Registered number: 00534626

RAZ AIR LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

RAZ AIR LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	4		**3,755,134**		4,074,741
			3,755,134		4,074,741
Current assets					
Debtors: amounts falling due within one year	5	**275,220**		85,062	
Cash at bank and in hand		**141,414**		106,747	
		416,634		191,809	
Creditors: amounts falling due within one year	6	**(10,352,035)**		(9,072,645)	
Net current liabilities			**(9,935,401)**		(8,880,836)
Total assets less current liabilities			**(6,180,267)**		(4,806,095)
Net liabilities			**(6,180,267)**		(4,806,095)
Capital and reserves					
Called up share capital	7		**100**		100
Profit and loss account			**(6,180,367)**		(4,806,195)
			(6,180,267)		(4,806,095)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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

M J Collecott
Director

Date: 6 June 2022

The notes on pages 2 to 9 form part of these financial statements.

1. General information

Raz Air Limited is a private company limited by shares incorporated in England and Wales. Its registered office is London Executive Aviation, Stapleford Airport, Stapleford Aerodrome, Stapleford Tawney, Romford, RM4 1SJ.
The financial statements are presented in Sterling (£).

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

As detailed in note 9, on 17 January 2022 the Company signed an Aircraft Purchase Agreement to sell the sole aircraft owned by Raz Air Limited for a purchase price of $7.5m. Following the purchaser's inspection of the aircraft, the sale was completed on 3 April 2022 and the Company ceased to trade on that date. Following the cessation of trade, the directors intend to dissolve the Company during the year ended 31 December 2022. The financial statements have therefore been prepared on a basis other than going concern.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.5 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.

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.

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.

Depreciation is provided on the following basis:

Aircraft engines	- straight-line basis over 5,000 flying hours
Aircraft frames	- straight-line basis over 20 years

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. Accounting policies (continued)

2.6 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.
Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.
The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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.
Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

The Company’s policies for its major classes of financial assets and financial liabilities are set out below.

2. Accounting policies (continued)

Financial instruments (continued)

Financial assets
Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets
Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

2. Accounting policies (continued)

Financial instruments (continued)

Derecognition of financial assets and financial liabilities
Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2020 - 2).

4. Tangible fixed assets

	Other fixed assets
	£
Cost or valuation	
At 1 January 2021	**14,103,494**
Additions	**340,554**
At 31 December 2021	**14,444,048**
Depreciation	
At 1 January 2021	**10,028,753**
Charge for the year on owned assets	**660,161**
At 31 December 2021	**10,688,914**
Net book value	
At 31 December 2021	**3,755,134**
At 31 December 2020	4,074,741

5. Debtors

	2021	2020
	£	£
Trade debtors	**257,981**	85,062
Other debtors	**1,200**	-
Prepayments and accrued income	**16,039**	-
	275,220	85,062

6. Creditors: Amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	**9,841,797**	8,838,083
Other creditors	**315,000**	-
Accruals and deferred income	**195,238**	234,562
	10,352,035	9,072,645

Amounts owed to group undertakings bear interest at 5% and are repayable on demand.

7. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1.00 each	**100**	100

8. Related party transactions

The Company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the Group. Raz Air Limited is a wholly-owned subsidiary of the group headed by ENIC Limited.

At the balance sheet date the Company owed £9,841,797 (2020 - £8,838,083) to fellow group companies. These amounts bear interest at 5% and are repayable on demand.

During the year the Company received loans totalling £315,000 (2020 - £nil) from companies under common control. At the balance sheet date the Company owed companies under common control £315,000 (2020 - £nil).

9. Post balance sheet events

On 17 January 2022 the Company signed an Aircraft Purchase Agreement to sell the sole aircraft owned by Raz Air Limited for a purchase price of $7.5m. Following the purchaser's inspection of the aircraft, the sale was completed on 3 April 2022 and the Company ceased to trade on that date.

10. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2021 was unqualified.

In their report, the auditor emphasised the following matter without qualifying their report:
We draw attention to note 2.2 to the financial statements which details that on 17 January 2022 the Company signed an Aircraft Purchase Agreement to sell the sole aircraft owned by Raz Air Limited for a purchase price of $7.5m. Following the purchaser's inspection of the aircraft, the sale was completed on 3 April 2022 and the Company ceased to trade on that date. Following the cessation of trade, the directors intend to dissolve the Company during the year ended 31 December 2022. Accordingly the financial statements have been prepared on a basis other than that of a going concern as described in note 2.2. Our opinion is not modified in respect of this matter.
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

The audit report was signed on 6 June 2022 by Richard Churchill (senior statutory auditor) on behalf of Blick Rothenberg Audit LLP.