

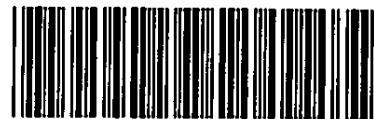
Registered No 03531987

AD Aviation Limited

Report and Financial Statements

30 June 2013

TUESDAY



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07/01/2014

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COMPANIES HOUSE

Directors

M J Newton
N Petrie

Secretary

H Doroszkiewicz

Auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester M2 3EY

Bankers

Barclays Bank plc
40/41 High Street
Wrexham
North Wales LL13 8LF

Solicitors

DWF LLP
1 Scott Place
2 Hardman Street
Manchester M3 3AA

Registered Office

Unit 1200
Daresbury Park
Daresbury
Warrington WA4 4HS

Registered No 03531987

Directors' report

The directors present their report and financial statements for the year ended 30 June 2013

Results and dividends

The loss for the year after taxation amounted to £337k (2012 – loss of £1,212k) The directors do not recommend a final dividend (2012 – £nil)

Principal activity and review of the business

Operations were discontinued from April 2012 and the existing intercompany payable balance has been waived and subsequently treated as a capital contribution

The results for the year and the financial position at the end of the year were considered satisfactory by the directors

Going concern

The company is a subsidiary of the ultimate parent undertaking, Anglo Design Holdings Plc ('the group')

A letter of support has been provided to the directors of the company from the directors of Anglo Design Holdings Plc to confirm that the group will provide sufficient financial and other support to enable the company to discharge their liabilities as they fall due. Despite the net liabilities position of £311k (2012 – net liabilities of £7,223k) at 30 June 2013 because the group has confirmed its intention to provide any necessary financial support to the company and not demand repayment of the intercompany debt for a period of at least 12 months from the approval of these financial statements, the directors consider it appropriate to prepare the financial statements on the going concern basis.

The Group meets its day-to-day working capital requirements through term loan and overdraft facilities repayable on demand, which do not expire until 31 March 2015.

Based on the Directors' latest approved forecasts, the Group expects to be able to comply with its facility arrangements negotiated with the bank and meet its liabilities and attached facility terms as they fall due for a period of not less than 12 months from the date of signature of these financial statements. Whilst acknowledging the uncertainties in the operating environment and their resultant impact on revenues, the Directors have identified a number of opportunities to manage working capital, some of which have already been actioned, to mitigate against any deteriorations and uncertainties in trading conditions.

The directors have a reasonable expectation that with the continued support of the bank and shareholder, including the provision of additional funds if required, the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

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

M J Newton

N Petrie

Directors' report

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

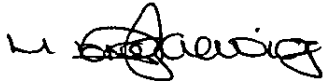
Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the Board



H. DORASZKIEWICZ
Secretary

20 December 2013

Directors' Responsibilities 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 judgments 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 auditors' report

to the members of AD Aviation Limited

We have audited the financial statements of AD Aviation Limited for the year ended 30 June 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. 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 set out on page 4, 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. In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 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.

Independent auditors' report

to the members of AD Aviation Limited

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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report



Gary Harding (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

20 December 2013

Profit and loss account

for the year ended 30 June 2013

	Notes	2013 £000	2012 £000
Turnover	2	–	623
Cost of sales		–	(496)
Gross profit		–	127
Administrative expenses before exceptional items		(148)	(554)
Impairment of airframes		(155)	(756)
Operating loss	3	(303)	(1,183)
Interest payable and similar charges	5	(34)	(29)
Loss on ordinary activities before taxation		(337)	(1,212)
Tax	6	–	–
Loss for the financial year	12	(337)	(1,212)

All amounts relate to discontinuing activities

Statement of total recognised gains and losses

for the year ended 30 June 2013


There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £337k in the year ended 30 June 2013 (2012 – loss of £1,212k)

Balance sheet

at 30 June 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	7	214	828
		<u>214</u>	<u>828</u>
Current assets			
Debtors	8	6	54
Cash at bank and in hand		–	1
		<u>6</u>	<u>55</u>
Creditors amounts falling due within one year	9	(531)	(7,775)
Net current liabilities		<u>(525)</u>	<u>(7,720)</u>
Total assets less current liabilities		(311)	(6,892)
Creditors amounts falling due after more than one year		–	(331)
Net liabilities		<u>(311)</u>	<u>(7,223)</u>
Capital and reserves			
Called up share capital	10	1,265	1,265
Capital contribution	11	7,249	–
Profit and loss account	11	(8,825)	(8,488)
Shareholders' deficit	12	<u>(311)</u>	<u>(7,223)</u>

