

**Aeropeople Limited**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2013**

TUESDAY



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17/06/2014  
COMPANIES HOUSE

**Aeropeople Limited**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2013**

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# **Aeropeople Limited**

## **OFFICERS & PROFESSIONAL ADVISORS**

### **Board of Directors**

Sir Michael Marshall C B E D L  
S J Fitz-Gerald  
K J Bishop  
G J Clark  
W C M Dastur  
R D Marshall

### **Company Secretary**

S J Moynihan

### **Registered Office**

Airport House  
The Airport  
Newmarket Road  
Cambridge  
CB5 8RY

### **Auditor**

Ernst & Young LLP  
One Cambridge Business Park  
Cambridge  
CB4 0WZ

### **Solicitors**

Greenwoods  
Monkton House  
City Road  
Peterborough  
PE1 1JE

### **Bankers**

Barclays Bank plc  
9/11 St Andrews Street  
Cambridge  
CB2 3AA

# **Aeropeople Limited**

## **THE STRATEGIC REPORT**

**YEAR ENDED 31 DECEMBER 2013**

As required by the amendments to the Companies Act 2006, effective 30 September 2013, the directors of Aeropeople Limited ("the company") present their annual report containing a strategic report, directors' report and the financial statements for the year ended 31 December 2013

### **PRINCIPAL ACTIVITY**

The principal activity of the company during the year was the provision of employment services, including the supply of labour to aerospace, motorsport and associated industries

### **ANALYSIS OF FINANCIAL KEY PERFORMANCE INDICATORS, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The company's key financial indicators during the year were as follows

|                                          | <b>2013</b> | <b>2012</b> |
|------------------------------------------|-------------|-------------|
| Turnover                                 | £30,157,305 | £26,222,570 |
| Profit on ordinary activities before tax | £736,691    | £280,313    |
| Profit after tax                         | £436,384    | £201,918    |
| Shareholders' funds                      | £1,575,082  | £1,138,698  |
| Operating profit to gross profit         | 21.9%       | 9.8%        |
| Return on average capital employed       | 15.2%       | 6.0%        |

During the year the company continued to develop its position in the Aerospace and Motorsports sectors, winning new customers and expanding upon existing relationships to generate significant growth in turnover in its core markets. Operations in Europe and the Middle East continued to build the Aeropeople brand while contributing to growth.

The company made a profit before taxation during the year of £736,691 (2012 - £280,313). This result was achieved through the securing of new business, particularly in the Middle East and growth of existing customer relationships, particularly in Europe. Higher margin permanent placement activity, together with tighter control of administrative expenses, has similarly contributed to profit growth.

The combined impact of both the growth in gross margin and the reduction in overhead have resulted in 21.9% of operating profit being converted into gross profit (2012 - 9.8%).

Return on capital employed expresses pre tax profits as a percentage of net funds due to group undertakings. Despite an increase in group indebtedness resulting from the growth in sales, the improvement in gross margin and reduced overhead have resulted in an increase in this statistic to 15.2% (2012 - 6.0%).

The focus for 2014 continues to be organic growth and the identification of potential added value acquisitions.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company regularly reviews risks faced by the business. The main significant risks are listed below:

- **Legislative risks** Changes in government and European laws that could have an impact upon the way the company carries on its main business activities. Accordingly, the company engages with specialist professional advisors to ensure compliance with all relevant legislation in all countries in which it carries out business.
- There is a potential for low cost global competition to impact upon the company's ability to secure ongoing contracts. The company constantly seeks out new routes to market, particularly those in which it can leverage its experience in the aerospace sector in achieving superior margins.
- The business is exposed to exchange rate variations in both customer and supplier contracts, an imbalance in these could lead to significant exposure to foreign exchange rate risk. Accordingly, the company endeavours to maintain related customer and supplier contracts in the same currency. Risks arising from changes in exchange rates between invoice and settlement are mitigated by the maintenance of a Euro liability of a similar amount with its ultimate parent company. All non-Sterling denominated foreign currency amounts are translated at exchange rates ruling at the balance sheet date and the resulting gain or loss recognised through the profit and loss account.

