

Registration number: 04154373

Avia Solutions Limited
Annual Report and Financial Statements
for the Year Ended 31 December 2016

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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 2016.

Principal activity and business review

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

On 22 December 2016, the company issued 300 ordinary shares of £0.0039 each to IGE USA Investments, its immediate parent undertaking, at a total premium of £2,999,999.

Results and dividends

The loss for the year, after taxation, amounted to £863,000 (2015: £1,286,000)

The directors do not recommend the payment of a dividend (2015: £nil).

Directors of the company

The directors who held office during the year and up to the date of the directors' report were as follows:

C Bernardini

J Carter

C Damianos

A J Rowsell

Political donations

The company did not make any political donations during the year (2015: £nil).

Future developments

The company is expected to continue with the existing level of operations and no further developments are planned.

Post balance sheet events

There have been no significant post balance sheet events affecting the company since the year end which require adjustment of or disclosure in the financial statements.

Directors' liabilities

One or more of the directors have benefited from qualifying third party indemnity provisions in place during the financial year and subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the directors' report.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

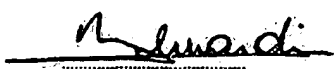
Avia Solutions Limited

Directors' Report (continued)

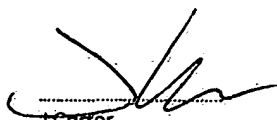
Reappointment of auditor

The auditor, KPMG Dublin, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on ^{22 June 2017} ~~22 June 2017~~ and signed on its behalf by:



C Bernardini
Director



J Carter
Director

Avia Solutions Limited

Statement of Directors' Responsibilities

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 Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards has 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.



KPMG
Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVIA SOLUTIONS LIMITED

We have audited the financial statements of Avia Solutions Limited for the year ended 31 December 2016 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

3 We have nothing to report in respect of matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required 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 from the requirement to prepare a strategic report.

We have nothing to report in respect of the above responsibilities.



Basis of our report, responsibilities and restrictions on use

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 and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.

Killian Croke (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

22 June 2017

Avia Solutions Limited

Statement of Comprehensive Income for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Turnover	4	2,386	2,292
Administrative expenses		<u>(3,193)</u>	<u>(3,563)</u>
Loss before taxation		(807)	(1,271)
Tax on loss	9	<u>(56)</u>	<u>(15)</u>
Loss for the year		(863)	(1,286)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(863)</u>	<u>(1,286)</u>

The above results were derived from continuing operations.

Avia Solutions Limited

Registration number: 04154373

Balance Sheet as at 31 December 2016

	Note	2016 £ 000	2015 £ 000
Fixed assets			
Tangible assets	10	77	73
Current assets			
Debtors	11	2,561	1,114
Cash at bank		<u>2</u>	<u>4</u>
		2,563	1,118
Creditors: Amounts falling due within one year	12	<u>(433)</u>	<u>(1,119)</u>
Net current assets/(liabilities)		<u>2,130</u>	<u>(1)</u>
Net assets		<u>2,207</u>	<u>72</u>
Capital and reserves			
Called up share capital		-	-
Share premium account		3,639	639
Share based payment reserve		(2)	-
Profit and loss account		<u>(1,430)</u>	<u>(567)</u>
Shareholders' funds		<u>2,207</u>	<u>72</u>

Approved by the Board on 22 June 2017 and signed on its behalf by:



C Bernardini
Director



J Carter
Director

Avia Solutions Limited

Statement of Changes in Equity for the Year Ended 31 December 2016

	Called up share capital £ 000	Share premium account £ 000	Share based payment reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2016	-	639	-	(567)	72
Comprehensive income for the year					
Loss for the year	-	-	-	(863)	(863)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(863)	(863)
Share capital issued during the year/share premium on share capital issued	-	3,000	-	-	3,000
Equity share based payment expense	-	-	2	-	2
Share based payment accruals	-	-	(4)	-	(4)
At 31 December 2016	-	3,639	(2)	(1,430)	2,207

	Called up share capital £ 000	Share premium account £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2015	-	639	719	1,358
Comprehensive income for the year				
Loss for the year	-	-	(1,286)	(1,286)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(1,286)	(1,286)
At 31 December 2015	-	639	(567)	72

Avia Solutions Limited

Notes to the Financial Statements

1 General information

The company is a private company limited by share capital incorporated and domiciled in the United Kingdom.

