

**REGISTERED NUMBER: 02569831 (England and Wales)**

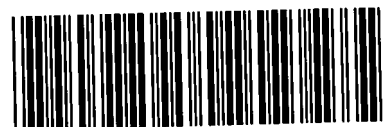
Financial Statements for the Year Ended 31 December 2017

for

Avic Enterprise Limited

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

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Avic Enterprise Limited

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for the Year Ended 31 December 2017

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Avic Enterprise Limited

Company Information  
for the Year Ended 31 December 2017

**DIRECTOR:**

Y C Lou

**REGISTERED OFFICE:**

Unit 9 Iron Bridge House  
Bridge Approach  
London  
NW1 8BD

**REGISTERED NUMBER:**

02569831 (England and Wales)

**AUDITORS:**

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

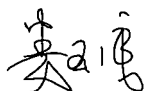
Balance Sheet  
31 December 2017

	Notes	31.12.17 £	£	31.12.16 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		-		16,636
Investments	5		54		54
			<u>54</u>		<u>16,690</u>
<b>CURRENT ASSETS</b>					
Debtors	6	20,667,654		21,137,292	
Cash at bank		118,463		151,028	
		<u>20,786,117</u>		<u>21,288,320</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	7	22,124,698		17,504,774	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(1,338,581)</u>		<u>3,783,546</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(1,338,527)</u>		<u>3,800,236</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	8		-		5,052,865
<b>NET LIABILITIES</b>			<u>(1,338,527)</u>		<u>(1,252,629)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			150,000		150,000
Retained earnings			<u>(1,488,527)</u>		<u>(1,402,629)</u>
			<u>(1,338,527)</u>		<u>(1,252,629)</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

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 28 Sep 2018 and were signed by:



Y C Lou - Director

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

**Going concern**

The Company had net current liabilities of £1.3m at the year end, the director believes it is appropriate for the financial statements prepared on the going concern basis due to the financial support provided by the Company's ultimate parent company, AVIC International Holding Corporation, at least 12 months from the date of approval of these financial statements. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**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.

**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.

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year 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 year 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.

**Operating leases: the company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the lease term.

**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.

**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.

**Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 2 (2016 - 4).

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

4. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
<b>COST</b>	
At 1 January 2017	29,022
Disposals	(29,022)
	<hr/>
At 31 December 2017	-
	<hr/>
<b>DEPRECIATION</b>	
At 1 January 2017	12,386
Charge for year	1,386
Eliminated on disposal	(13,772)
	<hr/>
At 31 December 2017	-
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2017	-
	<hr/>
At 31 December 2016	16,636
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5. **FIXED ASSET INVESTMENTS**

	Interest in associate £
<b>COST</b>	
At 1 January 2017 and 31 December 2017	54
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2017	54
	<hr/>
At 31 December 2016	54
	<hr/>

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

**AVIC Product Limited (Formerly known as Infrarad Limited)**

Registered office: England

Nature of business: Infrarad heating equipment

	%
Class of shares:	holding
Ordinary shares	100.00

**AVIC PCI Limited**

Registered office: England

Nature of business: Investment holding

	%
Class of shares:	holding
Ordinary share	50.00

Avic Enterprise Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

5. **FIXED ASSET INVESTMENTS - continued**

**AVIC (Overfarm) Limited**

Registered office: England

Nature of business: Dormant

Class of shares:	%
Ordinary share	holding 100.00

**AVIC (Whitebreads farm) Limited**

Registered office: England

Nature of business: Dormant

Class of shares:	%
Ordinary share	holding 100.00

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

	31.12.17	31.12.16
	£	£
Amounts owed by group undertakings	19,919,897	19,863,904
Other debtors	747,757	1,273,388
	<u>20,667,654</u>	<u>21,137,292</u>

Amounts owed by the parent company and fellow subsidiary are unsecured with interest rate of 5.5% per annum, have no fixed date of repayment and are repayable on demand.

The interest charged on the above balances amounted to £989,790 (2016: £827,356).

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

	31.12.17	31.12.16
	£	£
Bank loans and overdrafts (see note 9)	21,957,500	16,820,000
Trade creditors	13,150	5,294
Amounts owed to group undertakings	114,846	433,633
Other creditors	39,202	245,847
	<u>22,124,698</u>	<u>17,504,774</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.17	31.12.16
	£	£
Bank loans (see note 9)	-	5,052,865



**9. LOANS**

An analysis of the maturity of loans is given below:

	31.12.17 £	31.12.16 £
Amounts falling due within one year or on demand:		
Bank loans	<u>21,957,500</u>	<u>16,820,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>5,052,865</u>

Included in the balance, loan of £5,137,500 is payable in March 2018 with interest rate of LIBOR plus 3.25% and loan of £16,820,000 is payable in Dec 2018 with interest rate of LIBOR plus 1.65%. These loans were guaranteed by Avic International Holding Corporation with Letter of Credit issued by Bank of China Beijing Branch. The guarantee charges were taken at 1.3% and 1.2% respectively on the loan balances.

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

The Report of the Auditors was unqualified.

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

**11. 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.

**12. 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.