The financial statements were approved by the board of directors on 26 December 2013 and were signed on its behalf by


M J NEWTON
 Director

Notes to the financial statements

at 30 June 2013

1. Accounting policies

Basis of preparation

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

Going concern

The company is a subsidiary of the ultimate parent undertaking, Anglo Design Holdings Plc ('the group')

A letter of support has been provided to the directors of the company from the directors of Anglo Design Holdings Plc to confirm that the group will provide sufficient financial and other support to enable the company to discharge their liabilities as they fall due. Despite the net liabilities position of £311k (2012 – net liabilities of £7,223k) at 30 June 2013 because the group has confirmed its intention to provide any necessary financial support to the company and not demand repayment of the intercompany debt for a period of at least 12 months from the approval of these financial statements, the directors consider it appropriate to prepare the financial statements on the going concern basis.

The Group meets its day-to-day working capital requirements through term loan and overdraft facilities repayable on demand, which do not expire until 31 March 2015.

Based on the Directors' latest approved forecasts, the Group expects to be able to comply with its facility arrangements negotiated with the bank and meet its liabilities and attached facility terms as they fall due for a period of not less than 12 months from the date of signature of these financial statements. Whilst acknowledging the uncertainties in the operating environment and their resultant impact on revenues, the Directors have identified a number of opportunities to manage working capital, some of which have already been actioned, to mitigate against any deteriorations and uncertainties in trading conditions.

The directors have a reasonable expectation that with the continued support of the bank and shareholder, including the provision of additional funds if required, the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Statement of cash flows

Under FRS 1 'Statement of cash flows', the company is not required to prepare a statement of cash flows, being a wholly owned subsidiary of Anglo Design Holdings Plc, whose publicly available group financial statements include the company.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Notes to the financial statements

at 30 June 2013

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and impairment. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life.

Airframes	–	2% reducing balance per annum
Aircraft engines	–	over the engines permitted flying hours
Computer equipment	–	33 3% on cost per annum

Qualifying expenditure on maintenance of aircraft and engines is to be capitalised within tangible fixed assets. Depreciation, in addition to that charged against the original capital value, is then charged against these maintenance assets at a variable rate dependent on the actual usage of the aircraft itself, such that over time the depreciation charge will match the related maintenance expenditure.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Deferred taxation

Deferred taxation 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 right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- 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 periods 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 denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Notes to the financial statements

at 30 June 2013

1. Accounting policies (continued)

Operating leases

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term. There are no future commitments to which the company are contractually obliged to undertake.

Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year. The company operates a defined contribution scheme.

The company operates a defined contribution pension scheme in respect of certain directors and staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £nil (2012 – £5k).

Accounting reference date

The company's accounting reference date is 30 June. As permitted by the Companies Act, the Directors have chosen to draw up the financial statements to the 30 June 2013 (2012 – to 1 July 2012).

2. Turnover

The total turnover of the company for the year has been derived from its principal activity, all in the UK.

3. Operating loss

This is stated after charging/(crediting)

	<i>2013</i>	<i>2012</i>
	<i>£000</i>	<i>£000</i>
Depreciation of tangible fixed assets	50	60
Operating lease rentals	–	8

The audit and non audit fees for the company are disclosed in Anglo Design Holdings plc

Notes to the financial statements

at 30 June 2013

4. Staff costs

	2013 £000	2012 £000
Wages and salaries	3	112
Social security costs	—	13
Other pension costs	—	5
	<u>3</u>	<u>130</u>

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

	2013 No	2012 No
Administrative	<u>1</u>	<u>3</u>

There was no remuneration paid to the directors in the current year or prior year from the company. The directors are remunerated via Anglo Design Holdings Plc and their remuneration is disclosed within that entity.

5. Interest payable and similar charges

	2013 £000	2012 £000
Bank interest	1	4
Lease interest costs	14	20
Exchange difference on foreign borrowings	19	5
	<u>34</u>	<u>29</u>

6. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

	2013 £000	2012 £000
Current tax:		
UK corporation tax on the loss for the year	—	—
Adjustment in respect of prior year	—	—
Total current tax (note 6(b))	<u>—</u>	<u>—</u>
Deferred tax:		
Origination and reversal of timing differences	—	—
Adjustments in respect of prior years	—	—
Total deferred tax (note 6(c))	<u>—</u>	<u>—</u>
Tax on loss on ordinary activities	<u>—</u>	<u>—</u>

Notes to the financial statements

at 30 June 2013

6. Tax (continued)

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 23.75% (2012 – 25.5%). The differences are explained below

