

**Company Registration No. 885456**

**BBA Overseas Holdings Limited**

**Report and Financial Statements**

**31 December 2010**

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# **BBA Overseas Holdings Limited**

## **Report and financial statements 2010**

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# **BBA Overseas Holdings Limited**

## **Report and financial statements 2010**

### **Officers and professional advisers**

#### **Directors**

A J Bristlin  
I D C Simm  
M Hoad  
S Pryce  
Z W Stone

#### **Secretary**

Z W Stone

#### **Registered Office**

20 Balderton Street  
London  
W1K 6TL

#### **Auditor**

Deloitte LLP  
Chartered Accountants  
London, United Kingdom

# **BBA Overseas Holdings Limited**

## **Directors' report**

The directors present their report together with the audited financial statements of the Company for the year ended 31 December 2010

### **Results and dividends**

The results for the period are shown in the profit and loss account on page 6. The loss for the year after taxation was £56,000 (2009 profit £108,674,000). During the year, no interim dividend was paid (2009 £nil). No preference dividends were paid in the year (2009 £nil). The directors do not recommend the payment of a final dividend (2009 £nil).

### **Business review, principal activity and outlook**

There have not been any significant changes to the Companies activities during the year and the directors are not aware, at the date of this report, of any likely major changes in the companies' activities in the next year. The loss for the year of £56,000 reflects the non recurrence of dividends received from other group companies in the prior year.

There have been no significant events since the balance sheet date.

The Company is a wholly-owned subsidiary of BBA Aviation plc ("BBA") and operates as an investment company as part of the BBA group. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of BBA Aviation plc, which includes the company, is discussed in the group's Annual Report which does not form part of this report.

### **Director indemnities**

On 19 March 2007 BBA Overseas Holdings Ltd entered into qualifying third party indemnity provisions as defined by section 234 of the Companies Act 2006 in favour of its directors under which each director is indemnified against liabilities incurred by that director in respect of acts or omissions arising in the course of their office or otherwise by virtue of their office and such provisions remain in force as at the date of this report.

### **Going concern basis**

In determining whether the company's financial statements can be prepared on a going concern basis, the directors have considered all the factors likely to affect its future development, performance, and its financial position including the matters disclosed in the Director's report.

The company is expected to continue to generate profits and has sufficient net current assets to continue the principal activity on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the company's parent BBA Aviation plc to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the BBA Aviation plc to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of BBA Aviation plc, the company's directors have a reasonable expectation that the company has adequate resources to continue in existence undertaking the principal business activity outlined above for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# **BBA Overseas Holdings Limited**

## **Directors' report (continued)**

### **Directors**

The directors who held office during the year, and subsequently are outlined on page 1

### **Financial risk management**

The Company operates as an investment company and has had no commercial trade since inception. The Company therefore does not consider it necessary to adopt a financial risks policy as such information is not considered material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Except as outlined below the directors do not believe that the company is exposed to any significant credit risk, cash flow risk, price risk or liquidity risk. The Company does not as a regular policy enter into hedging instruments, as there is not believed to be any material exposure. It also does not enter into any speculative financial instruments. In the event that additional liquidity was required for ongoing operations and future developments, the Company participates in group banking arrangements with its parent company, BBA Aviation plc, and has access to a group cash management facility as detailed in note 12. For this reason the company does not have undue exposure to the current uncertainties in the credit market. The directors are continuing to monitor the situation to ensure borrowing facilities and other banking arrangements continue to be robust.

The company's principal assets are investments and loans receivable from other group companies.

### **Statement on information given to auditor**

Each of the persons who is a director at the date of approval of this report confirms that


- so far as the director is aware, there is no relevant audit information of which the Company's auditor are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Auditor**

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



Director

A J Bristlin

9/8/2011

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## **BBA Overseas Holdings Limited**

### **Directors' responsibility statement**

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the members of BBA Overseas Holdings Limited**

We have audited the financial statements of BBA Overseas Holdings Limited for the year ended 31 December 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

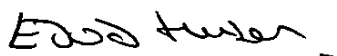
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Edward Hanson (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
9 August 2011

## **BBA Overseas Holdings Limited**

### **Profit and loss account**

**Year ended 31 December 2010**

	<b>Notes</b>	<b>2010 £'000</b>	<b>2009 £'000</b>
Finance charges (net)	4	(56)	108,674
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(56)</b>	<b>108,674</b>
Taxation on (loss)/profit on ordinary activities	5	-	-
<b>(Loss)/Profit on ordinary activities after taxation</b>	2, 10	<b>(56)</b>	<b>108,674</b>

The accompanying notes are an integral part of this profit and loss account

All profits or losses are derived from continuing operations.

