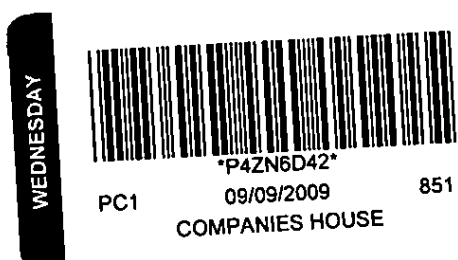


BBA Financial Services

**Annual report and financial statements
for the year ended 31 December 2008**

Registered number: 1682185



Directors and advisers

Directors

A R Wood

M Hoad

I D C Simm (appointed 28 July 2008)

S M F Shaw (resigned 13 August 2008)

Z W Stone (appointed 13 August 2008)

Secretary

S M F Shaw (resigned 13 August 2008)

Z W Stone (appointed 13 August 2008)

Registered Office

20 Balderton Street

London

W1K 6TL

Auditors

Deloitte LLP

Chartered Accountants

London

United Kingdom

Directors' report

For the year ended 31 December 2008

The directors present their report together with the audited financial statements of the Company for the year ended 31 December 2008.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Principal activity

The principal activities of the Company are to raise finance by the issue of shares, to lend or advance money to companies within the BBA Group of companies, and to place available funds on deposit. There have been no changes in these activities since the Company commenced trading.

Results and dividends

The results for the year are shown in the profit and loss account on page 6. During the year, no interim dividend was paid (2007 - £nil), the directors do not recommend the payment of a final dividend (2007 - £nil).

Financial risk management

The company operates as a management company and has had no commercial trade since inception. The company therefore does not consider it necessary to adopt a financial risks policy as such information is not considered material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

The company does not as a regular policy enter into hedging instruments, as there is not believed to be any material exposure. It also does not enter into any speculative financial instruments.

As the company does not hold external borrowings the Directors do not feel there is undue exposure to the current uncertainties in the credit market. The Directors are continuing to monitor the situation to ensure that the Group's borrowing facilities and other banking arrangements continue to be robust.

Going concern basis

In determining whether the company's financial statements can be prepared on a going concern basis, the directors have considered all the factors likely to affect its future development, performance, and its financial position including the matters disclosed in the Director's report. The company is part of the BBA Aviation plc group and the going concern review completed at the date of signing of the group accounts is set out on page 70 of the BBA Aviation plc annual report which does not form part of this report. The going concern of the company is dependent on the going concern of BBA Aviation Group plc.

In particular, the company has considered:

- the implications of the uncertain economic climate and the impact this could have on trading performance of BBA Group plc
- the reliance on financing facilities and the ability to meet loan covenants

At the date of signing of these financial statements, the directors have considered all the factors impacting the company's and group's business, including downside sensitivities. The directors therefore have a reasonable expectation that the company has adequate resources to continue in existence undertaking the principal business activity outlined above for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the company's financial statements.

Directors

The directors who held office during the year, and subsequently, except where noted, were:

A R Wood

M Hoad

I D C Simm (appointed 28 July 2008)

S M F Shaw (resigned 13 August 2008)

Z W Stone (appointed 13 August 2008)

Directors' report (continued)

For the year ended 31 December 2008

Auditors

As required by section 234ZA of the Companies Act 1985, each of the directors, at the date of the approval of this report, confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Words and phrases used in this confirmation should be interpreted in accordance with section 234ZA of the Companies Act 1985.

Deloitte LLP (formerly Deloitte & Touche LLP Chartered Accountants) have expressed their willingness to continue as auditors and a resolution to appoint them will be proposed at the next Annual General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 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 Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

20 Balderton Street
London
W1K 6TL
United Kingdom

By order of the Board



MARK HOAD

Director

~~Date~~ 3.9.09

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBA FINANCIAL SERVICES

We have audited the financial statements of BBA Financial Services for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBA FINANCIAL SERVICES (continued)

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

Deloitte LLP

Deloitte LLP Chartered Accountants
Chartered Accountants and Registered Auditors
London
United Kingdom

[date]

3.9.09.

Profit and loss account

For the year ended 31 December 2008

	Notes	2008 £	2007 £
Net interest received	4	<u>7</u>	<u>8</u>
Profit on ordinary activities before taxation	2	7	8
Taxation on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Retained profit for the financial year		<u><u>7</u></u>	<u><u>8</u></u>

There were no recognised gains or losses in the current or prior year other than those reflected above and consequently no statement of total recognised gains and losses has been presented.

All profits or losses are derived from continuing operations.

There is no material difference between the results as disclosed in the profit and loss account and their historical cost equivalent.

The accompanying notes are an integral part of this profit and loss account.


Balance sheet
At 31 December 2008

	Notes	2008 £	2007 £
Current assets:			
Debtors	6	4,000,402	4,000,402
Cash at bank and at hand		<u>125</u>	<u>118</u>
Net current assets and net assets		<u><u>4,000,527</u></u>	<u><u>4,000,520</u></u>
Capital and reserves			
Share capital	7	4,000,000	4,000,000
Profit and loss account		<u>527</u>	<u>520</u>
Shareholders' funds	8	<u><u>4,000,527</u></u>	<u><u>4,000,520</u></u>

These accounts have been prepared under the special provisions relating to companies under s246 Companies Act 1985

The accompanying notes are an integral part of this balance sheet

These financial statements were approved by the Board of Directors on ^{3.9.09}~~(date)~~, and are signed on its behalf by:


MARK HOAD
Director

Notes to the accounts

For the year ended 31 December 2008

1. Accounting policies

The principal accounting policies are set out below and have been applied consistently throughout the current and preceding year.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and law. In preparing the financial statements, the directors have adopted the going concern basis as explained in the directors report.

