

# Airclaims Group Holdings Limited

## FINANCIAL STATEMENTS

for the year ended

31 December 2007



*Company number 5311200*

# Airclaims Group Holdings Limited

## DIRECTORS, OFFICERS AND ADVISORS

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### DIRECTORS

D Hammond Giles  
M Hunter

### SECRETARY

J Mitchell

### COMPANY NUMBER

5311200 (England and Wales)

### REGISTERED OFFICE

Cardinal Point  
Newall Road  
Heathrow Airport  
Hounslow  
TW6 2AS

### AUDITORS

Baker Tilly UK Audit LLP  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

# Airclaims Group Holdings Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Airclaims Group Holdings Limited for the year ended 31 December 2007

### SHARE FOR SHARE EXCHANGE

On 13 July 2007, the entire share capital of the company was acquired by Aviation Worldwide Services Limited in exchange for the issue of shares by that company. Following that date the company ceased to be an ultimate parent company.

### PRINCIPAL ACTIVITIES

The principal activity of the company is that of an intermediate holding company which provides certain management services.

### REVIEW OF THE BUSINESS

The company's holding activities were successful as the subsidiary companies performed well with a rise in profit and satisfactory cash flow. The company successfully provided the management services to other companies.

### FUTURE DEVELOPMENTS

Management intend to continue the current activities.

### RESULTS AND DIVIDENDS

The Company profit for the year was £375,879 (2006 £55,937).

The fixed dividend and participatory dividend, totalling £9,611 (2006 £55,937), was payable to the A Ordinary shareholders in accordance with the Articles of Association. The directors also declared ordinary dividends of £322,449.

### DIRECTORS

The following directors have held office during the year

A Hazell	- Resigned 1 December 2007
D Hammond Giles	- Chairman
M Hunter	- Chief Executive
Y Souillard	- Resigned 1 December 2007
G Talwate	- Resigned 1 December 2007

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

# Airclaims Group Holdings Limited

## DIRECTORS' REPORT

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### AUDITORS

The auditors, Baker Tilly UK Audit LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By order of the board



J Mitchell  
Secretary

17 June 2008

Airclaims Group Holdings Limited  
Cardinal Point  
Newall Road  
Heathrow Airport  
Hounslow  
TW6 2AS

# Airclaims Group Holdings Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 requirements of 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIRCLAIMS GROUP HOLDINGS LIMITED

We have audited the financial statements on pages 6 to 14

This report is made solely to the company's members, 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 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 auditors**

The directors' responsibilities for preparing the Annual Report and 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.

## **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 at 31 December 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985,
- the information given in the Directors' Report is consistent with the financial statements.

*Baker Tilly UK Audit LLP*

Baker Tilly UK Audit LLP  
Registered Auditors  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

17 June 2008

# Airclaims Group Holdings Limited

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2007

	<i>Notes</i>	2007 £	2006 £
Staff costs	4	(50,689)	(28,041)
Other operating charges		(762,401)	(108,409)
OPERATING LOSS		<u>(813,090)</u>	<u>(136,450)</u>
Income from shares in group companies		1,100,000	152,500
Interest receivable and similar income	1	787	204
Interest payable and similar charges	2	(6)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>287,691</u>	<u>16,254</u>
Taxation	5	88,188	39,683
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>375,879</u></u>	<u><u>55,937</u></u>

All of the operating profit for the year arose from continuing operations

# Airclaims Group Holdings Limited

## BALANCE SHEET

31 December 2007

	<i>Notes</i>	2007 £	2006 £
<b>FIXED ASSETS</b>			
Investments	6	46,319	12,688
		<u>46,319</u>	<u>12,688</u>
<b>CURRENT ASSETS</b>			
Debtors	7	1,394,635	410,487
Cash at bank and in hand		734	418
		<u>1,395,369</u>	<u>410,905</u>
<b>CREDITORS</b> Amounts falling due within one year	8	(843,594)	(154,615)
<b>NET CURRENT ASSETS</b>		<u>551,775</u>	<u>256,290</u>
<b>NET ASSETS</b>		<u>598,094</u>	<u>268,978</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	408,163	384,396
Share premium	10	4,082	4,082
Investment in own shares	11	-	(132,669)
Other reserves	12	95,714	13,169
Profit and loss account	13	90,135	-
<b>EQUITY SHAREHOLDERS' FUNDS</b>	14	<u>598,094</u>	<u>268,978</u>

The financial statements on pages 6 to 14 were approved by the board of directors and authorised for issue on 17 June 2008 and are signed on its behalf by



M Hunter

Director

# Airclaims Group Holdings Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards. The company is exempt by virtue of section 228 Companies Act 1985 from the requirement to prepare group accounts and therefore these financial statements present information about the company only and not its group.