There is no material difference between the results as disclosed in the profit and loss account and their historical cost equivalent



## **BBA Overseas Holdings Limited**

### **Statement of total recognised gains and losses Year ended 31 December 2010**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
(Loss)/profit for the financial year	(56)	108,674
Revaluation of investment in subsidiary undertaking	223,960	291,951
Currency translation difference on foreign currency net investments	21,087	(203,242)
Currency translation difference on related borrowings	(14,091)	76,876
<b>Total recognised gains and losses for the year</b>	<b>230,900</b>	<b>274,259</b>

The accompanying notes are an integral part of these financial statements

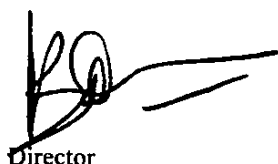
# BBA Overseas Holdings Limited

## Balance sheet 31 December 2010

	Notes	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Investments in group undertakings	6	2,413,966	2,168,918
<b>Current assets</b>			
Debtors amounts falling due within one year	7	87,716	206,349
Debtors amounts falling due after one year	7	761,055	761,055
		<u>848,771</u>	<u>967,404</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(457,880)</u>	<u>(576,934)</u>
<b>Net current assets</b>		390,891	390,470
<b>Creditors: amounts falling due after one year</b>	8	<u>(586,403)</u>	<u>(571,834)</u>
<b>Net assets</b>		<u>2,218,454</u>	<u>1,987,554</u>
<b>Capital and reserves</b>			
Share capital	9	811,583	811,583
Share premium	10	396,283	396,283
Revaluation reserve	10	723,068	499,108
Capital reserve	10	176,645	176,645
Profit and loss account	10	110,875	103,935
<b>Shareholders' funds</b>	11	<u>2,218,454</u>	<u>1,987,554</u>

The financial statements of BBA Overseas Holdings Limited registered number 885456 were approved by the Board of Directors on 9/8/ 2011

Signed on behalf of the Board of Directors



Director

A J Bristlin

# **BBA Overseas Holdings Limited**

## **Notes to the financial statements Year ended 31 December 2010**

### **1. Accounting policies**

The principal accounting policies are set out below and have been applied consistently throughout the current and preceding year

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and law

The Company has taken advantage of the exemption from preparing consolidated financial statements offered by section 400 of the Companies Act 2006 because it is a wholly-owned subsidiary of BBA Aviation plc, which prepares consolidated financial statements which are publically available. The Company is also, on this basis, exempt from the requirements of FRS 1 to present a cash flow statement

#### **Going concern**

In determining whether the company's financial statements can be prepared on a going concern basis, the directors have considered all the factors likely to affect its future development, performance, and its financial position including the matters disclosed in the Director's report

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries

The directors, having assessed the responses of the directors of the company's parent BBA Aviation plc to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the BBA Aviation plc to continue as a going concern or its ability to continue with the current banking arrangements

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of BBA Aviation plc, the company's directors have a reasonable expectation that the company has adequate resources to continue in existence undertaking the principal business activity outlined above for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

#### **Investments**

The Company's investments are shown at the underlying market value of the subsidiary undertakings which is calculated using discounted cash flows to determine the market value which is allocated between the different underlying investment based on forecast profits. The key assumptions used in the calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and any risks specific to the subsidiary undertakings. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. The assumptions used in calculation are consistent with those used for the goodwill impairment review of BBA Aviation plc which are outlined on page 93 of the Annual Report of BBA Aviation plc. The directors believe that this provides more useful information in respect of these investments. Revaluation gains and losses are taken directly to the revaluation reserve

#### **Dividends**

Dividends receivable or declared prior to the balance sheet date by subsidiary undertakings are recognised in the financial statements

# **BBA Overseas Holdings Limited**

## **Notes to the financial statements Year ended 31 December 2010**

### **1. Accounting policies (continued)**

#### **Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated into sterling using the rates of exchange at the balance sheet date

Exchange differences arising from the translation of foreign currency loans which are used to finance equity investments, to the extent that they hedge the Company's investment in such operations, are taken directly to reserves. Other exchange differences are reflected in the operating profit for the year

