Registered No 03444544

GCT Engineering Services Limited

Report and Financial Statements

31 December 2009

Directors
A B Lane

Secretary
I F C Marshall

Auditor
Ernst & Young LLP
Wessex House
19 Threefield Lane
Southampton
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Directors' report

The directors present their report and financial statements for the year ended 31 December 2009

Results and dividends

The loss for the year, after taxation, amounted to £73,167 (2008 – profit of £52,284) The directors do not recommend the payment of any dividends in the year (2008 - £nil)

Principal activities

The principal activity of the company during the year continued to be the provision of computer design services

Directors

The directors who served the company during the year were as follows

A B Lane
M McDonald (Appointed 9 January 2009) (Resigned 31 December 2010)

Going concern

After making appropriate enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future on the grounds of continued support from the parent company For this reason the directors have adopted the going concern basis in preparing the financial statements

Directors' liabilities

The company has indemnified one or more directors of GCT Engineering Services Limited against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 Such qualifying third party indemnity provision was in force during the year and remains in place to the date of this report

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1 Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and

- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

Auditor

During the year Ernst & Young LLP were appointed as the company's first auditor A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting

The directors' report has been prepared with the special provisions of Part XV of the Companies Act 2006 relating to small entities

On behalf of the board

I F C Marshall
Secretary

24 January 2011
Registered No 03444544

Statement of directors' responsibilities in respect of the financial statements

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 year In preparing these financial statements, the directors are required to

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

We have audited the company's financial statements for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 15 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 auditors
As explained more fully in the Statement of directors' responsibilities set out on page 3, 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 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 (APB'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 2009 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

Ernst + Young LLP

David Marshall (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton
25 January 2011

Profit and loss account

for the year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover	2	271,039	1,098,887
Cost of sales		(174,225)	(835,788
Gross profit		96,814	263,099
Administrative expenses		(171,536)	(202,045)
Operating (loss)/profit	3	(74,722)	61,054
Bank interest receivable		-	7,772
Interest payable and similar charges	6	(2)	-
		(2)	7,772
(Loss)/profit on ordinary activities before taxation		(74,724)	68,826
Tax on (loss)/profit on ordinary activities	7	1,557	(16,542)
(Loss)/profit for the financial year transferred to reserves		(73,167)	52,284

All amounts relate to continuing operations

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £73,167 attributable to the shareholders for the year ended 31 December 2009 (2008 – profit of £52,284)

Balance sheet

at 31 December 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	8	41,757	50,583
Current assets			
Debtors	9	862,514	965,387
Cash at bank		-	96,236
		862,514	1,061,623
Creditors. amounts falling due within one year	10	363,878	497,089
Net current assets		498,636	564,534
Total assets less current liabilities		540,393	615,117
Provisions for liabilities	11	5,720	7,277
Net assets		534,673	607,840
Capital and reserves			
Share capital	13	100	100
Profit and loss account	14	534,573	607,740
Shareholders' funds	14	534,673	607,840

A Lane
Director

24 January 2011

Notes to the financial statements
at 31 December 2009

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

The accounts have been prepared on the going concern basis on the grounds of continued support from the parent company

The financial statements of GCT Engineering Services Limited were approved for issue by the Board of Directors on the date shown on the balance sheet

Cash flow statement

The directors have taken advantage of the exemption in FRS 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

Related parties transactions

The company is a wholly owned subsidiary of PFW Aviation Holding GmbH, the consolidated accounts of which are publicly available Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with group undertakings of the PFW Aviation Holding GmbH group

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Plant and machinery	-	15% reducing balance
Licences	-	20% straight line
Fixtures and fittings	-	15% reducing balance

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

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

Leasing and hire purchase commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Reverse premiums and similar incentives received to enter into operating lease agreements are released to the profit and loss account over the year to the date on which the rent is expected to be adjusted to the prevailing market rate

Notes to the financial statements
at 31 December 2009

1 Accounting policies (continued)
Pension costs
The company operates a defined contribution pension scheme Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

2. Turnover
Turnover, which is stated net of value added tax and discounts, represents amounts invoiced to third parties The turnover and pre-tax profit are wholly attributable to continuing operations The directors consider that the business of the company constitutes a single class of activity Turnover arises solely within the United Kingdom

3. Operating (loss)/profit
This is stated after charging/(crediting)

	2009	*2008*
	£	*£*
Auditor's remuneration – audit of the financial statements	2,673	6,670
Auditor's remuneration – taxation services	95	695
Depreciation of owned fixed assets	11,561	12,260
Operating lease rentals - land and buildings	9,000	18,000
Net loss/(gain) on foreign currency translation	32,756	(240,059)

4 Staff costs

	2009	*2008*
	£	*£*
Wages and salaries	53,719	247,881
Social security costs	5,998	21,941
Pension costs	102	-
	59,819	269,822

