

**Avia Holdings Limited**

**Directors' Report & Financial Statements**

**For the Year ended 31 December 2009**

**Reg. No. 06253167**

WEDNESDAY  
TUESDAY

RM 13/07/2010  
COMPANIES HOUSE  
A32 30/06/2010 389  
COMPANIES HOUSE

THURSDAY



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A33 22/07/2010 161  
COMPANIES HOUSE

**Directors Report and Financial Statements  
For The Year Ended 31 December 2009  
Avia Holdings Limited**

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**Directors & Other Information**  
**Avia Solutions Limited**

**Directors**

Mr N Liu (UK) (Resigned 08/10/2009)  
Mr M. Balmforth (UK)  
Mr E Schaefer (US)  
Mr M B Jones (Appointed 08/10/2009)

**Auditor**

KPMG  
Chartered Accountants  
1 Harbourmaster Place  
IFSC  
Dublin 1

**Secretary**

Mr M Balmforth (UK)

**Solicitors**

Ashurst LLP  
Broadwalk House  
Appold Street,  
London, EC2A 2HA

**Registered Office**

Sixth Floor  
50 Berkeley Street  
London  
W1J 8HA

**Directors' Report**  
**For The Year Ended 31 December 2009**  
**Avia Holdings Limited**

The directors present herewith their annual report together with the audited financial statements of Avia Holdings Limited ("the Company") for the year ended 31 December 2009

**Principal activities**

The principal activity of the company in the period under review was that of a holding company

**Review of business and future developments**

Both the level of business and the period 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 owns 86.5% of Avia Solutions Limited therefore the business risk of Avia Holdings Limited is that the value of its investment in Avia Solutions Limited may become impaired. The ability of Avia Solutions Limited 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. The principal activity of Avia Solutions Limited is that of business and management consultants in the aviation industry.

**Key Performance Indicators**

Profit after tax is a key indicator of performance for the Company. The loss for the year, after taxation, amounted to £1,850,000 (2008 Profit £29,000).

**Results**

The results for the period are set out in the Profit and Loss account on page 10.

**Dividends**

The directors declared and paid no dividend during the year ended 31 December 2009 (2008 Nil).

**Directors**

In accordance with the Articles of Association, the directors are not required to retire by rotation.

**Directors Report (continued)**  
**For The Year Ended 31 December 2009**  
**Avia Holdings Limited**

**Transactions involving directors**

There are no contracts or arrangements of any significance in relation to the business of the Company in which the directors had any interest as defined by the Companies Act 1985, at any time during the year ended 31 December 2009

**Political and charitable contributions**

The company made no political or charitable donations during the year (2008 £nil)

**Post balance sheet events**

Details of important events affecting the Company which have taken place since the end of the financial period are given in note 15 to the financial statements

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Auditors**

The Auditors, KPMG Chartered Accountants, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

By order of the board  
June 2009

A handwritten signature in black ink, appearing to read 'M. Balmforth', with a long horizontal flourish extending to the right.

(MARCUS BALMFORTH)

**Directors Responsibilities  
For The Year Ended 31 December 2009  
Avia Holdings Limited**

**Statement of directors' responsibilities in respect of the directors report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 for that period.

In preparing those 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,
- 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 which disclose with reasonable accuracy at any time the financial position of the Company and to 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 to prevent and detect fraud and other irregularities.

Under applicable law the directors are also responsible for preparing a Directors Report that complies with the law

## **Independent Auditor's Report to the member of Avia Holdings Limited**

We have audited the financial statements of Avia Holdings Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, 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 (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's member, as a body, in accordance with Section 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out page 5, the directors are responsible for preparing the financial statements and for being satisfied that they give a true and fair view.

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

### **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 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. Further details of the scope of an audit of financial statements are provided on the Auditing Practices Board's website at <http://www.apb.org.uk/apb/scope>.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its loss for the year then ended,
- 
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Independent Auditor's Report to the member of Avia Holdings Limited (continued)**

**Opinion on other matters prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



21/June/2010

Ms Darina Barrett (Senior Statutory Auditor)  
For and on behalf of KPMG, Statutory Auditor  
1 Harbourmaster Place  
IFSC  
Dublin 1



**Statement of Accounting Policies**  
**For The Year Ended 31 December 2009**  
**Avia Holdings Limited**

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the financial statements

**1. Reporting currency**

The reporting and functional currency used in these financial statements is GBP

**2. Basis of preparation**

The financial statements are prepared on the going concern basis in accordance with UK Generally Accepted Accounting Practice and under the historic cost convention All amounts are stated in GBP which is the principal operating currency of the Company

**3. Foreign currencies**

Transactions denominated in currencies other than GBP are translated into GBP at the rate applicable at the date of the transaction or at exchange rates under forward currency contracts, where such contracts exist Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account

Asset and liabilities expressed in currencies other than GBP are translated into GBP at rates of exchange ruling at the balance sheet date or at exchange rates under forward currency contracts, where such contracts exist Differences arising on translation are included in the operating profits for the year

**4. Taxation**

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

Full provision is made for deferred tax assets and 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

**Statement of Accounting Policies (continued)**  
**For The Year Ended 31 December 2009**  
**Avia Holdings Limited**

**4. Taxation (continued)**

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

**5. Interest**

Interest receivable and payable are recognised as they are earned or incurred. Interest is dealt with as part of operating profit.