#### **Taxation**

The tax charge on the profit or loss for the year comprises current tax

Current tax is the expected tax payable for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years

Deferred tax for the company is provided in the consolidated group financial accounts on a full provision basis, providing for timing differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes

Deferred tax is not provided on timing differences arising from the sale or revaluation of fixed assets unless, at the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will qualify for rollover relief

Deferred tax is calculated using the enacted or substantively enacted rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited on the profit or loss account, except when it relates to items credited or charged directly to equity in which case the deferred tax is also dealt with in equity

In accordance with FRS 19, deferred tax assets are recognised only to the extent that it is regarded that it is more likely than not that future taxable profits will be available against which the assets can be utilised

#### **Related party transactions**

Under FRS 8, the Company is exempt from disclosing related party transactions with other wholly-owned group companies as 100% of the voting rights are controlled within the group and the ultimate parent company, BBA Aviation plc, has prepared consolidated financial statements which include the results of the Company for the year and are available to the public

### **2. (Loss)/Profit on ordinary activities before taxation**

Fees payable to the Company's auditor for the audit of the Company's annual accounts were £1,500 (2009 £1,500). These have been borne by another Group undertaking

No amounts have been paid to Deloitte LLP Chartered Accountants for non-audit services to the company

### **3. Employees and employee costs**

There were no full time employees (2009 none) other than directors during the year and the aggregate payroll costs were £nil (2009 £nil). No director received any remuneration in the current period for services to the Company

# BBA Overseas Holdings Limited

## Notes to the financial statements Year ended 31 December 2010

### 4. Finance charges (net)

	2010 £'000	2009 £'000
Income from fixed asset investments	-	108,689
Bank interest payable	(56)	(15)
	<u>(56)</u>	<u>108,674</u>

### 5. Tax on (loss)/profit on ordinary activities

	2010 £'000	2009 £'000
United Kingdom corporation tax at 28% (2009 28%) based on the profit for the year	-	-
Total current tax charge	<u>-</u>	<u>-</u>
<i>Factors affecting the current tax charge</i>		
(Loss)/Profit on ordinary activities before taxation	<u>(56)</u>	<u>108,674</u>
Tax at the standard rate of corporation tax in the UK of 28% (2009 28%)	(16)	30,429
Non-taxable UK Dividend income	-	(30,433)
Tax losses surrendered for no payment	16	4
Current tax charge	<u>-</u>	<u>-</u>

There are no deferred tax assets/liabilities in this Company in 2010 (2009 £nil)

The Company's investment in BBA International Investments SARL ("BIIS") has been revalued as set out in note 6. It is the Company's intention to retain the shares in BIIS for the foreseeable future. No deferred tax has been provided on the gains arising from the revaluation as there is no binding contract to sell the shares. A deferred tax asset of £85,000 (2009 £85,000) in respect of capital losses brought forward has not been recognised as there is insufficient evidence that this asset will be recoverable.

#### Factors that may affect future tax charge

##### Budget announcements

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010, which became law on 27 July 2010, includes legislation reducing the main rate of corporation tax from 28% to 27% from 1 April 2011. However, on 23 March 2011 the Government announced that the main rate of Corporation Tax rate would reduce to 26% with effect from 1 April 2011, with subsequent 1% reductions per annum to reach 23% with effect from 1 April 2014. These tax rate reductions had not been substantively enacted at the balance sheet date and therefore have not been reflected in the financial statements.

# BBA Overseas Holdings Limited

## Notes to the financial statements Year ended 31 December 2010

### 6. Investments

	2010 £'000	2009 £'000
Value at 1 January	2,168,919	2,080,210
Revaluation	223,960	291,951
Exchange differences	21,087	(203,242)
Value at 31 December	<u>2,413,966</u>	<u>2,168,919</u>

Following the transfer of all the Company's equity investments to BBA International Investments SARL (BIIS) in 1999, the directors decided to include the Company's investment in BIIS at their estimate of its value, based on the underlying market values of BIIS's subsidiary undertakings. The underlying market value of BIIS's subsidiary undertakings has been calculated using discounted cash flows. The directors believe that this provides more useful information in respect of this investment. The carrying value is allocated between the different currencies of the underlying investments. The increase in valuation of approximately £224m in 2010 (2009 £292m increase) has been taken to the Revaluation Reserve in the Balance Sheet (note 11).