	2013 £000	2012 £000
Loss on ordinary activities before tax	(337)	(1,212)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.75% (2012 – 25.5%)	(80)	(309)
<i>Effects of</i>		
Disallowable expenses	74	210
Capital allowances in advance of depreciation	–	4
Unrelieved tax losses carried forward	6	–
Group relief surrendered for nil consideration	–	95
Current tax for the year (note 6(a))	–	–

(c) Recognised deferred tax

	£000
At 1 July 2012	–
Charge to profit and loss account	–
At 30 June 2013	–

The deferred tax asset is analysed as follows

	2013 £000	2012 £000
Decelerated capital allowances	–	–
Other timing differences	–	–
Deferred tax asset	–	–

Unrecognised deferred tax

	£000
At 1 July 2012	–
Prior year adjustment	(2,234)
Movement (including rate change adjustment)	(218)
At 30 June 2013	(2,452)

Notes to the financial statements

at 30 June 2013

6. Tax (continued)

(d) Factors that may affect future tax charges

The UK corporation tax rate reduced from 24% to 23% with effect from 1 April 2013

Further reductions to the UK corporation tax rate from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015 were substantively enacted on 2 July 2013 and received Royal Assent on 17 July 2013. These further reductions had not been substantially enacted at the balance sheet date and are therefore not recognised in these financial statements.

The effect on the Company of further changes to the UK tax system will be reflected in the financial statements of the Company in the year ended 30 June 2014 as the changes were substantially enacted during this accounting period.

7. Tangible fixed assets

	<i>Airframes</i> £000	<i>Aircraft engines</i> £000	<i>Computer equipment</i> £000	<i>Total</i> £000
Cost				
At 1 July 2012	4,324	912	–	5,236
Additions	146	–	–	146
At 30 June 2013	4,470	912	–	5,382
Depreciation				
At 1 July 2012	4,052	356	–	4,408
Charge for the year	50	–	–	50
Disposal	181	375	–	556
Impairment	155	–	–	155
Exchange differences	(1)	–	–	(1)
At 30 June 2013	4,437	731	–	5,168
Net book value				
At 30 June 2013	33	181	–	214
At 1 July 2012	272	556	–	828

The aircraft were valued by Kevin Rossignon, the Vice President of CB Aviation Inc. CB Aviation Inc are a company that specialise in buying and selling aircraft. The carrying value has been readdressed at 30 June 2013 and based on the current market price.

Notes to the financial statements

at 30 June 2013

8. Debtors

	2013 £000	2012 £000
Other debtors	3	44
Prepayments and accrued income	3	10
Deferred tax (note 6(c))	–	–
	<u>6</u>	<u>54</u>

9. Creditors: amounts falling due within one year

	2013 £000	2012 £000
Bank loans	354	131
Trade creditors	9	292
Amounts due to group undertakings	117	7,316
Accruals and deferred income	51	36
	<u>531</u>	<u>7,775</u>

The bank loans are secured on the aircraft. The loan is payable monthly and interest is based on the 3 month Libor plus 3.25% per annum.

10. Issued share capital

		2013 £000		2012 £000
<i>Allotted, called up and fully paid</i>	<i>No</i>		<i>No</i>	
Ordinary shares of £1 each	1,265,000	<u>1,265</u>	1,265,000	<u>1,265</u>

11. Movements on reserves

	Profit and loss account £000	Capital contribution reserve £000
At 1 July 2012	(8,488)	–
Loss for the year	(337)	–
Capital contributions – forgiveness of intercompany loan	–	7,249
At 30 June 2013	<u>(8,825)</u>	<u>7,249</u>

Notes to the financial statements

at 30 June 2013

12. Reconciliation of shareholders' deficit

	2013 £000	2012 £000
Loss for the year	(337)	(1,212)
Capital contributions – forgiveness of intercompany loan	7,249	–
Opening shareholders' deficit	(7,223)	(6,011)
Closing shareholders' deficit	(311)	(7,223)

13. Related party transactions

The company has taken advantage of the exemption conferred by FRS 8 – Related Party Disclosures in not disclosing details of transactions with other group companies

At 30 June 2013 there is a debt outstanding with IndUS Aviation Inc of £64k (2012 – £64k) which is provided for in full. IndUS Aviation Inc is a related party as Anglo Design Holdings Plc holds 17% of the shareholding.

14. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is Anglo Design Holdings Plc, a company registered in England and Wales.

Anglo Design Holdings Plc prepares group financial statements and copies can be obtained from Unit 1200 Daresbury Park, Daresbury, Warrington, Cheshire, WA4 4HS.

The controlling party is Mr M J Newton by virtue of his shareholding in Anglo Design Holdings Plc.