

Airclaims Group Holdings Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2008



Company number 5311200

Airclaims Group Holdings Limited

DIRECTORS, OFFICERS AND ADVISORS

DIRECTORS

D Hammond Giles
M Hunter
T Skelton

SECRETARY

T Skelton

COMPANY NUMBER

5311200 (England and Wales)

REGISTERED OFFICE

Cardinal Point
Newall Road
Heathrow Airport
Hounslow
TW6 2AS

AUDITOR

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

Airclaims Group Holdings Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Airclaims Group Holdings Limited for the year ended 31 December 2008.

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.

Given the nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance of position of the business.

FUTURE DEVELOPMENTS

Management intend to continue the current activities.

RESULTS AND DIVIDENDS

The Company loss for the year after tax was £48,384 (2007: £375,879 profit).

The directors declared a dividend of £Nil (2007: £322,449) for the year.

DIRECTORS

The following directors have held office during the year:

D Hammond Giles	- Deputy Chairman
M Hunter	- MD
T Skelton	- Finance Director appointed 1 October 2008

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

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



T Skelton
Secretary

9th April 2009

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

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 13.

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 2008 and of its loss 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

9th April 2009

Airclaims Group Holdings Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2008

	<i>Notes</i>	2008 £	2007 £
Staff costs	4	(19,053)	(50,689)
Other operating charges		(72,137)	(762,401)
OPERATING LOSS		<u>(91,190)</u>	<u>(813,090)</u>
Income from shares in group companies		-	1,100,000
Interest receivable	1	1,680	787
Interest payable	2	(3,988)	(6)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>(93,498)</u>	<u>287,691</u>
Taxation credit	5	45,114	88,188
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(48,384)</u></u>	<u><u>375,879</u></u>

All of the operating loss for the year arose from continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Airclaims Group Holdings Limited

BALANCE SHEET

as at 31 December 2008

COMPANY NUMBER: 5311200

	Notes	2008 £	2007 £
FIXED ASSETS			
Investments	6	46,319	46,319
CURRENT ASSETS			
Debtors	7	1,382,173	1,394,635
Cash at bank and in hand		-	734
		<u>1,382,173</u>	<u>1,395,369</u>
CREDITORS: Amounts falling due within one year	8	(961,468)	(843,594)
NET CURRENT ASSETS		<u>420,705</u>	<u>551,775</u>
NET ASSETS		<u>467,024</u>	<u>598,094</u>
CAPITAL AND RESERVES			
Called up share capital	9	408,163	408,163
Share premium	10	4,082	4,082
Other reserves	11	13,029	95,714
Profit and loss account	12	41,750	90,135
EQUITY SHAREHOLDERS' FUNDS	13	<u>467,024</u>	<u>598,094</u>

The financial statements on pages 6 to 13 were approved by the board of directors and authorised for issue on 9th April 2009 and are signed on its behalf by:



M Hunter
Director

Airclaims Group Holdings Limited

ACCOUNTING POLICIES

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 2008

1 INTEREST RECEIVABLE

	2008 £	2007 £
Bank interest	1,680	787

2 INTEREST PAYABLE

	2008 £	2007 £
Bank overdrafts	3,988	6

3 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging:

Auditor's remuneration:

Non-audit Services

Other services pursuant to legislation

8,475	-
-	83,454

Auditor's remuneration for audit work was borne by another group company.

4 EMPLOYEES

	2008 No.	2007 No.
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The average weekly number of persons (including directors) employed by the company during the year was:

Management

1	1
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Staff costs for the above person:

Wages and salaries

Social security costs

17,500	46,525
1,553	4,164

19,053	50,689
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Airclaims Group Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