**6. Financial Assets**

Financial assets are shown at cost less provisions for impairments in value. Income from financial assets, together with any relevant tax credit, is recognised in the Profit and Loss account in the year in which it is receivable.

**7. Cash Flow**

The company, being a subsidiary undertaking where 86.5% 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 FRS1.

Avia Holdings Limited  
Profit and Loss Account  
For The Year Ended 31 December 2009

	Notes	Year Ended 31 December 2009 GBP£' 000	Year Ended 31 December 2008 GBP£' 000
Income		-	-
Net operating expenses		(12)	-
Operating (loss)/profit		(12)	-
Impairment losses	2	(1,839)	
Interest receivable and similar charges	3	6	52
Interest payable and similar charges	3	(14)	(20)
(Loss)/Profit on ordinary activities before taxation		(1,859)	32
Tax on (loss)/profit on ordinary activities	4	9	(3)
(Loss)/Profit for the Period		(1,850)	29

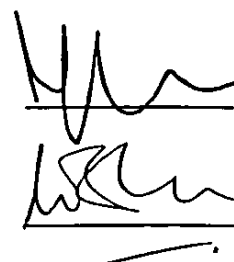
All the results of the Company derive from continuing operations. The Company had no recognised gains or losses other than those recognised in the Profit and Loss account.

The accompanying notes form an integral part of the financial statements.

On behalf of the board:

Marcus Balmforth

Mike Jones



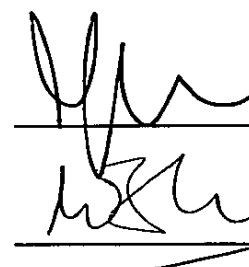
Avia Holdings Limited  
Balance Sheet at 31 December 2009

	Notes	Year Ended 31 December 2009 GBP£' 000	Year Ended 31 December 2008 GBP£' 000
<b>Financial Fixed assets</b>	5	3,869	5,708
<b>Current assets</b>			
Debtors	6	<u>99</u>	<u>93</u>
		99	93
<b>Creditors: Amounts falling due after one year</b>	7	(675)	(658)
<b>Net Current Liabilities</b>		<u>(576)</u>	<u>(565)</u>
<b>Net Assets</b>		<u>3,293</u>	<u>5,143</u>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Share Premium	9	5,100	5,100
Profit and loss account	10	<u>(1,807)</u>	<u>43</u>
<b>Shareholders' funds - equity interest</b>	11	<u>3,293</u>	<u>5,143</u>

The accompanying notes form an integral part of the financial statements

On behalf of the board: Marcus Balmforth

Mike Jones



Avia Holdings Limited  
Notes to the Financial Statements  
For The Year Ended 31 December 2009

**1. Employee information**

The Company did not employ any persons during the year

**2. Impairment loss**

An impairment loss of £1,839,000 (2008 Nil) was recognised in respect of the Company's investment in Avia Solutions Limited

**3. Interest**

	Year Ended 31 December 2009 GBP£' 000	Year Ended 31 December 2008 GBP£' 000
Interest Income	<u>6</u>	<u>52</u>
Interest Expense	<u>(14)</u>	<u>(20)</u>

Interest Income arises on funds held in escrow on the purchase of Avia Solutions Limited, interest expense arises on outstanding intercompany balances

**4 Tax on (loss)/profit on ordinary activities**

	Year Ended 31 December 2009 GBP£' 000	Year Ended 31 December 2008 GBP£' 000
<b>( a ) Analysis of tax credit/(charge) for period</b>		
<i>Current tax</i>		
Current tax at 28% (2008 - 28.5%)	-	(9)
Adjustments in respect of prior years	9	6
	<u>9</u>	<u>(3)</u>
<b>( b ) Factors affecting current tax charge for the period</b>		

The reconciliation of current tax on profits on ordinary activities at the standard rate of UK corporation tax to the Company's actual current tax charge is analysed as follows

