

Avia Solutions Limited

Directors' report and financial statements

for the year ended 31 December 2012

Registered number 04154373



Avia Solutions Limited

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Avia Solutions Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activity

The principal activity of the company in the year under review was that of business and management consultants in the aviation industry

Review of business and future developments

Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future

Business risk

The company operates in the provision of management services to companies in the aviation industry. Its ability to succeed is partially dependent on the financial strength of its customers and their ability to both compete effectively in the market place and manage the competitive environment in which they operate

Key performance indicators

Profit after tax is a key indicator of performance for the company

Results and dividends

The profit for the year, after taxation, amounted to £329,000 (2011: £267,000)

The directors do not recommend the payment of a dividend (2011: £nil)

Directors

The directors who served during the year and up to the date of the directors' report were

T Kearns (appointed 8 February 2013 & resigned 6 March 2013)

C Bernardini (appointed 8 February 2013)

J Carter (appointed 8 February 2013)

E Schaefer (resigned 8 February 2013)

S J Kealey (resigned 8 February 2013)

M Balmforth (resigned 29 June 2012)

P A Eden (resigned 31 January 2013)

C Damianos (appointed 6 March 2013)

Political and charitable contributions

The company made no political or charitable donations during the year (2011: £nil)

Post balance sheet events

There are no significant events since the year end which affect the financial statements

Avia Solutions Limited

Directors' report

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

Under section 487 of the Companies Act 2006, KPMG Chartered Accountants will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

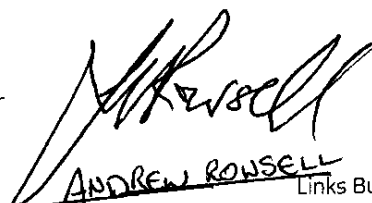
This report was approved by the board on 28 MAY 2013 and signed on its behalf



Director

JOHN CARTER

Director


ANDREW ROWSE

Links 2
Links Business Centre
Old Woking Road, Old Woking
Surrey
GU22 8BF

Avia Solutions Limited

Directors' responsibilities statement for the year ended 31 December 2012

The directors are responsible for preparing the directors' 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 accounting 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;
- 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.



KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Independent auditors' report to the members of Avia Solutions Limited

We have audited the financial statements of Avia Solutions Limited for the year ended 31 December 2012, which comprise the profit and loss account, the balance sheet and the related notes. 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 auditors' 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 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. 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 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 2012 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.



Independent auditors' report to the members of Avia Solutions Limited

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 statement. 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

Killian Croke (senior statutory auditor)

for and on behalf of
KPMG

Statutory Auditor
Chartered Accountants

1 Harbourmaster Place
IFSC
Dublin 1
Date 28 May 2013

Avia Solutions Limited

Profit and loss account for the year ended 31 December 2012

	Note	2012 £000	2011 £000
Turnover	2	3,119	3,125
Administrative expenses		(2,676)	(2,758)
Profit on ordinary activities before taxation		443	367
Tax on profit on ordinary activities	6	(114)	(100)
Profit for the financial year	12	329	267

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account.


The notes on pages 8 to 13 form part of these financial statements

Avia Solutions Limited
Registered number 04154373

Balance sheet
as at 31 December 2012

	Note	£000	2012 £000	£000	2011 £000
Fixed assets					
Tangible assets	7		17		25
Current assets					
Debtors	8	793		1,027	
Cash at bank		1,158		746	
		<u>1,951</u>		<u>1,773</u>	
Creditors amounts falling due within one year	9	<u>(346)</u>		<u>(505)</u>	
Net current assets			<u>1,605</u>		<u>1,268</u>
Net assets			<u>1,622</u>		<u>1,293</u>
Capital and reserves					
Called up share capital	11		-		-
Share premium account	12		639		639
Profit and loss account	12		<u>983</u>		<u>654</u>
Shareholders' funds	13		<u>1,622</u>		<u>1,293</u>

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


 Director JOHN CARTER
 Date 28 MAY 2013

The notes on pages 8 to 13 form part of these financial statements

Avia Solutions Limited

Notes to the financial statements

1 Accounting policies

1.1 Basis of preparation of financial statements

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

On the basis of their assessment of the company's financial position and resources, the directors believe that the company is well placed to manage its business risks. Therefore the company's directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Fixtures & fittings	- 25% on reducing balance
Computer equipment	- 33% on cost

1.4 Taxation

Taxation for the year is based on the profit for the year

Full provision is made for deferred tax liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

Avia Solutions Limited

Notes to the financial statements

1 Accounting policies (continued)

1.6 Revenue

Revenue represents amounts receivable for services provided in the normal course of business and reimbursable expenses, net of trade discounts and Value Added Tax. Revenue in respect of the consultants' time is recognised when the related hours have been worked. Revenue recognised but not yet billed is included as accrued income within other debtors.