# **Aeropeople Limited**

## **THE STRATEGIC REPORT *(continued)***

**YEAR ENDED 31 DECEMBER 2013**

### **PRINCIPAL RISKS AND UNCERTAINTIES *(continued)***

- The directors have considered the impact of credit risks and have appropriate plans in place to mitigate the risks on the business. Default risk is managed through the use of a third party credit rating agency and through continuous monitoring of customer balances beyond agreed credit terms. Amounts receivable are supported by customer authorised time attendance records and, where applicable, purchase orders. Given the nature of the customer base the directors do not consider these risks to be significant.
- The company is not exposed to any single financial transaction of a size that of its own would represent a significant financial risk to the business.
- The company utilises the cash resources of its ultimate parent company and accordingly the risk of the company being unable to meet its liabilities as they fall due is not considered by the directors to be significant. Similarly, the availability of working capital from its ultimate parent enables the company to alleviate cash flow risks arising from growth in its business.

Signed by order of the Board of Directors



S J Moynihan  
Company Secretary

Approved by the directors on 29 April 2014

Airport House  
The Airport  
Newmarket Road  
Cambridge  
CB5 8RY

# **Aeropeople Limited**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2013**

The directors present their Report and the Financial Statements of the company for the year ended 31 December 2013

### **DIRECTORS**

The directors who served the company during the year and to the date of this report, except as stated otherwise, were as follows

Sir Michael Marshall C B E D L  
K J Bishop  
G J Clark  
W C M Dastur  
S J Fitz-Gerald  
R D Marshall

In accordance with the Articles of Association, S J Fitz-Gerald and G J Clark retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re election

Sir Michael Marshall C B E D L, W C M Dastur, R D Marshall and S J Fitz-Gerald are also directors of Marshall of Cambridge (Holdings) Limited, the ultimate parent undertaking. Their interests in the share capital of that company are disclosed in that company's Financial Statements. No other director had any interest in the share capital of the company or of any other group company during the year.

### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The ultimate parent company purchased and maintained a directors' and officers' liability insurance policy throughout 2013. Although a director's defence costs may be met, neither the ultimate parent company's indemnity nor insurance provides cover in the event that he is proved to have acted fraudulently or dishonestly.

### **RESULTS AND DIVIDENDS**

The profit for the year amounted to £436,384 (2012 - £201,918). The directors do not recommend the payment of a dividend (2012 - £nil).

### **GOING CONCERN**

The company's business activities, together with the factors and risks likely to affect its future development and position, are set out in the Strategic Report on pages 3 to 4.

The company participates in the group's treasury arrangements coordinated by the company's ultimate parent, Marshall of Cambridge (Holdings) Limited. Under this arrangement, it has access to and shares banking arrangements and facilities with its ultimate parent and fellow group undertakings.

The directors, having considered the company's forecast cash flows for the foreseeable future and having assessed the responses of the directors of the company's ultimate parent to their enquiries, have no reason to believe that a significant uncertainty exists that may cast doubt about the ability of the Marshall of Cambridge (Holdings) Limited group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Marshall of Cambridge (Holdings) Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **EMPLOYEE PARTICIPATION**

The company recognises the importance of good communications and relations with its employees and the requirements of the Information and Consultation of Employees Regulations 2004. It is company policy to keep employees as fully informed as possible on matters which affect them through communication procedures, which include regular briefings, consultative committees and through its regular newsletter. These arrangements are continually being reviewed and updated to ensure the Group meets the latest standards.

# **Aeropeople Limited**

## **THE DIRECTORS' REPORT *(continued)***

**YEAR ENDED 31 DECEMBER 2013**

### **EMPLOYEE PARTICIPATION *(continued)***

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

### **EQUAL OPPORTUNITIES**

The company is committed to its Equal Opportunities policy covering recruitment, training and development, performance review and career progression. The company recognises the diversity of its employees and seeks to use their talents and abilities to the full. This approach extends to the fair treatment of employees with disabilities in relation to their recruitment, training and development. Full consideration is given to the retention of employees who become disabled during employment.

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### **POLITICAL AND CHARITABLE DONATIONS**

During the year the company made various charitable contributions totalling £1,311 (2012 - £827). There were no political donations (2012 - £nil).

### **DISCLOSURE OF INFORMATION TO THE AUDITOR**

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **AUDITOR**

Ernst & Young LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed by order of the Board of Directors



S J Moynihan  
Company Secretary

Approved by the directors on 29 April 2014

Airport House  
The Airport  
Newmarket Road  
Cambridge  
CB5 8RY

# **Aeropeople Limited**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**YEAR ENDED 31 DECEMBER 2013**

The directors are responsible for preparing the Strategic Report, 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 elected to prepare 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 those 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the report and 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AEROPEOPLE LIMITED**

We have audited the financial statements of Aeropeople Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 20. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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.