### CASH FLOW STATEMENT

The company is a wholly-owned subsidiary of Airclaims Holdings Limited and is included in the consolidated financial statements of that company, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (Revised 1996).

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### INVESTMENTS

Investments are stated at cost less provision for impairments.

# Airclaims Group Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

### 1 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £	2006 £
Bank interest	787	204

### 2 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Bank overdrafts	6	-

### 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007 £	2006 £
Profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration		
Non-Audit Services		
Fees payable to company's auditor and its associates for tax services	-	10,500
Other services pursuant to legislation	83,454	14,453

Auditors' remuneration for audit work was borne by another group company

### 4 EMPLOYEES

	2007 No	2006 No
The average weekly number of persons (including directors) employed by the company during the year was		
Management	1	1
	£	£
Staff costs for the above person		
Wages and salaries	46,525	25,484
Social security costs	4,164	2,557
	50,689	28,041

# Airclaims Group Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

4	EMPLOYEES ( <i>continued</i> )	2007 £	2006 £
	DIRECTORS' REMUNERATION		
	Directors' emoluments	425,404	736,705
	Compensation for loss of office	101,800	-
	Pension contributions to a money purchase scheme	57,954	53,956
		<u>585,158</u>	<u>790,661</u>
	Highest paid director		
	Directors' emoluments	149,247	331,500
	Compensation for loss of office	101,800	-
	Pension contributions to a money purchase scheme	37,147	38,372
		<u>288,194</u>	<u>369,872</u>

The number of directors to whom retirement benefits are accrued under a money purchase scheme was 3 (2006 3) The number of directors exercising share options in the year was 3 (2006 none) The highest paid director exercised 2,376,646 options during the year

5	TAXATION	2007 £	2006 £
	Based on the profit for the year		
	UK corporation tax on profits of the year	(88,333)	(39,538)
	Total current tax	<u>(88,333)</u>	<u>(39,538)</u>
	Deferred taxation		
	Origination and reversal of timing differences	135	(145)
	Effect of decreased tax rate on opening asset	10	-
	Total deferred tax	<u>145</u>	<u>(145)</u>
	Tax credit on profit on ordinary activities	<u>(88,188)</u>	<u>(39,683)</u>

# Airclaims Group Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

5	TAXATION (continued)	2007 £	2006 £
	Factors affecting tax charge for the period		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30% The differences are explained below		
	Profit on ordinary activities before tax	287,691	16,254
	Current tax at 30%	<u>86,308</u>	<u>4,876</u>
	Expenses not deductible	155,504	1,191
	Income not taxable	(330,000)	(45,750)
	Other short term timing differences	(145)	145
	Total current taxation credit	<u>(88,333)</u>	<u>(39,538)</u>

6	FIXED ASSETS INVESTMENTS	2007 £
	Shares in group undertakings	
	Cost and Net Book Values	
	1 January 2007	12,688
	Capital contribution - subsidiary share based payments	33,631
	31 December 2007	<u>46,319</u>

The capital contribution arises from accounting for share options and awards issued to subsidiary company employees

Particulars of shareholdings in UK group undertakings held by the company are as follows (the holding represents the whole of the issued share capital and all are incorporated in Great Britain)

Name of company	Number and class of shares held
Airclaims Investments Limited	2 ordinary shares of £1 each
Airclaims Group Employee Benefit Trustee Limited*	1 ordinary share of £1

\* Denotes that the company does not trade

# Airclaims Group Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

### 7 DEBTORS

	2007 £	2006 £
Due within one year		
Amounts owed by group undertakings	1,386,758	257,842
Deferred tax	-	145
Other debtors	2	152,500
Prepayments and accrued income	7,875	-
	<u>1,394,635</u>	<u>410,487</u>