2 Turnover

A geographical analysis of turnover is as follows

	2012 £000	2011 £000
United Kingdom	1,106	527
Rest of Europe	292	726
USA	1,376	1,738
Others	345	134
	<u>3,119</u>	<u>3,125</u>

3 Auditors' remuneration

	2012 £000	2011 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>8</u>	<u>10</u>

4 Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £000	2011 £000
Wages and salaries	1,901	1,779
Social security costs	241	211
	<u>2,142</u>	<u>1,990</u>

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

	2012 No	2011 No
Marketing & administration	<u>15</u>	<u>16</u>

Avia Solutions Limited

Notes to the financial statements

5. Directors' remuneration

	2012 £000	2011 £000
Emoluments	696	552

The highest paid director received remuneration of £376,244 (2011: £291,000)

6. Taxation

	2012 £000	2011 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	114	101
Deferred tax		
Origination and reversal of timing differences	(1)	(1)
Effect of decreased tax rate	1	-
Total deferred tax (see note 10)	-	(1)
Tax on profit on ordinary activities	114	100

Factors affecting current tax charge for the year

The current tax assessed for the year is higher than (2011: higher than) the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are explained below:

	2012 £000	2011 £000
Profit on ordinary activities before tax	443	367
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	109	97
Effects of:		
Depreciation in excess of capital allowances	1	1
Expenses not deductible for tax purposes	4	3
Current tax charge for the year (see note above)	114	101

Avia Solutions Limited

Notes to the financial statements

6 Taxation (continued)

Factors that may affect future tax charges

Deferred tax assets and liabilities on all timing differences have been calculated at 23%, being the rate of UK corporation tax that was enacted at the balance sheet date, including those expected to reverse in the year ended 31 December 2013 (the overall average rate for which would otherwise be 23.25%). The impact of this, and that of the below changes in the corporation tax rate on the financial statements is not considered to be material.

The UK corporation tax rate was reduced from 26% to 24% on 1 April 2012. It was announced that this rate would be further reduced to 23% with effect from 1 April 2013. This is the rate which was enacted at the balance sheet date. It is expected that the corporation tax rate will reduce to 20% by 2015. There are no other factors that may significantly affect future tax charges.

7 Tangible fixed assets

	Fixtures & fittings £000	Computer equipment £000	Total £000
Cost			
At 1 January 2012	81	82	163
Additions	-	5	5
At 31 December 2012	81	87	168
Depreciation			
At 1 January 2012	77	61	138
Charge for the year	3	10	13
At 31 December 2012	80	71	151
Net book value			
At 31 December 2012	1	16	17
At 31 December 2011	4	21	25

8 Debtors

	2012 £000	2011 £000
Trade debtors	553	520
Amounts owed by group undertakings	36	318
Other debtors	197	182
Deferred tax asset (see note 10)	7	7
	793	1,027

Avia Solutions Limited

Notes to the financial statements

9 Creditors: Amounts falling due within one year

	2012 £000	2011 £000
Trade creditors	17	53
Amounts owed to group undertakings	13	16
Corporation tax	75	58
Social security and other taxes	154	58
Other creditors	87	320
	<u>346</u>	<u>505</u>

10 Deferred tax asset

	2012 Recognised £000	2011 Recognised £000
At beginning and end of year	<u>7</u>	<u>7</u>

The deferred tax asset is made up of depreciation in excess of capital allowances. There were no amounts of unprovided deferred taxation as at 31 December 2012 or 31 December 2011.

11 Share capital

	2012 £	2011 £
Authorised		
7,680 ordinary shares of £0.0039 each	<u>30</u>	<u>30</u>
Allotted, called up and fully paid		
7,062 ordinary shares of £0.0039 each	<u>28</u>	<u>28</u>

12 Reserves

	Share premium account £000	Profit and loss account £000
At 1 January 2012	639	654
Profit for the year	-	329
At 31 December 2012	<u>639</u>	<u>983</u>

Avia Solutions Limited

Notes to the financial statements

13 Reconciliation of movement in shareholders' funds

	2012 £000	2011 £000
Opening shareholders' funds	1,293	1,026
Profit for the year	329	267
Closing shareholders' funds	<u>1,622</u>	<u>1,293</u>

14 Operating lease commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2012 £000	2011 £000
Expiry date		
Within 1 year	<u>50</u>	<u>50</u>

15 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Avia Holdings Limited, a company registered in England and Wales

The smallest and largest group in which the results of the company are consolidated is that headed by the company's ultimate parent undertaking, General Electric Company, a company incorporated in the United States of America. The consolidated financial statements of this company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut 06828, USA or at www.ge.com

16 Related party transactions

The company trades extensively with other GE subsidiaries. Such trading activities are carried out on an arms length basis. At the year end the company had contracts with GECC to provide consultancy services and with Avia Holdings Limited relating to an intercompany loan.

Revenue from other GE subsidiaries during the year was £728,074 (2011: £1,286,358) and amounts owing from such entities were £35,950 (2011: £317,622) which is shown under debtors in the balance sheet. An amount owing to Avia Holdings Limited of £12,533 was outstanding at year end which is shown under creditors.