### **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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements 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 2013 and of its profit 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 Matters Prescribed by the Companies Act 2006**


In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
AEROPEOPLE LIMITED *(continued)***

**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



Bob Forsyth (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
Cambridge, UK  
29 April 2014

**Aeropeople Limited**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2013**

|                                                      | Note | 2013<br>£    | 2012<br>£    |
|------------------------------------------------------|------|--------------|--------------|
| <b>TURNOVER</b>                                      | 2    | 30,157,305   | 26,222,570   |
| Cost of sales                                        |      | (26,277,996) | (22,418,713) |
| <b>GROSS PROFIT</b>                                  |      | 3,879,309    | 3,803,857    |
| Selling and distribution costs                       |      | (115,987)    | (65,377)     |
| Administrative expenses                              |      | (2,915,055)  | (3,364,506)  |
| <b>OPERATING PROFIT</b>                              | 3    | 848,267      | 373,974      |
| Interest receivable and similar income               | 6    | -            | 72           |
| Interest payable and similar charges                 | 7    | (89,167)     | (93,733)     |
| Amounts written off investments                      | 11   | (22,409)     | -            |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |      | 736,691      | 280,313      |
| Tax on profit on ordinary activities                 | 8    | (300,307)    | (78,395)     |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                 | 17   | 436,384      | 201,918      |

All of the activities of the company are classified as continuing

The company has not recognised gains or losses other than the profit for the current and preceding years as set out above and therefore no statement of total recognised gains and losses is presented

The notes on pages 12 to 20 form part of the Report and Financial Statements

# Aeropeople Limited

## BALANCE SHEET

31 DECEMBER 2013

|                                                               | Note | 2013<br>£          | 2012<br>£          |
|---------------------------------------------------------------|------|--------------------|--------------------|
| <b>FIXED ASSETS</b>                                           |      |                    |                    |
| Intangible assets                                             | 9    | -                  | 390,468            |
| Tangible assets                                               | 10   | 153,033            | 177,449            |
| Investments                                                   | 11   | 8,619              | 31,028             |
|                                                               |      | <u>161,652</u>     | <u>598,945</u>     |
| <b>CURRENT ASSETS</b>                                         |      |                    |                    |
| Debtors                                                       | 12   | 7,613,623          | 6,398,169          |
| Cash at bank                                                  |      | 1,257              | 361,505            |
|                                                               |      | <u>7,614,880</u>   | <u>6,759,674</u>   |
| <b>CREDITORS: Amounts falling due within one year</b>         | 14   | <u>(6,201,450)</u> | <u>(6,219,921)</u> |
| <b>NET CURRENT ASSETS</b>                                     |      | <u>1,413,430</u>   | <u>539,753</u>     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS</b> |      | <u>1,575,082</u>   | <u>1,138,698</u>   |
| <b>CAPITAL AND RESERVES</b>                                   |      |                    |                    |
| Called-up share capital                                       | 16   | 1                  | 1                  |
| Profit and loss account                                       | 17   | 1,575,081          | 1,138,697          |
| <b>SHAREHOLDERS' FUNDS</b>                                    | 17   | <u>1,575,082</u>   | <u>1,138,698</u>   |

The Report and Financial Statements were approved by the directors and authorised for issue on 29 April 2014, and are signed on their behalf by



G J CLARK  
Director



S J FITZ-GERALD  
Director

Company Registration Number 04191976

The notes on pages 12 to 20 form part of the Report and Financial Statements

# **Aeropeople Limited**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2013**

### **1. ACCOUNTING POLICIES**

#### **(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

#### **(b) Going Concern**

The company's business activities, together with the factors and risks likely to affect its future development and position, are set out in the Strategic Report on pages 3 to 4

The company participates in the group's treasury arrangements coordinated by the company's ultimate parent, Marshall of Cambridge (Holdings) Limited. Under this arrangement, it has access to and shares banking arrangements and facilities with its ultimate parent and fellow group undertakings

The directors, having considered the company's forecast cash flows for the foreseeable future and having assessed the responses of the directors of the company's ultimate parent to their enquiries have no reason to believe that a significant uncertainty exists that may cast doubt about the ability of the Marshall of Cambridge (Holdings) Limited group to continue as a going concern or its ability to continue with the current banking arrangements