	2008 £	2007 £
4 EMPLOYEES (<i>continued</i>)		
DIRECTORS' REMUNERATION		
Directors' emoluments	272,145	425,404
Compensation for loss of office	-	101,800
Pension contributions to a money purchase scheme	15,611	57,954
	<u>287,755</u>	<u>585,158</u>
Highest paid director:		
Directors' emoluments	207,498	149,247
Compensation for loss of office	-	101,800
Pension contributions to a money purchase scheme	12,998	37,147
	<u>220,496</u>	<u>288,194</u>
Directors' remuneration is borne by a subsidiary company.		
5 TAXATION	2008 £	2007 £
Based on the (loss)/profit for the year:		
UK corporation tax on (losses)/profits of the year	(33,277)	(88,333)
Adjustment in respect of prior years	(11,837)	-
Total current tax	<u>(45,114)</u>	<u>(88,333)</u>
Deferred taxation		
Origination and reversal of timing differences	-	135
Effect of decreased tax rate on opening asset	-	10
Total deferred tax	<u>-</u>	<u>145</u>
Tax credit on (loss)/profit on ordinary activities	<u>(45,114)</u>	<u>(88,188)</u>

Airclaims Group Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

5	TAXATION <i>(continued)</i>	2008 £	2007 £
	Factors affecting tax charge for the year: The tax assessed for the year is different from the average standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:		
	Profit/(loss) on ordinary activities before tax	(93,498)	287,691
	Current tax at 28.5% (2007: 30%)	(26,647)	86,308
	Expenses not deductible for tax	(6,630)	155,504
	Income not taxable	-	(330,000)
	Short term timing differences		(145)
	Adjustment in respect of prior years	(11,837)	-
	Total current taxation credit	(45,114)	(88,333)

6	FIXED ASSETS INVESTMENTS	2008 £
	Shares in group undertakings: Cost and Net Book Values 1 January 2008 and 31 December 2008	46,319

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 2008

7 DEBTORS

	2008 £	2007 £
Due within one year:		
Amounts owed by group undertakings	1,382,173	1,386,758
Other debtors	-	2
Prepayments and accrued income	-	7,875
	<u>1,382,173</u>	<u>1,394,635</u>

8 CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Bank overdraft	2,827	-
Amounts owed to group undertakings	857,610	552,665
Other taxes and social security	41,299	46,546
Other creditors	59,732	59,735
Accruals and deferred income	-	184,648
	<u>961,468</u>	<u>843,594</u>

9 SHARE CAPITAL

	2008 £	2007 £
Authorised:		
40,816,209 (2007: 21,123,292) Ordinary shares of 1 pence each	408,163	408,163
	<u>408,163</u>	<u>408,163</u>
Allotted, issued and fully paid:		
40,816,209 (2007: 21,123,292) Ordinary shares of 1 pence each	408,163	408,163
	<u>408,163</u>	<u>408,163</u>

10 SHARE PREMIUM

	2008 £	2007 £
At the beginning and the end of the year	4,082	4,082
	<u>4,082</u>	<u>4,082</u>

11 OTHER RESERVES

	2008 £	2007 £
1 January	95,714	13,169
(Reduction)/addition in the year	(82,685)	33,147
Transfer to profit and loss account on exercise of share options	-	(46,316)
Profit on share buy back	-	95,714
31 December	<u>13,029</u>	<u>95,714</u>

Airclaims Group Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2008

12	PROFIT AND LOSS ACCOUNT	2008	2007
		£	£
	1 January	90,135	-
	(Loss)/profit for the financial year	(48,384)	375,879
	Transfer from other reserves	-	46,316
	Dividends	-	(332,060)
	31 December	41,750	90,135
13	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	2008	2007
		£	£
	(Loss)/profit for the financial year	(48,384)	375,879
	Dividends	-	(332,060)
	Increase in share capital	-	23,767
	Profit on buy back of shares	-	95,714
	Transfer of shares from Employee Benefit Trust	-	132,669
	(Decrease)/increase in share option reserve	(82,686)	33,147
	Net (reduction)/addition to shareholders' funds	(131,070)	329,116
	Equity shareholders' funds at start of year	598,094	268,978
	Closing equity shareholders' funds	467,024	598,094

14 ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The immediate and 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, Maindy, 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.