

Sorven Aviation Limited

Directors' report and financial statements

for the year ended 31 December 2011

Registered number 01282725

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Sorven Aviation Limited

Directors' report and financial statements for the year ended 31 December 2011

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Sorven Aviation Limited

Directors' report for the year ended 31 December 2011

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2011

Principal activities

The Company's principal activity is aircraft chartering

Business review

The directors expect the level of activities to be increased in the foreseeable future

The results for the year are set out in the profit and loss account on page 4

The net (liabilities)/assets of the Company are detailed on page 6

The directors have taken the exemption under Section 415A of the Companies Act 2006 from undertaking the detailed business review requirements of Section 417 of the Companies Act 2006

Future developments

No significant change is anticipated in the activities of the Company

The directors have received confirmation of continuing financial support which covers a period of at least a year from the date of signing these financial statements from Skagen B V , the owner of the Company's ordinary shares. Therefore the financial statements have been drawn up on the basis that the Company is a going concern

Dividends and transfers from reserves

No dividend is proposed or paid in respect of the year ended 31 December 2011 (2010 £nil)
Details of the loss of £1,034,000 (2010 £831,000) transferred from reserves are set out in the profit and loss account on page 4

Directors

The directors of the Company during the year ended 31 December 2011 and up to the date of signing of the financial statements were

Sorven Holdings Limited
C Holliday
Mrs L Mann
Mrs A Reynolds

Directors' indemnities

The Company maintains liability insurance for its directors and officers

Sorven Aviation Limited

Directors' report for the year ended 31 December 2011 (continued)

Statement of directors' responsibilities

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 then apply them consistently,
- make judgements and accounting 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, 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 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.

Disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved, the following applies:

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have each taken all the 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 auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board



J E M M Bogaert

Secretary

20 September 2012

Independent auditors' report to the members of Sorven Aviation Limited

We have audited the financial statements of Sorven Aviation Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Reconciliation of Movements in Total Shareholders' (Deficit)/Funds, the 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 (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared 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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report.



Mark Skedgel (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

20 September 2012

Sorven Aviation Limited

Profit and loss account for the year ended 31 December 2011

Continuing operations		2011	2010
	Notes	£'000	£'000
Turnover	2	2,184	2,239
Cost of sales		(2,729)	(3,594)
Gross loss		(545)	(1,355)
Administrative expenses		(488)	(602)
Operating loss	3	(1,033)	(1,957)
(Loss)/profit on the sale of fixed assets		(1)	1,126
Loss on ordinary activities before taxation		(1,034)	(831)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year	11	(1,034)	(831)

The Company has no other recognised gains or losses other than the loss shown above, therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the loss before taxation and the loss for the financial year as shown in the profit and loss account and their historical cost equivalents

Sorven Aviation Limited

Reconciliation of movements in total shareholder's (deficit)/funds for the year ended 31 December 2011

	2011	2010
	£'000	£'000
Loss for the financial year	(1,034)	(831)
Increase in share capital	-	15,500
Net (increase)/decrease in total shareholder's deficit	(1,034)	14,669
Opening shareholder's total funds/(deficit)	361	(14,308)
Closing shareholder's total (deficit)/funds	(673)	361

Sorven Aviation Limited

Balance sheet as at 31 December 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	6	20,531	21,683
Current assets			
Debtors	7	316	295
Cash at bank and in hand		349	332
		665	627
Creditors amounts falling due within one year	8	(21,869)	(21,949)
Net current liabilities		(21,204)	(21,322)
Net (liabilities)/assets		(673)	361
Capital and reserves			
Called up share capital	10	19,200	19,200
Profit and loss account	11	(19,873)	(18,839)
Total shareholders' (deficit)/funds		(673)	361

The financial statements on pages 4 to 13 were approved at the board meeting on the date shown below and were signed on its behalf by



J. E. M. M. Bogaert
On behalf of Sorven Holdings Limited

20 September 2012

Sorven Aviation Limited
Registered number 01282725

The notes on pages 7 to 13 form an integral part of the financial statements

Sorven Aviation Limited

Notes to the financial statements for the year ended 31 December 2011

1 Principal accounting policies

Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting and financial reporting standards. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Going concern

The directors have received confirmation of continuing financial support which covers a period of at least a year from the date of signing these financial statements from Skagen B V, the owner of the Company's ordinary shares. Therefore the financial statements have been drawn up on the basis that the Company is a going concern.

Turnover

Turnover represents the amount receivable for the provision of aircraft charter services to customers, excluding trade discounts and value added tax. Turnover is recognised when the charter service is provided to the customer.

Tangible fixed assets

Tangible fixed assets are included at cost, including the incidental cost of acquisition, less accumulated depreciation. Depreciation is calculated to ensure that cost, less any residual value, is written off over the useful lives of the underlying assets.

Depreciation of tangible fixed assets

Depreciation of tangible fixed assets is provided as follows:

Aircraft	20 years
Aircraft equipment and vehicles	3-6 years

Deferred tax

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 assets are only recognised to the extent that it is considered more likely than not that they will be recoverable in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the 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.

Pension scheme arrangements

The cost of providing retirement pensions and related benefits is charged to the profit and loss account in the year to which they relate.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rate of exchange at the balance sheet date and transactions are recorded at the rate of exchange on the date of the transaction. Exchange differences arising on trading transactions are included in the profit and loss account.

Cash flow statement

The Company qualifies as a small company under the Companies Act 2006, and has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (revised 1996).

