.

	2021 **£**	*2020* *£*
Received during the year	**268,365**	*533,312*
	268,365	*533,312*

In March 2020 the Coronavirus Job Retention Scheme (CJRS) was announced by the Chancellor of the Exchequer. SFS UK Regions Ltd made an application for UK payroll support under this scheme. The CJRS funding was used solely to support payroll costs for UK employees.

The total amount of the CJRS grant awarded to SFS UK Regions Ltd was £801,677.

In the year to 31 December 2020, £533,312 of the grant had been offset against payroll costs in the underlying results. In the year to 31 December 2021, £268,365 of the grant had been offset against payroll costs in the underlying results.

There are no unfulfilled conditions or contingencies attached to these grants.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In review of critical judgments in accounting policies and estimates, management consider there to be no critical judgments or other key sources of estimation uncertainty. At the balance sheet date we believe there to be no significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Rendering of services	**19,809,330**	*13,627,792*
Property rental income	**7,295,370**	*3,360,642*
Sale of goods	**321,704**	*453,695*
	27,426,404	*17,442,129*

	2021 £	2020 £
United Kingdom	**27,426,404**	*17,442,129*
	27,426,404	*17,442,129*

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	**24,266**	*1,359,130*
Impairment of intangible assets	**(145,553)**	-

6. Auditor's remuneration

Fees payable to the Company's accountant its associates for the audit of the Company's annual financial statements were £nil (2020 - £65,925).

The Company's accountant, Deloitte LLP, and their associates provided non-audit services during the year.

7. Employees

Staff costs were as follows:

	2021	*2020*
	£	*£*
Wages and salaries	**2,530,434**	*2,424,616*
Social security costs	**257,371**	*205,186*
Cost of defined contribution scheme	**101,256**	*94,312*
	2,889,061	*2,724,114*

The average monthly number of employees, including the Directors, during the year was as follows:

	2021	*2020*
	No.	*No.*
Operations	**61**	*60*
Admin	**11**	*10*
	72	*70*

No Director's remuneration is paid from Signature Flight Support UK Regions Limited. See related party note 21.

8. Interest payable and similar expenses

	2021	*2020*
	£	*£*
Interest payable to Group companies	**914,347**	*1,069,971*
Interest on lease liabilities	**235,928**	*231,170*
	1,150,275	*1,301,141*

9. Taxation

	2021 £	2020 C£
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	21,788	14,318
Prior year adjustment	17,712	-
Total deferred tax	39,500	14,318
Taxation on profit on ordinary activities	39,500	14,318

Factors affecting tax charge for the year

UK corporation tax is calculated at 19% (2020: 19%) of the estimated assessable profit for the year. The company's total income tax charge/(credit) for the year can be reconciled to the profit/(loss) before tax per the statement of comprehensive income as follows:

	2021 £	2020 £
Profit on ordinary activities before tax	3,721,166	110,431
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	707,022	20,982
Effects of:		
Non-tax deductible	42,670	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	34,206
Revaluation of deferred tax balances	17,712	-
Group relief	(727,904)	(40,870)
Total tax charge for the year	39,500	14,318

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantially enacted as part of Finance Bill 2021 (on 24 may 2021). Deferred taxes at the balance sheet date have been measured using the enacted tax rates and reflected in these financial statements.

10. Deferred taxation

	2021 **£**	*2020* *£*
At beginning of year	**(56,089)**	*(41,771)*
Charged to profit or loss	**(39,500)**	*(14,318)*
At end of year	**(95,589)**	*(56,089)*

The deferred tax asset is made up as follows:

	2021 **£**	*2020* *£*
Accelerated capital allowances	**(98,303)**	*(57,801)*
Pension	**2,714**	*1,712*
	(95,589)	*(56,089)*

11. Intangible Assets

	£
Cost	
At 1 January 2021	**4,293,214**
At 31 December 2021	**4,293,214**
Impairment charge	**145,553**
	145,553
Net book value	
At 31 December 2021	**4,147,661**
At 31 December 2020	*4,293,214*

The Goodwill balance has arisen from the acquisition of Signature Refuelers Limited, Signature Flight Support Heathrow Limited and Signature Flight Support Gatwick Limited. The disposal of Biggin Hill. FBO has given rise to the impairment charge of £145,553. The Goodwill cost is recognised at the net book value as at 01 January 2014 per FRS 101. The cost value is subject to annual impairment reviews.

12. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2021	8,889,178	1,294,140	1,009,032	896,475	12,088,825
Additions	262,111	518,748	-	28,251	809,110
Disposals	-	(2,353)	(24,729)	(30,761)	(57,843)
Revaluations	(1,197,399)	(14,122)	-	-	(1,211,521)
At 31 December 2021	7,953,890	1,796,413	984,303	893,965	11,628,571
Depreciation					
At 1 January 2021	2,786,101	665,837	712,035	775,684	4,939,657
Charge for the year on owned assets	124,972	154,860	85,901	22,111	387,844
Charge for the year on right-of-use assets	(364,734)	1,156	-	-	(363,578)
Disposals	-	(2,353)	(24,729)	(30,761)	(57,843)
At 31 December 2021	2,546,339	819,500	773,207	767,034	4,906,080
Net book value					
At 31 December 2021	5,407,551	976,913	211,096	126,931	6,722,491
At 31 December 2020	*6,103,077*	*628,303*	*296,997*	*120,791*	*7,149,168*

The net book value of land and buildings may be further analysed as follows:

	2021 £	*2020 £*
Short leasehold	5,407,551	*6,103,077*

12. Tangible fixed assets (continued)

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance Sheet is as follows:

	2021 £
Tangible fixed assets owned	3,160,285
Right-of-use tangible fixed assets	3,562,206
	6,722,491

Information about right-of-use assets is summarised below:

Net book value

	2021 £
Land and buildings	3,576,328
Plant and machinery	(14,122)
	3,562,206

Depreciation charge for the year ended

	2021 £
Land and buildings	364,734
Plant and machinery	(1,156)
	363,578

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	**34,061,517**
At 31 December 2021	**34,061,517**
Net book value	
At 31 December 2021	**34,061,517**
At 31 December 2020	*34,061,517*

14. Subsidiary Undertakings

Name	Class of Shares	Holding	Principal Activity	Country	Registered Office
Signature Flight Support London Luton Limited	Ordinary	100%	Aviation support services	UK	Voyager House, 142 Prospect Way, Luton, Bedfordshire, LU2 9QH
SFS (Gatwick) Limited	Ordinary	100%	Aviation support services	UK	Voyager House, 142 Prospect Way, Luton, Bedfordshire, LU2 9QH
Signature Flight Support (Gatwick) Limited*	Ordinary	100%	Aviation support services	UK	Voyager House, 142 Prospect Way, Luton, Bedfordshire, LU2 9QH
Signature Refuelers Limited	Ordinary	100%	Aviation support services	UK	4th Floor, 115 George Street, Edinburgh, EH2 4JN
Signature Flight Support Italy s.r.l	Ordinary	100%	Aviation support services	Italy	Viale Dell Aviazione 65, Milano, Mi 20138

* Held by subsidiary

15. Stocks

	2021 £	*2020 £*
Raw materials and consumables	**71,135**	*37,349*

16. Debtors

	2021 £	*2020 £*
Amounts owed by group undertakings	**60,219,598**	*59,183,678*
Trade debtors	**6,070,844**	*1,890,668*
Other debtors	**841,618**	*481,907*
Prepayments and accrued income	**386,577**	*231,211*
	67,518,637	*61,787,464*

Amounts owed by group undertakings are unsecured, interest free and repayable on demand. For related party transactions there is no provision provided for guarantees or collateral.

