

COMPANY REGISTRATION NUMBER 4998948

CVT SOLUTIONS LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2007



CVT SOLUTIONS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

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CVT SOLUTIONS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

C. Stipancic Jr.
B. J. Madden
T.G. Coughlan

Company secretary

B.J. Madden

Registered office

Howard House
32-34 High Street
Croydon
Surrey
CR0 1YB

Auditor

Shipleys LLP
Chartered Accountants
& Registered Auditors
10 Orange Street
Haymarket
London
WC2H 7DQ

CVT SOLUTIONS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of airline services including car parking and fuel supply.

The results for the company show a pre-tax profit of £1,022,709 (2006 : £1,898,359) for the year and sales of £8,728,868 (2006 : £9,221,010).

FUTURE DEVELOPMENTS

The directors remain confident that the company can continue to trade profitably in the future.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £715,896. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives and policies

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and major uncertainties affecting the company are considered to relate to fuel prices and liquidity risk.

Large increases in fuel prices, specific to the UK, could force the company to increase their sales prices, which in turn could influence flight operators, encouraging them to refuel at their outbound destination. The company monitors these price increases and the impact on customers to ensure prices are controlled where possible.

The company provides fuel and car parking services solely in relation to Coventry airport. As such, the company is exposed to the overall liquidity risk faced by the Coventry airport group. The directors of the parent company regularly monitor the overall financing position of the group to ensure that going concern risks are addressed and reduced where possible. A fuller analysis of the steps taken to reduce the company's exposure to liquidity, cash flow and ultimately going concern risk, is included in Note 2 of these financial statements.

Derivatives

The company does not have any derivatives.

DIRECTORS

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

G.C. Farrin Robinson
W.T. Charnock
M.C. Jepson
A.S.M Robinson
C. Stipancic Jr.

CVT SOLUTIONS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2007

B. J. Madden was appointed as a director on 12 December 2008.
E. Leonard was appointed as a director on 10 October 2008.
C.S. Orphanou was appointed as a director on 10 October 2008.
T.G. Coughlan was appointed as a director on 10 October 2008.
G.C. Farrin Robinson resigned as a director on 12 December 2008.
W.T. Charnock resigned as a director on 24 August 2008.
M.C. Jepson resigned as a director on 20 February 2008.
A.S.M Robinson resigned as a director on 4 March 2008.
E. Leonard resigned as a director on 12 December 2008.
C.S. Orphanou resigned as a director on 20 February 2009.

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records that 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 1985. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

CVT SOLUTIONS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2007

Registered office:
Howard House
32-34 High Street
Croydon
Surrey
CR0 1YB

Signed on behalf of the directors



T.G. Coughlan
Director

Approved by the directors on 29/4/09.....

CVT SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CVT SOLUTIONS LIMITED

YEAR ENDED 31 DECEMBER 2007

We have audited the financial statements of CVT Solutions Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

CVT SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CVT SOLUTIONS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2007

OPINION

In our opinion:

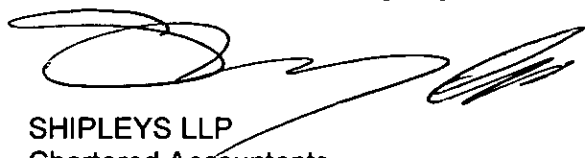
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in Note 2 to the financial statements concerning the ability of its fellow subsidiary to settle its indebtedness of £4,282,122. These conditions indicate the existence of a material uncertainty which may cause doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

10 Orange Street
Haymarket
London
WC2H 7DQ

29 APR 2009



SHIPLEYS LLP
Chartered Accountants
& Registered Auditors

CVT SOLUTIONS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
TURNOVER	3	8,728,868	9,221,010
Cost of sales		(7,664,854)	(7,282,473)
GROSS PROFIT		<u>1,064,014</u>	<u>1,938,537</u>
Administrative expenses		(55,853)	(43,958)
OPERATING PROFIT	4	1,008,161	1,894,579
Interest receivable		14,548	9,252
Interest payable and similar charges	6	—	(5,472)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,022,709</u>	<u>1,898,359</u>
Tax on profit on ordinary activities	7	(306,813)	(1,248,073)
PROFIT FOR THE FINANCIAL YEAR		<u>715,896</u>	<u>650,286</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 15 form part of these financial statements.