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Marshall of Cambridge (Holdings) Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

#### **(c) Consolidation**

In accordance with section 400 of the Companies Act 2006 no consolidated financial statements have been prepared as the company is a wholly owned subsidiary of Marshall of Cambridge (Holdings) Limited, the ultimate parent company of the group, which is registered in England and Wales, for which consolidated financial statements are publicly available. These financial statements therefore present information about the company alone and not about its group

#### **(d) Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement which is publicly available

#### **(e) Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Revenue is recognised as services are provided. Invoicing relating to permanent placements occurs on the date the candidates commence work. Accordingly, revenue is recognised on that date

#### **(f) Goodwill**

Goodwill arising on business combination is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over 5 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

#### **(g) Leasing commitments**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease terms. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review

# Aeropeople Limited

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

### 1. ACCOUNTING POLICIES *(continued)*

#### (h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

|                                |   |             |
|--------------------------------|---|-------------|
| Freehold Property Improvements | - | 10-20 years |
| Plant and Machinery            | - | 3-8 years   |
| Motor Vehicles                 | - | 3-4 years   |

#### (i) Pension costs

Marshall of Cambridge (Holdings) Limited group operates a number of different pension funds, including both defined contribution and defined benefit schemes, for the employees of the group. The assets of all the schemes are held in separately administered trust funds. For the defined contribution schemes, contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

For the defined benefit scheme, it is not possible for the group to apportion the underlying assets and liabilities of the scheme to the individual companies on a consistent and reasonable basis. The company is therefore accounting for the contributions as if it were a defined contribution scheme.

#### (j) 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### (k) Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or the forward contract if appropriate. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account.

#### (l) Investments

Fixed asset investments are stated at cost less provision for diminution in value.

### 2. Turnover

The turnover and profit before tax are attributable to the company's principal activity.

An analysis of turnover by geographical destination is given below:

|                | 2013              | 2012              |
|----------------|-------------------|-------------------|
|                | £                 | £                 |
| United Kingdom | 19,889,678        | 17,358,448        |
| Rest of Europe | 9,137,417         | 8,605,383         |
| Rest of World  | 1,130,210         | 258,739           |
|                | <u>30,157,305</u> | <u>26,222,570</u> |

# Aeropeople Limited

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

### 3. Operating Profit

Operating profit is stated after charging/(crediting)

|                                              | 2013     | 2012    |
|----------------------------------------------|----------|---------|
|                                              | £        | £       |
| Amortisation of intangible assets            | 390,468  | 484,548 |
| Depreciation of owned tangible fixed assets  | 57,695   | 55,344  |
| Operating lease rentals – land and buildings | 198,829  | 210,346 |
| Foreign exchange (gains)/losses              | (13,633) | 57,662  |

### Auditor's Remuneration

Auditor's remuneration is as follows

|                               | 2013          | 2012          |
|-------------------------------|---------------|---------------|
|                               | £             | £             |
| Audit services to the company | 18,000        | 16,000        |
| Taxation                      | 20,763        | 13,481        |
|                               | <u>38,763</u> | <u>29,481</u> |

### 4 Particulars of Employees

The average number of staff employed (including executive directors) by the company during the financial year were

|                | 2013      | 2012      |
|----------------|-----------|-----------|
|                | No        | No        |
| Production     | 5         | 4         |
| Administrative | 16        | 15        |
| Management     | 8         | 8         |
|                | <u>29</u> | <u>27</u> |

The aggregate payroll costs of the above were

|                       | 2013             | 2012             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 1,548,019        | 1,282,834        |
| Social security costs | 153,835          | 155,380          |
| Other pension costs   | 38,911           | 39,148           |
|                       | <u>1,740,765</u> | <u>1,477,362</u> |

The average number of contractors included within the payroll of the company during the financial year was

|                  | 2013 | 2012 |
|------------------|------|------|
|                  | No   | No   |
| Production staff | 111  | 87   |

The aggregate payroll costs of the above were

|                       | 2013             | 2012             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 2,455,858        | 1,878,063        |
| Social security costs | 242,021          | 187,123          |
| Wages and salaries    | <u>2,697,879</u> | <u>2,065,186</u> |