Sorven Aviation Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

1 Principal accounting policies (continued)

Related party transactions

As a wholly owned subsidiary, the Company has taken advantage of the exemption under Financial Reporting Standard 8 "Related party disclosures" and has not reported transactions with other members of the Skagen B V Group

2 Turnover

The turnover arose from a single class of business originating in the United Kingdom. The geographical destination of the turnover was also in the United Kingdom.

3 Operating loss

	2011	2010
	£'000	£'000
<hr/>		
Operating loss is stated after charging		
Depreciation	1,178	1,701
Exchange loss	2	4
Services provided by the company's auditor		
Fees payable for the audit	4	4
Fees payable for tax services	2	2
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Sorven Aviation Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

4 Employee costs

	2011	2010
	£'000	£'000
Staff costs		
Wages and salaries	285	272
Social security costs	36	32
Pension costs and other (see note 12)	30	21
	351	325
	Number	Number
Monthly average number of employees (including directors)		
Direct, indirect and administration	4	4
	2011	2010
	£'000	£'000
Aggregate directors' emoluments	123	118

The aggregate value of Company contributions paid into the defined contributions pension scheme on behalf of the directors was £10,000 (2010 £10,000) One director is accruing benefits under the defined contribution pension scheme (2010 One)

Sorven Aviation Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

5 Tax on loss on ordinary activities

	2011	2010
	£'000	£'000
Current taxation	-	-
Deferred taxation	-	-
Total tax charge	-	-

The difference between the current taxation charge for the year and the loss before taxation at the normal rate of corporation tax of 26.5% (2010: 28%) is analysed as follows

	2011	2010
	£'000	£'000
Loss on ordinary activities before taxation	(1,034)	(831)
Tax on loss on ordinary activities at a standard rate of 26.5% (2010: 28%)	(274)	(233)
Effects of		
Expenses not deductible for tax purposes	-	9
Accelerated capital allowances not recognised	309	155
Utilisation of Tax losses brought forward	(35)	-
Tax losses carried forward not recognised	-	69
Total current tax	-	-

Factors affecting current and future tax charges

During the year, as a result of the changes in the UK main corporation tax rate to 26% that was substantively enacted on 29 March 2011 and was effective from 1 April 2011, and to 25% that was substantively enacted on 5 July 2011 and was due to be effective from 1 April 2012, the relevant deferred tax balances have been re-measured

A number of changes were announced in the March 2012 Budget which will override the above rates. The changes, which are expected to be enacted separately each year, propose to reduce the rate by a further 1% to 24% from 1 April 2012 and then by a further 1% per annum to 22% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements

Sorven Aviation Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

6 Tangible fixed assets

	Aircraft £'000	Aircraft equipment and vehicles £'000	Total £'000
Cost			
At 1 January 2011	23,435	61	23,496
Additions	-	31	31
Disposals	-	(25)	(25)
At 31 December 2011	23,435	67	23,502
Accumulated depreciation			
At 1 January 2011	1,758	55	1,813
Charge for the year	1,171	7	1,178
Disposals	-	(20)	(20)
At 31 December 2011	2,929	42	2,971
Net book value			
At 31 December 2011	20,506	25	20,531
At 31 December 2010	21,677	6	21,683

7 Debtors

	2011 £'000	2010 £'000
Amounts falling due within one year		
Trade debtors	281	264
Other debtors	14	10
Prepayments and accrued income	21	21
	316	295

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Notes to the financial statements for the year ended 31 December 2011 (continued)

8 Creditors: amounts falling due within one year

	2011	2010
	£'000	£'000
Trade creditors	125	85
Amounts due to group undertakings	21,671	21,672
Accruals and deferred income	73	192
	21,869	21,949

The amounts owed to group undertakings are unsecured, at nil interest and for no fixed term

9 Deferred taxation

The potential deferred taxation asset calculated at 25% (2010 27%) comprises

	2011	2010
	£'000	£'000
Excess capital allowances	1,490	1,295
Losses carried forward	1,252	1,388
	2,742	2,683

No deferred taxation asset has been included in these financial statements as in the opinion of the directors, there is uncertainty surrounding the timing of future capital expenditure and generation of future profits

10 Called up share capital

	2011	2010
	£'000	£'000
Authorised		
19,500,000 ordinary shares of £1 each	19,500	19,500
Allotted, called up and fully paid		
19,200,109 ordinary shares of £1 each	19,200	19,200

Sorven Aviation Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

11 Profit and loss account

	£'000
At 1 January 2011	(18,839)
Loss for the financial year	(1,034)
At 31 December 2011	(19,873)

12 Pension arrangements

Pension arrangements are now provided through a stakeholder scheme, with benefits to pensioners based upon contributions made. The total pension cost for the year was £22,000 (2010 £21,000). As at 31 December 2011 there were £nil pension contributions unpaid (2010 £nil).

13 Related party transactions

At the year end the Company had the following balances due to companies whose ultimate controlling party is the same as the Company:

	2011	2010
	£'000	£'000
Dormy House Hotel Limited	24	26
Skagen Limited	21,647	21,646
	21,671	21,672

These balances represent amounts paid by the relevant company on behalf of Sorven Aviation Limited.

The balances are unsecured, at nil interest and for no fixed term.

14 Ultimate controlling party

The company is a wholly owned subsidiary of Skagen BV.

The financial statements of Skagen B V which is the largest and smallest group into which these financial statements are consolidated are available from Skagen B V, Corkstraat 46, 3047 AC Rotterdam.

The ultimate parent company of Sorven Aviation Limited is Ecover N V which is incorporated in the Netherlands Antilles. The ultimate shareholder of Ecover NV and so ultimate controlling party of the Company, is The Skagen 2004 Trust of which the principal beneficiaries are the family of the late N J Philip-Sørensen (deceased 18th January 2010).