The address of its registered office is:

Links 2

Links Business Centre

Old Woking Road, Old Woking

Surrey

GU22 8BF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The results of the company are included in the consolidated financial statements of General Electric Company which are available from 41 Farnsworth Street, Boston, MA 02210, USA or at www.ge.com.

Avia Solutions Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Going concern

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.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any accumulated losses.

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:

Asset class	Depreciation method and rate
Fixtures and fittings	10% on cost
Computer equipment	33% on cost

Revenue recognition

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.

The notes on pages 9 to 20 form an integral part of these financial statements.

Avia Solutions Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Taxation

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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 probable 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.

Foreign currencies

The accounts are presented in sterling which is the company's functional and presentational currency.

Transactions in foreign currencies are recorded using a monthly average operating exchange rate. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the balance sheet date. The gains or losses arising are included in the Statement of Comprehensive Income.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Share based payments

Share options and restricted stock units over the shares of General Electric Company, the ultimate parent entity are granted to certain employees and executives of the company. The fair value of options and units granted is recognised as an employee expense with a corresponding increase in equity, the 'other reserve'. The fair value is measured at grant date using the Black-Scholes option pricing model, and is recognised as an expense over the period the employees become unconditionally entitled to the options/units.

The amount recognised as an expense is adjusted to reflect the actual number of options/units expected to vest. Any recharges by the ultimate parent entity are offset against the 'other reserve'. In addition the company has established an employee share ownership scheme, under which employees are able to acquire a number of shares in the ultimate parent company, General Electric Company, with the company matching the employees' purchases. The company's costs of these purchases are charged to the profit and loss account as incurred.

The notes on pages 9 to 20 form an integral part of these financial statements.

Avia Solutions Limited

Notes to the Financial Statements

3 Critical accounting judgments and key sources of estimation uncertainty

The directors consider there are no critical accounting estimates or judgments identified in preparation of the financial statements in compliance with FRS 101.

4 Turnover

A geographical analysis of turnover is as follows:

	2016 £ 000	2015 £ 000
United Kingdom	432	228
Rest of Europe	1,247	1,032
USA	197	125
Other	510	907
	<u>2,386</u>	<u>2,292</u>

5 Operating loss

Operating loss is stated after charging/(crediting) :-

	2016 £ 000	2015 £ 000
Depreciation of tangible fixed assets	10	9
Difference on foreign exchange	(44)	26
	<u></u>	<u></u>

6 Auditor's remuneration

	2016 £ 000	2015 £ 000
Audit of the financial statements	<u>12</u>	<u>7</u>

Avia Solutions Limited

Notes to the Financial Statements

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £ 000	2015 £ 000
Wages and salaries	1,825	1,774
Social security costs	135	144
Other pension costs	129	121
Share-based payment expenses	2	-
	<u>2,091</u>	<u>2,039</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2016 No.	2015 No.
Marketing & administration	<u>15</u>	<u>17</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £ 000	2015 £ 000
Remuneration	362	414
Accrued pension	48	45
	<u>410</u>	<u>459</u>

In respect of the highest paid director:

	2016 £ 000	2015 £ 000
Remuneration	217	252
Accrued pension provision	31	30

The notes on pages 9 to 20 form an integral part of these financial statements.

Avia Solutions Limited

Notes to the Financial Statements

8 Directors' remuneration (continued)

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2016 No.	2015 No.
Accruing benefits under defined contribution pension scheme	<u>2</u>	<u>2</u>

9 Taxation

Tax charged/(credited) in the statement of comprehensive income

	2016 £ 000	2015 £ 000
Current taxation		
UK corporation tax	-	-
Deferred taxation		
Origination and reversal of temporary differences	(153)	9
Effect of changes to tax rates	33	6
Adjustment in respect of prior year	(236)	-
Movement on deferred tax not provided	<u>412</u>	<u>-</u>
Total deferred taxation	<u>56</u>	<u>15</u>
Tax expense in the statement of comprehensive income	<u>56</u>	<u>15</u>

The notes on pages 9 to 20 form an integral part of these financial statements.

Avia Solutions Limited

Notes to the Financial Statements

9 Taxation (continued)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (2015 - higher than the standard rate of corporation tax in the UK) of 20% (2015 - 20.25%).