# Aeropeople Limited

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

### 5. Director's Remuneration

The directors' aggregate remuneration in respect of qualifying services were

|                                                             | 2013           | 2012           |
|-------------------------------------------------------------|----------------|----------------|
|                                                             | £              | £              |
| Remuneration                                                | 160,900        | 251,990        |
| Pension contributions to group defined contribution schemes | 16,927         | 18,909         |
|                                                             | <u>177,827</u> | <u>270,899</u> |

Remuneration of highest paid director was as follows

|                                                             | 2013           | 2012           |
|-------------------------------------------------------------|----------------|----------------|
|                                                             | £              | £              |
| Remuneration                                                | 160,900        | 168,003        |
| Pension contributions to group defined contribution schemes | 16,927         | 14,950         |
|                                                             | <u>177,827</u> | <u>182,953</u> |

The number of directors who accrued benefits under company pension schemes was as follows

|                              | 2013     | 2012     |
|------------------------------|----------|----------|
|                              | No       | No       |
| Defined contribution schemes | <u>1</u> | <u>2</u> |

Sir Michael Marshall C B E D L , R D Marshall, W C M Dastur and S J Fitz-Gerald are also directors of the ultimate parent undertaking G J Clark is also a director of the immediate parent undertaking The directors do not believe that it is practicable to apportion the total remuneration between their qualifying services as directors of the company and their qualifying services as directors of either the parent undertaking or fellow subsidiary undertakings Therefore the remuneration of these directors is disclosed in full in the respective parent undertaking's financial statements A management charge of £13,011 (2012 - £13,011) has been made by the immediate parent company, which includes a proportion of the directors' emoluments

### 6. Interest Receivable and Similar Income

|                          | 2013     | 2012      |
|--------------------------|----------|-----------|
|                          | £        | £         |
| Bank interest receivable | <u>-</u> | <u>72</u> |

### 7. Interest Payable and Similar Charges

|                                        | 2013          | 2012          |
|----------------------------------------|---------------|---------------|
|                                        | £             | £             |
| Interest payable to group undertakings | <u>89,167</u> | <u>93,733</u> |



# Aeropeople Limited

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

### 8. Tax on Profit on Ordinary Activities

#### a) Analysis of charge in the year

|                                                                               | 2013<br>£      | 2012<br>£      |
|-------------------------------------------------------------------------------|----------------|----------------|
| <b>Current tax:</b>                                                           |                |                |
| UK Corporation tax based on the profit for the year at 23 25% (2012 – 24 50%) | 208,985        | 84,195         |
| Adjustment in respect of previous years                                       | 99,815         | (4,164)        |
| <b>Total current tax</b>                                                      | <b>308,800</b> | <b>80,031</b>  |
| <b>Deferred tax:</b>                                                          |                |                |
| Origination and reversal of timing differences                                | (8,428)        | (39)           |
| Effect of changes in tax rate on opening liability                            | (65)           | 83             |
| Adjustment in respect of previous years                                       | -              | (1,680)        |
|                                                                               | <b>(8,493)</b> | <b>(1,636)</b> |
| <b>Tax on profit on ordinary activities</b>                                   | <b>300,307</b> | <b>78,395</b>  |

#### b) Factors affecting tax charge for the year

The differences between the tax assessed for the year and the standard rate of corporation tax in the UK of 23 25% (2012 – 24 50%) are explained as follows

|                                                                                  | 2013<br>£      | 2012<br>£     |
|----------------------------------------------------------------------------------|----------------|---------------|
| Profit on ordinary activities before tax                                         | 736,691        | 280,313       |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | 171,255        | 68,667        |
| Effects of                                                                       |                |               |
| Expenses not deductible for tax purposes                                         | 27,251         | 13,383        |
| Depreciation for the year in excess of capital allowances                        | 3,505          | 2,145         |
| Other timing differences                                                         | 6,974          | -             |
| Adjustment in respect of previous years                                          | 99,815         | (4,164)       |
| <b>Total current tax (Note 7a)</b>                                               | <b>308,800</b> | <b>80,031</b> |

#### c) Factors affecting future tax charge

The Finance Act 2013 reduced the main rate of UK corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015. Deferred tax assets and liabilities at 31 December 2013 have been calculated at 20% and the reduction in the deferred tax asset has been included within the tax charge for the year.