17. Cash and cash equivalents

	2021 £	*2020 £*
Cash at bank and in hand	**533,014**	*331,636*
Less: bank overdrafts	-	*(93)*
	533,014	*331,543*

18. Creditors: Amounts falling due within one year

	2021 £	*2020* *£*
Amounts owed to group undertakings	**63,256,982**	*61,864,541*
Trade creditors	**5,360,361**	*4,315,763*
Lease liabilities	**414,562**	*911,717*
Accruals and deferred income	**117,708**	*50,595*
Other creditors	**48,037**	*25,735*
Other taxation and social security	**17,851**	*12,089*
Bank overdrafts	**-**	*93*
	69,215,501	*67,180,533*

Amounts owed to group undertakings include a £29.5m interest bearing loan (3 months LIBOR + 3%) with a carrying value of £41.2m to Signature Flight Support Limited. Remaining amounts owed to group undertakings are unsecured, interest free and repayable on demand. For related party transactions there is no provision provided for guarantees or collateral.

19. Creditors: Amounts falling due after more than one year

	2021 £
Lease liabilities	**3,333,591**

This relates to the adoption of IFRS 16 and the recognition of lease liabilities.

20. Leases

Company as a lessee

The Company holds property and equipment under leasing arrangements that are recognised as right-of-use assets and lease liabilities, with remaining lease terms ranging up to 17 years in duration. The majority of the lease liability relates to the long-term leases at the Company's FBO.

Lease liabilities are due as follows:

	2021 £
Not later than one year	**414,562**
Between one year and five years	**1,202,197**
Later than five years	**2,131,394**
	3,748,153

20. Leases (continued)

Contractual undiscounted cash flows are due as follows:

	2021 £
Not later than one year	**622,538**
Between one year and five years	**1,875,422**
Later than five years	**2,799,664**
	5,297,624

The average lease term was 8 years for FBO leasehold improvements and 2 months for equipment. In 2021 the average effective borrowing rate for the Company was 4.26%, interest rates were fixed at the contract date or varied based on prevailing interest rates.

The fair value of the Company's lease liabilities approximates their carrying amount.

The Company's lease liabilities are secured by the lessors' charges over the leased assets.

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2021 £
Interest payable and similar expense	**235,928**

21. Share capital

	2021 £	*2020 £*
Allotted, called up and fully paid		
2,273,635 *(2020 - 2,273,635)* Authorised shares of £1.00 each	**2,273,635**	*2,273,635*

22. Related party transactions

There were no related party transactions with parties other than Signature Aviation Limited group companies in the period. With regards to transactions with other members of the Signature Aviation Limited group, the Company has taken advantage of the exemption available under FRS 101 not to disclose such transactions with 100% owned companies of the Signature Aviation Limited group.

No Directors' remuneration was paid out of SFS UK Regions Ltd in 2021 or 2020. The Directors were paid £386,200 (2020 - £410,257) out of other Signature Aviation Limited group companies though this can't be allocated between the group.

23. Controlling Party

The Company's immediate parent company is BBA Holdings Limited and its registered address is 3rd Floor, 105 Wigmore Street, London, W1U 1QY, a company incorporated in the United Kingdom. Signature Aviation Limited was the name of the Company's ultimate parent company as at 31 December 2021. The smallest and the largest group that the Company consolidates into is Signature Aviation Limited as at 31 December 2021. These group financial statements are available to the public from the Company Secretary of Signature Aviation Limited at 3rd Floor, 105 Wigmore Street London, W1U 1QY, its registered address. For subsequent periods, Signature Aviation Limited will remain the smallest group that the Company consolidates into.

The Company's ultimate parent company has changed to Signature Aviation US Topco LLC. The new company, Signature Aviation US Topco LLC, was incorporated in December 2021. Within the meaning of the Companies Act 2006, Signature Aviation US Topco LLC (a newly incorporated company directly owned by (i) Blackstone Funds, (ii) Global Infrastructure Partners and (iii) Cascade) is regarded by the directors of the Company as being the Company's ultimate parent company and controlling party as well as the largest group to consolidate the financial statements of the Company. Signature Aviation US Topco LLC is incorporated in the United States of America and its registered address is 200 Bellevue Parkway, Suite 210, Wilmington, New Castle County, Delaware 19809. .