

REGISTERED NUMBER: 02569831 (England and Wales)

Financial Statements for the Period 1 January 2018 to 30 December 2018

for

Avic Enterprise Limited

Shinewing Wilson Accountancy Limited
Chartered Certified Accountants
and Statutory Auditors
9 St Clare Street
London
EC3N 1LQ

Avic Enterprise Limited (Registered number: 02569831)

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for the Period 1 January 2018 to 30 December 2018

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DIRECTOR: Y C Lou

REGISTERED OFFICE: Unit 9 Iron Bridge House
Bridge Approach
London
NW1 8BD

REGISTERED NUMBER: 02569831 (England and Wales)

AUDITORS: Shining Wilson Accountancy Limited
Chartered Certified Accountants
and Statutory Auditors
9 St Clare Street
London
EC3N 1LQ

Balance Sheet
30 December 2018

	Notes	30.12.18 £	£	31.12.17 £	£
FIXED ASSETS					
Tangible assets	4		1,138		-
Investments	5		<u>2</u>		<u>54</u>
			1,140		54
CURRENT ASSETS					
Debtors	6	11,560		20,667,654	
Cash at bank		<u>130,964</u>		<u>118,463</u>	
		142,524		20,786,117	
CREDITORS					
Amounts falling due within one year	7	<u>2,506,938</u>		<u>22,125,408</u>	
NET CURRENT LIABILITIES			<u>(2,364,414)</u>		<u>(1,339,291)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(2,363,274)</u>		<u>(1,339,237)</u>
CAPITAL AND RESERVES					
Called up share capital			150,000		150,000
Retained earnings			<u>(2,513,274)</u>		<u>(1,489,237)</u>
			<u>(2,363,274)</u>		<u>(1,339,237)</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director on 19 December 2019 and were signed by:

Y C Lou - Director

Notes to the Financial Statements
for the Period 1 January 2018 to 30 December 2018

1. **STATUTORY INFORMATION**

Avic Enterprise Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared assuming the Company will continue as a going concern.

At the period end the Company had net liabilities of £2.4 million. However the director considers that the company has adequate resources available in order to continue in operational existence for the foreseeable future, based on the continuing support from its ultimate parent company.

The financial statements do not include the adjustments that would result if the Company would be unable to continue in operation.

Preparation of consolidated financial statements

The financial statements contain information about Avic Enterprise Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 25% on reducing balance

Investments in associates

Investments in associate undertakings are recognised at cost.

2. **ACCOUNTING POLICIES - continued**

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Borrowing costs

All borrowing costs are recognised in the Income Statement in the period in which they are incurred.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the Financial Statements - continued
for the Period 1 January 2018 to 30 December 2018

2. ACCOUNTING POLICIES - continued

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 2 (2017 - 2) .

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
Additions	1,557
At 30 December 2018	<u>1,557</u>
DEPRECIATION	
Charge for period	419
At 30 December 2018	<u>419</u>
NET BOOK VALUE	
At 30 December 2018	<u>1,138</u>

5. FIXED ASSET INVESTMENTS

	Interest in associate £
COST	
At 1 January 2018	54
Impairments	<u>(52)</u>
At 30 December 2018	<u>2</u>
NET BOOK VALUE	
At 30 December 2018	<u>2</u>
At 31 December 2017	<u>54</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

AVIC PCI Limited

Registered office: England

Nature of business: Investment holding

	%
Class of shares:	holding
Ordinary share	50.00

Notes to the Financial Statements - continued
for the Period 1 January 2018 to 30 December 2018

5. **FIXED ASSET INVESTMENTS - continued**

AVIC (Overfarm) Limited

Registered office: England
Nature of business: Dormant

	%
Class of shares:	holding
Ordinary share	100.00

AVIC (Whitebreads farm) Limited

Registered office: England
Nature of business: Dormant

	%
Class of shares:	holding
Ordinary share	100.00

Investment in the subsidiary AVIC PCI Ltd has been fully impaired during the period.

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.12.18	31.12.17
	£	£
Amounts owed by group undertakings	-	19,919,897
Other debtors	11,560	747,757
	<u>11,560</u>	<u>20,667,654</u>

Amounts owed by the parent company of £19 million were settled during the period. Interest charged on the balances amounted to £644,162 (2017: £989,790).

Amounts owed by the group undertaking of £919,391 were waived during the period.

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.12.18	31.12.17
	£	£
Bank loans and overdrafts (see note 8)	2,450,000	21,957,500
Trade creditors	22,375	13,150
Amounts owed to group undertakings	-	114,846
Other creditors	34,563	39,912
	<u>2,506,938</u>	<u>22,125,408</u>

Amounts due to group undertakings are unsecured, interest free, without fixed date of repayment. During the period the Company received a waiver for the intercompany balances of £114,846.

8. **LOANS**

An analysis of the maturity of loans is given below:

	30.12.18	31.12.17
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>2,450,000</u>	<u>21,957,500</u>

The bank loans are payable in April 2019 with interest rate of LIBOR plus 1.65%. These loans were guaranteed by Avic International Holding Corporation with Standby Letter of Credit up to £5.7 million issued by Bank of China Beijing Branch.

9. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Julie Zhuge Wilson FCCA (Senior Statutory Auditor)
for and on behalf of Shinewing Wilson Accountancy Limited

10. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

11. **ULTIMATE CONTROLLING PARTY**

The ultimate parent undertaking is AVIC International Corporation (UK) Limited.

The smallest and largest group to consolidate these financial statements is AVIC International Holding Corporation. Copies of the consolidated financial statements can be obtained from the Company address at CATIC Plaza 18 Beichen Dong Street, Chaoyang District, Beijing, China 100010.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.