# Aeropeople Limited

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

### 9. Intangible Fixed Assets

|                                        | Goodwill<br>£    |
|----------------------------------------|------------------|
| <b>Cost</b>                            |                  |
| At 1 January 2013 and 31 December 2013 | <u>2,886,098</u> |
| <b>Amortisation</b>                    |                  |
| At 1 January 2013                      | 2,495,630        |
| Charge for the year                    | 390,468          |
| <b>At 31 December 2013</b>             | <u>2,886,098</u> |
| <b>Net Book Value</b>                  |                  |
| At 31 December 2013                    | -                |
| At 31 December 2012                    | <u>390,468</u>   |

### 10. Tangible Fixed Assets

|                            | Freehold<br>Property<br>£ | Plant and<br>Machinery<br>£ | Motor<br>Vehicles<br>£ | Total<br>£     |
|----------------------------|---------------------------|-----------------------------|------------------------|----------------|
| <b>Cost</b>                |                           |                             |                        |                |
| At 1 January 2013          | 166,466                   | 323,387                     | 82,840                 | 572,693        |
| Additions                  | -                         | 33,279                      | -                      | 33,279         |
| <b>At 31 December 2013</b> | <u>166,466</u>            | <u>356,666</u>              | <u>82,840</u>          | <u>605,972</u> |
| <b>Depreciation</b>        |                           |                             |                        |                |
| At 1 January 2013          | 69,761                    | 265,865                     | 59,618                 | 395,244        |
| Charge for the year        | 18,212                    | 23,432                      | 16,051                 | 57,695         |
| <b>At 31 December 2013</b> | <u>87,973</u>             | <u>289,297</u>              | <u>75,669</u>          | <u>452,939</u> |
| <b>Net Book Value</b>      |                           |                             |                        |                |
| At 31 December 2013        | <u>78,493</u>             | <u>67,369</u>               | <u>7,171</u>           | <u>153,033</u> |
| At 31 December 2012        | <u>96,705</u>             | <u>57,522</u>               | <u>23,222</u>          | <u>177,449</u> |

# Aeropeople Limited

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

### 11. Investments

|                                           | Shares in subsidiary undertakings<br>£ |
|-------------------------------------------|----------------------------------------|
| <b>Cost</b>                               |                                        |
| At 1 January 2013 and at 31 December 2013 | <u>31,028</u>                          |
| <b>Impairment</b>                         |                                        |
| At 1 January 2013                         | -                                      |
| Charge for the year                       | <u>22,409</u>                          |
| <b>At 31 December 2013</b>                | <u>22,409</u>                          |
| <b>Net Book Value</b>                     |                                        |
| At 31 December 2013                       | <u>8,619</u>                           |
| At 31 December 2012                       | <u>31,028</u>                          |

At 31 December 2013 the company owns 100% of the issued share capital of the following companies

| Company                | Country of registration or incorporation | Class of Shares held | %   |
|------------------------|------------------------------------------|----------------------|-----|
| Aeropeople GmbH        | Germany                                  | Ordinary             | 100 |
| Aeropeople Italy S R L | Italy                                    | Ordinary             | 100 |

The principal activity of Aeropeople GmbH is the provision of employment services to aerospace and associated industries. Aeropeople Italy S R L is a dormant company.

### 12. Debtors

|                                    | 2013<br>£        | 2012<br>£        |
|------------------------------------|------------------|------------------|
| Trade debtors                      | 5,727,778        | 5,139,613        |
| Amounts owed by group undertakings | 362,640          | 423,993          |
| Other debtors                      | 1,189,532        | 656,530          |
| Prepayments and accrued income     | 131,534          | 122,742          |
| Other taxes recoverable            | 187,805          | 49,450           |
| Deferred tax asset (see note 13)   | 14,334           | 5,841            |
|                                    | <u>7,613,623</u> | <u>6,398,169</u> |

### 13. Deferred Taxation

The movement in the deferred tax asset during the year was

|                                     | 2013<br>£     | 2012<br>£    |
|-------------------------------------|---------------|--------------|
| Balance brought forward             | 5,841         | 4,206        |
| Profit and loss credit for the year | 8,493         | 1,635        |
| Balance carried forward             | <u>14,334</u> | <u>5,841</u> |

The deferred tax asset consists of the tax effect of timing differences in respect of

|                      | 2013<br>£     | 2012<br>£    |
|----------------------|---------------|--------------|
| Tax losses available | <u>14,334</u> | <u>5,841</u> |