The differences are reconciled below:

	2016 £ 000	2015 £ 000
Loss before tax	(807)	(1,271)
Corporation tax at standard rate	(161)	(257)
Movement in deferred tax not provided	485	-
Effect of change in tax rate	(33)	6
Expenses not deductible for tax purposes	1	1
Group relief for Enil consideration	-	265
Adjustment to tax charge in respect of prior period	(236)	-
Total tax charge	56	15

Factors that may affect future tax charges

The UK corporation tax rate will be reduced from 20% to 19% on 1 April 2017. A further reduction to 17% (effective 1 April 2020) was substantively enacted at the balance sheet date. This will reduce any current tax charges accordingly.

Deferred tax assets and liabilities on all timing differences have been calculated at 17%, including those expected to reverse in the years ending 31 December 2017 to 31 December 2020 (the overall average rate ranging from 19.25% to 17.5%).

There are no other factors that may significantly affect future tax charges.

Avia Solutions Limited

Notes to the Financial Statements

9 Taxation (continued)

Deferred tax

There are £411,000 of deductible temporary differences (2015: £nil) for which no deferred tax asset is recognised in the balance sheet.

Deferred tax movement during the year:

	At 1 January 2016 £ 000	Recognised in income £ 000	At 31 December 2016 £ 000
Accelerated tax depreciation	<u>56</u>	<u>(56)</u>	<u>-</u>

Deferred tax movement during the prior year:

	At 1 January 2015 £ 000	Recognised in income £ 000	At 31 December 2015 £ 000
Accelerated tax depreciation	<u>71</u>	<u>(15)</u>	<u>56</u>

Avia Solutions Limited

Notes to the Financial Statements

10 Tangible fixed assets

	Computer equipment £ 000	Fixtures and fittings £ 000	Total £ 000
Cost			
At 1 January 2016	87	174	261
Additions	-	14	14
At 31 December 2016	87	188	275
Depreciation			
At 1 January 2016	87	101	188
Charge for the year	-	10	10
At 31 December 2016	87	111	198
Carrying amount			
At 31 December 2016	-	77	77
At 31 December 2015	-	73	73

11 Debtors

	2016 £ 000	2015 £ 000
Trade debtors	245	652
Amounts owed by group undertakings	2,179	199
Prepayments	137	207
Deferred taxation	-	56
	<u>2,561</u>	<u>1,114</u>

Avia Solutions Limited

Notes to the Financial Statements

12 Creditors: Amounts falling due within one year

	2016 £ 000	2015 £ 000
Trade creditors	29	5
Accruals and deferred income	329	297
Amounts owed to group undertakings	-	782
Taxation and social security	42	35
Other creditors	33	-
	<u>433</u>	<u>1,119</u>

13 Share capital

	2016		2015	
	No.	£	No.	£
Ordinary shares of £0.0039 each	7,362	29	7,062	28

On 22 December 2016, the company issued 300 ordinary shares of £0.0039 each to IGE USA Investments, its immediate parent undertaking, at a total premium of £2,999,999.

14 Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The pension charge for the year was £129,000 (2015: £121,000) in respect of the defined contribution scheme. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Avia Solutions Limited

Notes to the Financial Statements

15 Share-based payments

Certain employees of the company are selected to participate in share options and restricted stock units of General Electric Company under the terms of the General Electric Company Long Term Incentive Plan. Share options expire 10 years from grant date and vest over service periods ranging from one to five years. The option price is usually set as the closing day share price on grant date. Restricted stock units give the participants the right to receive shares in General Electric Company for no consideration. Restricted stock units vest over various service periods beginning three years from grant date through grantee retirement. All grants of GE options under all plans must be approved by the Management Development and Compensation Committee of General Electric Company, which consist entirely of outside directors. For further details on stock options and restricted stock units please refer to the GE annual report available at www.ge.com.

The weighted average share price at the date of exercise of share options exercised during the year was \$nil (2015: \$nil).

The options outstanding at the year end have an exercise price in the range of \$26.10 to \$26.10 and a weighted average contractual life of 7.68 years.

16 Operating lease commitments

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016	2015
	£000	£000
Within 1 year	55	55

17 Ultimate parent undertaking and controlling party

The company's immediate parent is IGE USA Investments, a company incorporated in England and Wales.

The smallest and largest group in which the results of the company are consolidated is that headed by its ultimate parent undertaking, General Electric Company, a company registered at 41 Farnsworth Street, Boston, Massachusetts, 02210, USA. The consolidated financial statements of this company are available to the public and may be obtained from the registered address or at www.ge.com.

Avia Solutions Limited

Notes to the Financial Statements

18 Post balance sheet events

There have been no significant post balance sheet events affecting the company since the year end which require adjustment of or disclosure in the financial statements.