The Company has taken advantage of the exemption from the requirement of FRS 1 to present a cash flow statement offered by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of BBA Aviation plc, which prepares consolidated financial statements which are publicly available.

b) Taxation

The tax charge on the profit or loss for the year comprises current tax.

Current tax is the expected tax payable for the year, using tax rates and laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax for the company is provided in the consolidated group financial accounts on a full provision basis, providing for timing differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not provided on timing differences arising from the sale or revaluation of fixed assets unless, at the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will qualify for rollover relief.

Deferred tax is calculated using the enacted or substantively enacted rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited on the profit or loss account, except when it relates to items credited or charged directly to equity in which case the deferred tax is also dealt with in equity.

In accordance with FRS 19, deferred tax assets are recognised only to the extent that it is regarded that it is more likely than not that future taxable profits will be available against which the assets can be utilised.

c) Related party transactions

Under FRS 8, the Company is exempt from disclosing related party transactions with other group companies as 90% of the voting rights are controlled within the group and the ultimate parent company, BBA Aviation plc, has prepared consolidated financial statements which include the results of the Company for the year and are available to the public.

d) Foreign currencies

The economic environment the Company operates within is predominantly US dollar based, and for this reason it is deemed that the US dollar is its functional currency and that this should be used for reporting purposes.

Monetary assets and liabilities denominated in foreign currencies are translated into US dollars using the rates of exchange at the balance sheet date. Any forex differences are included within the profit and loss account.

Notes to the accounts (continued)

For the year ended 31 December 2008

2. Profit on ordinary activities before taxation

Audit fees for the current year amounting to £1,500 (2007 - £1,500) have been borne by the ultimate parent company.

No amounts have been paid to Deloitte LLP Chartered Accountants for non-audit services to the company.

3. Employees and employee costs

There were no full time employees (2007 - none) other than directors during the year and the aggregate payroll costs were £nil (2007 - £nil). No director received any remuneration in the current year for services to the Company.

4. Interest received

	2008 £	2007 £
Interest received on bank balance	<u>7</u>	<u>8</u>

5. Tax on profit on ordinary activities

	2008 £	2007 £
United Kingdom corporation tax at 28.5% (2007: 30%) based on the profit for the period	<u>-</u>	<u>-</u>
Total current tax charge	<u>-</u>	<u>-</u>

Factors affecting the current tax charge:

Profit on ordinary activities before taxation	<u>7</u>	<u>8</u>
Tax at the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	<u>2</u>	<u>2</u>
Tax losses claimed for no payment	<u>(2)</u>	<u>(2)</u>
Current tax charge	<u>-</u>	<u>-</u>

There is no provision for deferred tax in the Company on the grounds that the liability will be met by the ultimate parent company when the relevant timing differences reverse. No deferred tax has been included in the accounts of the ultimate parent company in respect of this Company, and hence the deferred tax charge recognised in the accounts of the ultimate parent company for 2008 was £nil (2007 - £nil).

Notes to the accounts (continued)

For the year ended 31 December 2008

6. Debtors

	2008 £	2007 £
Amounts owed by parent undertaking	<u>4,000,402</u>	<u>4,000,402</u>

7. Share capital

	2008 £	2007 £
Authorised:		
89,000,000 ordinary share capital of £1 each	89,000,000	89,000,000
11,000,000 cumulative preference shares of £1 each	<u>11,000,000</u>	<u>11,000,000</u>
	<u>100,000,000</u>	<u>100,000,000</u>
Allotted, called up and fully paid:		
4,000,000 ordinary shares of £1 each	<u>4,000,000</u>	<u>4,000,000</u>

8. Reconciliation of movement in shareholders' funds

	2008 £	2007 £
Shareholders' funds at 1 January	4,000,520	4,000,512
Profit for the year	<u>7</u>	<u>8</u>
Shareholders' funds at 31 December	<u>4,000,527</u>	<u>4,000,520</u>

9. Financial guarantees

The Company participates in group banking arrangements with its parent company, BBA Aviation plc, and has access to a group cash management facility. The Company guarantees the facility to the extent of its cash deposited with its clearing bank. The Company has jointly and severally guaranteed the borrowings under these arrangements. The Company, through its parent, BBA Aviation plc, has access to the group's syndicated banking arrangements. Details of these arrangements are included in the financial statements of BBA Aviation plc.

10. Ultimate parent company

The ultimate parent company and controlling party is BBA Aviation plc which is incorporated in Great Britain and registered in England and Wales. BBA Aviation plc is the only company which prepares group accounts incorporating the financial statement of the Company. These group financial statements are available to the public from the Company Secretary of BBA Aviation plc at 20 Balderton Street, London, W1K 6TL.

The immediate parent company is BBA Holdings Limited which is incorporated in Great Britain and registered in England and Wales.