The monthly average number of employees during the year was as follows

	2009	*2008*
	No	*No*
Directors and administration	2	3

5 Directors' remuneration

	2009	*2008*
	£	*£*
Emoluments	30,310	130,523

6. Interest payable and similar charges

	2009	*2008*
	£	*£*
Bank interest	2	-

7. Taxation

(a) Tax on (loss)/profit on ordinary activities

The tax charge is made up as follows

	2009 £	2008 £
Current tax		
UK corporation tax	-	13,730
Adjustments in respect of previous years	-	(4)
Total current tax (note 7(b))	-	13,726
Deferred tax		
Origination and reversal of timing differences	(1,557)	2,816
Total deferred tax (note 7(c))	(1,557)	2,816
Tax on (loss)/profit on ordinary activities	(1,557)	16,542

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is different to the standard rate of corporation tax in the UK of 28% (2008 – 20 75%) The differences are reconciled below

	2009 £	2008 £
(Loss)/profit on ordinary activities before tax	(74,724)	68,826
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax	(20,923)	14,281
Expenses not deductible for tax purposes	241	214
Accelerated capital allowances	1,557	(765)
Adjustments in respect of previous years	-	(4)
Unrelieved tax losses carried forward	19,125	-
Total current tax (note 7(a))	-	13,726

Notes to the financial statements
at 31 December 2009

(c) Deferred tax

	2009	*2008*
	£	*£*
Accelerated capital allowances	5,720	7,277
Provision for deferred tax (note 11)	5,720	7,277

The emergency UK Budget in June 2010 announced that the UK rate of corporation tax will reduce by 1% each year for the next 4 years from 28% to 24% from 1 April 2011 As this was not enacted by the balance sheet date the deferred tax liability is based on a corporation tax rate of 28% The potential impact of the reduction in the corporation tax rate on the deferred tax liability is £817 There is an unrecognised deferred tax asset in respect of losses of £19,124 (2008 nil) which has not been recognised due to uncertainty over future suitable profit being available for offset

8. Tangible fixed assets

	Plant and machinery	*Licences*	*Fixtures and fittings*	*Total*
	£	*£*	*£*	*£*
Cost				
At 1 January 2009	102,700	129,047	13,012	244,759
Additions	2,735	-	-	2,735
At 31 December 2009	105,435	129,047	13,012	247,494
Depreciation				
At 1 January 2009	65,962	120,355	7,859	194,176
Provided during the year	5,921	4,867	773	11,561
At 31 December 2009	71,883	125 222	8,632	205,737
Net book value				
At 31 December 2009	33,552	3,825	4,380	41,757
At 1 January 2009	36,738	8,692	5,153	50,583

9. Debtors

	2009	*2008*
	£	*£*
Trade debtors	25,289	82,329
Amounts owed by group undertakings	835,457	862,131
Prepayments and accrued income	1,768	20,927
	862,514	965,387

Notes to the financial statements
at 31 December 2009

10. Creditors: amounts falling due within one year

	2009	*2008*
	£	*£*
Bank overdraft	718	-
Trade creditors	2,402	43,720
Amounts owed to group undertakings	346,483	376,783
Corporation tax	13,730	13,730
Other taxation and social security	545	4,214
Other creditors	-	58,642
	363,878	497,089

11. Provisions for liabilities

	Deferred tax
	£
At 1 January 2009	7,277
Deferred tax credit in profit and loss account (note 7(a))	(1,557)
At 31 December 2009	5,720

12. Commitments under operating leases

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2009	*2008*
	£	*£*
Operating leases which expire		
In less than one year	9,000	-
In two to five years	-	18,000

13 Share capital

	Allotted, called up and fully paid			
	2009		*2008*	
	No	*£*	*No*	*£*
Ordinary shares of £1 each	100	100	100	100

14. Reconciliation of shareholders' funds and movement on reserves

	Share capital	*Profit and loss account*	*Total share-holders' funds*
	£	*£*	*£*
At 1 January 2008	100	555,456	555,556
Profit for the year	–	52,284	52,284
At 31 December 2008	100	607,740	607,840
Loss for the year	–	(73,167)	(73,167)
At 31 December 2009	100	534,573	534,673

15. Ultimate parent company

On 9 January 2009 PFW UK Holdings Limited acquired an additional 81% of the ordinary share capital of GCT Engineering Services Limited This increased their existing investment in GCT Engineering Services Limited to 100% From 9 January 2009 the company's immediate parent undertaking is therefore PFW UK Holdings Limited

From 9 January 2009 the company's ultimate parent undertaking and controlling party is PFW Aviation Holding GmbH, a company incorporated in Germany Copies of its group financial statements, which are the smallest and largest group financial statements to include the company, are available from

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