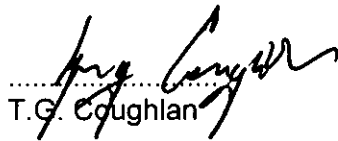
CVT SOLUTIONS LIMITED

BALANCE SHEET

31 DECEMBER 2007

	Note	2007 £	£	2006 £	£
CURRENT ASSETS					
Stocks	8	9,067		—	
Debtors due within one year	9	4,664,179		3,368,597	
Cash at bank		20,901		477,478	
		<u>4,694,147</u>		<u>3,846,075</u>	
CREDITORS: Amounts falling due within one year	10	<u>(457,862)</u>		<u>(325,686)</u>	
NET CURRENT ASSETS			<u>4,236,285</u>		<u>3,520,389</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,236,285</u>		<u>3,520,389</u>
CAPITAL AND RESERVES					
Called-up equity share capital	13		1		1
Profit and loss account	14		<u>4,236,284</u>		<u>3,520,388</u>
SHAREHOLDERS' FUNDS	15		<u>4,236,285</u>		<u>3,520,389</u>

These financial statements were approved by the directors and authorised for issue on 29/4/09, and are signed on their behalf by:


T.G. Coughlan

The notes on pages 10 to 15 form part of these financial statements.

CVT SOLUTIONS LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2007

	Note	2007		2006	
		£	£	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	16		(164,312)		694,055
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	16		14,548		3,780
TAXATION	16		(306,813)		(1,248,073)
DECREASE IN CASH	16		<u>(456,577)</u>		<u>(550,238)</u>

The notes on pages 10 to 15 form part of these financial statements.

CVT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CVT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

2. GOING CONCERN

The financial statements have been prepared on a going concern basis. The company trades on an arms length basis with a fellow subsidiary undertaking, West Midlands International Airport Limited (WMIAL). At the balance sheet date the indebtedness of WMIAL was £4,282,122 (2006 : £2,978,889). The directors are assured that the debt will be fully recovered, although not within one year of the balance sheet date, for the following reasons:

Freehold and Leasehold Property

A valuation of the group property was undertaken by Savills (L&P) Limited, dated October 2008, which valued the property at £23,500,000.

Funding and Future Plans

Subsequent to the year end, WMIAL entered into talks with the commercial operators with a view to securing early termination agreements. These talks were successful and by the latter part of 2008, commercial operations were suspended. This resulted in a significant amount of money being paid to WMIAL which enable it to pay back a large proportion of its borrowings.

This has allowed the WMIAL to concentrate on cargo, ad-hoc charter business and business aviation. At the same time, it enabled WMIAL to reduce overheads and to multi-skill the remaining staff by taking all handling and security services in-house.

A strategic decision has been made not to continue at this time with the appeal against the outcome of the public local inquiry, but to fully refurbish the present departure lounge (which is now completed) and also support the creation of a new Business Handling Unit at the airport.

Whilst WMIAL is currently still loss making, revised budgets and forecasts have been prepared in conjunction with the company shareholders and bankers, which indicate that with the expected upturn in commercial operations the company will see a breakeven trading position during the year to 31 December 2012. The company's bankers confirmed that they will continue to support the company and its cash flow for at least the next six months.

The directors of WMIAL have also received confirmation from the majority shareholders of the immediate parent company that they will continue to support the company for the foreseeable future and ensure that the company is adequately resourced.

Notwithstanding the above, the directors believe that the company will be able to meet its day to day obligations and that the going concern basis is appropriate.

3. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2007	2006
	£	£
United Kingdom	<u>8,728,868</u>	<u>9,221,010</u>

CVT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

4. OPERATING PROFIT

Operating profit is stated after charging:

	2007 £	2006 £
Auditor's remuneration - as auditor	<u>17,700</u>	<u>-</u>

5. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Interest payable on bank borrowing	<u>-</u>	<u>5,472</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2007 £	2006 £
Current tax:		
Corporation tax	-	-
Payment for tax losses	306,813	1,248,073
Total current tax	<u>306,813</u>	<u>1,248,073</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 30% (2006 - 30%).

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>1,022,709</u>	<u>1,898,359</u>
Profit on ordinary activities by rate of tax	306,813	569,508
Utilisation of tax losses	(306,813)	(569,508)
Payment for tax losses	306,813	1,248,073
Total current tax (note 7(a))	<u>306,813</u>	<u>1,248,073</u>

CVT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

8. STOCKS

	2007 £	2006 £
Stock	<u>9,067</u>	<u>—</u>

9. DEBTORS

	2007 £	2006 £
Amounts owed by group undertakings	4,282,122	2,978,889
Other debtors	373,538	316,018
Prepayments and accrued income	8,519	73,690
	<u>4,664,179</u>	<u>3,368,597</u>

The amounts due from group undertakings are likely to be paid after more than one year.

10. CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Trade creditors	373,612	219,594
Accruals and deferred income	84,250	106,092
	<u>457,862</u>	<u>325,686</u>

11. DERIVATIVES

The company does not have any derivatives.

12. RELATED PARTY TRANSACTIONS

Throughout the period under review the immediate and ultimate parent undertaking was CAFCO (Coventry) Limited. As such the company was ultimately under the control of T.G. Coughlan, F.E. Gormley, B. Murtagh and B.J. Madden by virtue of their 75% shareholding in CAFCO (Coventry) Limited. In the post balance sheet period Howard Holdings acquired a majority shareholding in CAFCO (Coventry) Limited and hence became the ultimate parent company and controlling party.

During the year under review the company transacted sales of £2,742,212 (2006 : £2,225,992) and purchases of £1,000,000 (2006 : £200,000) with West Midlands International Airport Limited (WMIAL), a fellow subsidiary company. At the year end there is a debtor balance of £4,282,122 (2006 : £2,978,889) due from WMIAL.

CVT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

13. SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2007		2006
	No	£	No
	1	1	1
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>

14. PROFIT AND LOSS ACCOUNT

	2007	2006
	£	£
Balance brought forward	3,520,388	2,870,102
Profit for the financial year	715,896	650,286
Balance carried forward	<u>4,236,284</u>	<u>3,520,388</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Profit for the financial year	715,896	650,286
Opening shareholders' funds	3,520,389	2,870,103
Closing shareholders' funds	<u>4,236,285</u>	<u>3,520,389</u>

16. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2007	2006
	£	£
Operating profit	1,008,161	1,894,579
Increase in stocks	(9,067)	—
Increase in debtors	(1,295,582)	(1,166,211)
Increase/(decrease) in creditors	<u>132,176</u>	<u>(34,313)</u>
Net cash (outflow)/inflow from operating activities	<u>(164,312)</u>	<u>694,055</u>

CVT SOLUTIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

16. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2007	2006
	£	£
Interest received	14,548	9,252
Interest paid	<u>—</u>	<u>(5,472)</u>
Net cash inflow from returns on investments and servicing of finance	<u>14,548</u>	<u>3,780</u>

TAXATION

	2007	2006
	£	£
Taxation	<u>(306,813)</u>	<u>(1,248,073)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2007	2006
	£	£
Decrease in cash in the period	<u>(456,577)</u>	<u>(550,238)</u>
Movement in net funds in the period	<u>(456,577)</u>	<u>(550,238)</u>
Net funds at 1 January 2007	477,478	1,027,716
Net funds at 31 December 2007	<u>20,901</u>	<u>477,478</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At		At
	1 Jan 2007	Cash flows	31 Dec
	£	£	2007
			£
Net cash:			
Cash in hand and at bank	477,478	(456,577)	20,901
Net funds	<u>477,478</u>	<u>(456,577)</u>	<u>20,901</u>