	Year Ended 31 December 2009 GBP£' 000	Year Ended 31 December 2008 GBP£' 000
(Loss)/Profit on ordinary activities before tax	<u>(1,859)</u>	<u>32</u>
Current tax at 28% (2008 - 28.5%)	521	(9)
Effects of		
Expenses not deductible for tax purposes	(515)	-
Group Relief not paid for	(6)	-
Adjustments to tax charge in respect of previous periods	9	6
Total current tax credit/(charge) for period (see note 3(a))	<u>9</u>	<u>(3)</u>

Avia Holdings Limited  
Notes to the Financial Statements (continued)  
For The Year Ended 31 December 2009

**5. Financial Fixed Assets**

Avia Holdings Limited owns 86.5% of the issued share capital of Avia Solutions Limited a UK Airport Consulting business at 31 December 2009. The registered office of Avia Solutions Limited is Links 2, Links Business Centre, Old Woking Road, Old Woking, Surrey GU22 8BF.

	Shares in Subsidiary 2009 GBP£' 000	Shares in Subsidiary 2008 GBP£' 000
<b>Cost</b>		
At beginning of Year	5,708	5,708
Impairment	(1,839)	-
<b>At end of Year</b>	<u>3,869</u>	<u>5,708</u>

In accordance with FRS 11 the carrying value of the Financial Fixed assets was less than its recoverable amount and therefore an impairment loss of £1,839,000 has been recognised in the profit and loss during 2009 (2008 Nil).

**6. Debtors**

	Year Ended 31 December 2009 GBP£' 000	Year Ended 31 December 2008 GBP£' 000
Interest Receivable	<u>99</u>	<u>93</u>

**7. Creditors**

	Year Ended 31 December 2009 GBP£' 000	Year Ended 31 December 2008 GBP£' 000
Amounts falling due after one year		
Amounts owed to group companies	(675)	(649)
Corporation Tax	-	(9)
	<u>(675)</u>	<u>(658)</u>

**8. Called up share capital**

	Year Ended 31 December 2009 GBP£' 000	Year Ended 31 December 2008 GBP£
<i>Authorised</i>		
1000 Ordinary Shares of £1	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
101 Ordinary Shares of £1	<u>101</u>	<u>101</u>

Avia Holdings Limited  
Notes to the Financial Statements (continued)  
For The Year Ended 31 December 2009

<b>9. Share Premium</b>	<b>Year Ended 31 December 2009 GBP£' 000</b>	<b>Year Ended 31 December 2008 GBP£' 000</b>
At 1st January 2009	5,100	5,100
Cash Share Issue	-	-
At 31st December 2009	<u>5,100</u>	<u>5,100</u>
<b>10. Profit and Loss Account</b>	<b>Year Ended 31 December 2009 GBP£' 000</b>	<b>Year Ended 31 December 2008 GBP£' 000</b>
Opening balance	43	14
(Loss)/Profit for the period	(1,850)	29
Closing Balance	<u>(1,807)</u>	<u>43</u>
<b>11. Reconciliation of movements in shareholder's funds</b>	<b>Year Ended 31 December 2009 GBP£' 000</b>	<b>Year Ended 31 December 2008 GBP£' 000</b>
Opening shareholder funds	5,143	5,114
(Loss)/Profit for the financial period	(1,850)	29
Closing shareholder funds	<u>3,293</u>	<u>5,143</u>

**12. Remuneration of Directors**

The Directors did not receive any remuneration from Avia Holdings Limited during the period  
Avia Holdings Limited is not required to provide the directors with a pension

**13. Ultimate parent company**

The Company is a wholly owned subsidiary of GECC UK , a company incorporated in the UK and ultimately owned by General Electric Company The directors regard General Electric Company, a company incorporated in the USA as the ultimate holding company The results of the Company are consolidated by General Electric Company Copies of the group financial statements are available at Corporate Investor Communications, General Electric Company, Fairfield, CT 06431, USA

**Avia Holdings Limited**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 December 2009**

**14. Related party transactions**

The Company has entered into transactions with its parent. Such trading activities are carried out on an arms length basis. The Company has availed of the exemption in FRS No. 8 Related Party Transactions which permits qualifying subsidiaries of an undertaking not to disclose details of transactions between group entities that are eliminated on consolidation.

**14. Cash flow statement**

The Company's ultimate parent company is General Electric Company, which prepares financial statements including the Company and which are publicly available. Consequently, the Company is exempt under the terms of Financial Reporting Standard No 1 (Revised) "Cash Flow Statement" from preparing a cash flow statement.

**15. Post balance sheet events**

There were no significant post balance sheet events affecting the company since the end of the period.

**16. Commitments**

The Company has an option to purchase the remaining 13.5% of the shares of Avia Solutions Limited. This option is exercisable during the period beginning on the fifth anniversary of the first completion date and ending on the seventh anniversary. The first completion date was 1st June 2007.

**17. Approval of financial statements**

The board of directors approved the financial statements on 21 June 2010.