Exchange differences on the value of investments is arrived at by recalculating the holding value of investments using opening rate of exchange for each currency and comparing this to the valuation using the closing exchange rate for each currency. During the year this has resulted in a foreign exchange gain of £21m (2009 loss of £203m). Differences arising from the translation of foreign investments are taken directly to reserves.

	Place of incorporation and operation	% of ordinary share capital owned by the Company
<b>Direct Investments:</b>		
BBA International Investments SARL	Luxembourg	100%
Signature Flight Support Irish Holdings Limited	Ireland	100%
BBA Finance No 5	Great Britain	94%
BBA Holdings France SAS	France	100%

The above entities act as holding companies as part of the BBA Aviation plc group.

#### Principal Operating Companies:

##### Aviation Services companies:

Signature Flight Support Corporation	USA	100.00%*
Dallas Airmotive Inc	USA	100.00%*
Ontic Engineering & Manufacturing Inc	USA	100.00%*
Aircraft Service International Group Inc	USA	100.00%*
Barrett Turbine Engine Company	USA	100.00%*
Signature Flight Support Paris SAS	France	100.00%*
Signature Flight Support Shannon Limited	Ireland	85.00%*

\* Indirect interest

# BBA Overseas Holdings Limited

## Notes to the financial statements Year ended 31 December 2010

### 7. Debtors

	2010 £'000	2009 £'000
Loan amount owed by fellow group undertakings		
- Amounts due within one year	87,716	206,349
- Amounts due after one year	761,055	761,055
	<u>848,771</u>	<u>967,404</u>

All amounts are repayable on demand and are interest free

### 8. Creditor

	2010 £'000	2009 £'000
<b>Amounts falling due within one year</b>		
Bank overdraft	74	3,716
Amounts due to fellow group undertakings	457,806	573,218
	<u>457,880</u>	<u>576,934</u>
<b>Amounts falling due after one year</b>		
Amounts due to fellow group undertakings	586,403	571,834
	<u>586,403</u>	<u>571,834</u>

All amounts are repayable on demand and are interest free

### 9. Share capital

	2010 £'000	2009 £'000
<b>Allotted, called up and fully paid</b>		
At 31 December 811,582,598 ordinary share of £1	<u>811,583</u>	<u>811,853</u>

### 10. Reserves

	Share premium account £'000	Revaluation reserve £'000	Capital reserve £'000	Profit and loss account £'000
At 1 January 2010	396,283	499,108	176,645	103,935
Retained profit for the financial year	-	-	-	(56)
Revaluation of investment in subsidiary	-	223,960	-	-
Exchange adjustments on retranslation of investment	-	-	-	21,087
Exchange adjustments on retranslation of foreign currency borrowings	-	-	-	(14,091)
At 31 December 2010	<u>396,283</u>	<u>723,068</u>	<u>176,645</u>	<u>110,875</u>

## BBA Overseas Holdings Limited

### Notes to the financial statements Year ended 31 December 2010

#### 11. Reconciliation of movement in shareholders' funds

	2010 £'000	2009 £'000
Shareholders' funds at 1 January	1,987,554	1,713,295
(Loss)/Profit for the financial year	(56)	108,674
Revaluation of investment in subsidiary	223,960	291,951
Exchange adjustments on retranslation of investment	21,087	(203,242)
Exchange adjustments on retranslation of foreign currency borrowings	(14,091)	76,876
<b>Shareholders' funds at 31 December</b>	<b>2,218,454</b>	<b>1,987,554</b>

#### 12. Financial guarantees

The Company participates in group banking arrangements with its parent company, BBA Aviation plc, and has access to a group cash management facility. The Company guarantees the facility to the extent of its cash deposited with its clearing bank. The Company has jointly and severally guaranteed the borrowings under these arrangements. The Company, through its parent, BBA Aviation plc, has access to the group's syndicated banking arrangements. Details of these arrangements are included in the financial statements of BBA Aviation plc.

#### 13. Ultimate parent company

The ultimate parent company and controlling party is BBA Aviation plc which is incorporated in Great Britain and registered in England and Wales. BBA Aviation plc is the only company which prepares group accounts incorporating the financial statement of the Company. These group financial statements are available to the public from the Company Secretary of BBA Aviation plc at 20 Balderton Street, London W1K 6TL. The immediate parent company is BBA Holdings Ltd.