Deferred taxation provided within debtors is as follows

	2007 £	2006 £
Balance at 1 January	145	-
Origination and reversal of timing differences	(135)	145
Effect of decreased tax rate on opening balance	(10)	-
Balance at 31 December	<u>-</u>	<u>145</u>

The closing deferred tax asset has been calculated as follows

	2007 £	2006 £
Other timing differences	-	145
	<u>-</u>	<u>145</u>

### 8 CREDITORS Amounts falling due within one year

	2007 £	2006 £
Amounts owed to group undertakings	552,665	-
Other taxes and social security	46,546	41,299
Other creditors	59,735	92,492
Accruals and deferred income	184,648	20,824
	<u>843,594</u>	<u>154,615</u>

# Airclaims Group Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

9	SHARE CAPITAL	2007 £	2006 £
	Authorised		
	40,816,209 (2006 21,123,292 ) Ordinary shares of 1 pence each	408,163	211,233
	16,499,947 A Ordinary shares of 1 pence each	-	165,000
	816,324 B Ordinary shares of 1 pence each	-	8,163
		<u>408,163</u>	<u>384,396</u>
	Allotted, issued and fully paid		
	40,816,209 (2006 21,123,292 ) Ordinary shares of 1 pence each	408,163	211,233
	16,499,947 A Ordinary shares of 1 pence each	-	165,000
	816,324 B Ordinary shares of 1 pence each	-	8,163
		<u>408,163</u>	<u>384,396</u>

On 31 July 2007 the A and B Ordinary shares were reclassified as Ordinary shares

All ordinary shares currently have equal voting rights A Ordinary shares have preferential dividend rights as detailed in the Articles of Association The rights of the shares are subject to variation dependant on certain future events as detailed in the Articles of Association

10	SHARE PREMIUM	2007 £	2006 £
	At the beginning and the end of the year	<u>4,082</u>	<u>4,082</u>

### 11 EMPLOYEE BENEFIT TRUST

Airclaims Group Employee Benefit Trust holds £nil (2006 13,266,905) shares in the company The purpose of the trust is to facilitate wider participation in the financial success of the group At 31 December 2007, options covering £nil (2006 12,077,165) shares had been granted to management and employees of the company and its subsidiaries

12	OTHER RESERVES	2007 £	2006 £
	1 January	13,169	-
	Addition in the year	33,147	13,169
	Transfer to profit and loss account on exercise of share options	(46,316)	-
	Profit on share buy back	95,714	-
	31 December	<u>95,714</u>	<u>13,169</u>

# Airclaims Group Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

13	PROFIT AND LOSS ACCOUNT	2007 £	2006 £
	1 January	-	-
	Profit for the financial year	375,879	55,937
	Transfer from other reserves	46,316	-
	Dividends	(332,060)	(55,937)
	31 December 2007	90,135	-
	Dividends accrued in accordance with the Articles of Association	2007 £	2006 £
	Ordinary dividend	322,449	-
	Fixed Dividend to holders of A Ordinary shares (7.5% of nominal value)	9,611	13,551
	Participatory dividend to holders of A Ordinary shares (2.5% of profit before tax)	-	42,386
		332,060	55,937
14	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	2007 £	2006 £
	Profit after taxation	375,879	55,937
	Dividends	(332,060)	(55,937)
	Increase in share capital	23,767	7,628
	Profit on buy back of shares	95,714	-
	Transfer of shares from Employee Benefit Trust	132,669	-
	Increase in share option reserve	33,147	13,169
	Net addition to shareholders' funds	329,116	20,797
	Equity shareholders' funds at start of year	268,978	248,181
	Closing equity shareholders' funds	598,094	268,978

### 15 ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The immediate parent undertaking is Airclaims Holdings Limited

The ultimate parent undertaking and controlling party is Airclaims Holdings Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Airclaims Holdings Limited consolidated financial statements may be obtained from Companies House, Crown Way, Maundy, Cardiff CF14 3UZ

As permitted by FRS8 'Related Party Disclosures' the financial statements do not disclose transactions with the parent company and fellow subsidiaries where 90% of the voting rights are controlled within the group