# Aeropeople Limited

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

### 14 Creditors: Amounts falling due within one year

|                                       | 2013             | 2012             |
|---------------------------------------|------------------|------------------|
|                                       | £                | £                |
| Trade creditors                       | 83,497           | 41,377           |
| Amounts owed to group undertakings    | 5,168,628        | 4,724,425        |
| Other taxes and social security costs | 73,360           | 104,267          |
| Other creditors                       | 655,615          | 523,854          |
| Accruals and deferred income          | 220,350          | 825,998          |
|                                       | <u>6,201,450</u> | <u>6,219,921</u> |

### 15. Related Party Transactions

The company has claimed the exemption available under FRS 8, and has therefore not disclosed transactions with other group undertakings

### 16. Share Capital

Allotted, called up and fully paid:

|                               | 2013     | 2012     |
|-------------------------------|----------|----------|
|                               | £        | £        |
| 100 Ordinary share of 1p each | <u>1</u> | <u>1</u> |

### 17. Reconciliation of Shareholders' Funds and Movements in Reserves

|                               | Called Up<br>Share Capital | Profit and<br>Loss<br>Account | Total share-<br>holders<br>funds |
|-------------------------------|----------------------------|-------------------------------|----------------------------------|
|                               | £                          | £                             | £                                |
| Balance at 1 January 2012     | 1                          | 936,779                       | 936,780                          |
| Profit for the financial year | -                          | 201,918                       | 201,918                          |
|                               | <u>1</u>                   | <u>1,138,697</u>              | <u>1,138,698</u>                 |
| Balance at 1 January 2013     | 1                          | 1,138,697                     | 1,138,698                        |
| Profit for the financial year | -                          | 436,384                       | 436,384                          |
|                               | <u>1</u>                   | <u>1,575,081</u>              | <u>1,575,082</u>                 |
| Balance at 31 December 2013   | 1                          | 1,575,081                     | 1,575,082                        |

### 18. Commitments Under Operating Leases

The company had annual commitments under non-cancellable operating leases as follows

|                               | Land and Buildings<br>2013 | 2012           |
|-------------------------------|----------------------------|----------------|
|                               | £                          | £              |
| Operating leases which expire |                            |                |
| Within 1 year                 | 24,125                     | 41,604         |
| After 5 years                 | 68,715                     | 68,715         |
|                               | <u>92,840</u>              | <u>110,319</u> |

# **Aeropeople Limited**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2013**

### **19. Pensions**

The company participates in two of the pension schemes which are operated by Marshall of Cambridge (Holdings) Limited (the "Group") for the benefit of its employees, one of which has elements of both defined benefit and defined contribution, while the other is entirely defined contribution. All of the schemes are funded by the payment of contributions to trustee administered funds which are kept independently from the assets of the Group.

The contribution schemes, which cover 99% of Group scheme members, were established in 1982 and 1988. The total pension cost for the year for the company in respect of defined contribution schemes was £13,238 (2012 - £13,175).

The scheme which has elements of both defined benefit and defined contribution is known as the Marshall Group Executive Pension Plan (the "Plan"). The level of defined benefit pension contribution is determined with the advice of independent qualified actuaries. It is not possible to apportion the underlying assets and liabilities of the scheme to the individual companies on a consistent and reasonable basis. The company is therefore accounting for the contributions to the scheme as if it were a contribution scheme. The total pension cost for the company in respect of this scheme was £25,673 (2012 - £25,973). As disclosed in the Group financial statements, there is a deficit on the scheme of £7,956,000 (2012 - £8,154,000) as calculated in accordance with FRS17. Further disclosures can also be found in the Group's consolidated financial statements.

There were no unpaid pension contributions outstanding at the year-end (2012 - £nil).

### **20. Ultimate Parent Company and Controlling Party**

The company's immediate parent undertaking is Marshall of Cambridge Aerospace Limited.

The ultimate parent company and ultimate controlling party is Marshall of Cambridge (Holdings) Limited, a company incorporated in England and Wales. The smallest and largest group in which the results of the company are consolidated for the year ended 31 December 2013 is that headed by Marshall of Cambridge (Holdings) Limited. Copies of the consolidated Financial Statements of Marshall of Cambridge (Holdings) Limited can be obtained from, Airport House, The Airport, Cambridge CB5 8RY.