Company Registration No. 4678439

ASIG Manchester Limited

Report and Financial Statements

31 December 2013

ASIG Manchester Limited

Report and financial statements 2013

Contents

ASIG Manchester Limited

Report and financial statements 2013

Officers and professional advisers

Directors

S Robertson
M Johnstone (Appointed 18 March 2014)
B Weaver (Resigned 21 February 2013 and re-appointed 6 January 2014)
F Pearse (Resigned 18 March 2014)
S Teittinen (Appointed 21 February 2013 and resigned 6 January 2014)

Secretary

D Brooks

Registered Office

Hangar 63
Percival Way
London Luton Airport
Luton
Beds LU2 9NT

Bankers

HSBC Bank plc
14 Bradford Road
Cleckheaton
West Yorkshire
BD19 3JR

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

ASIG Manchester Limited

Strategic report

To the members of ASIG Manchester Limited.

The directors, in preparing this Strategic report, have complied with s414c of the Companies Act 2006.

Financial results and future prospects

The company's results for the year are set out in the profit and loss account on page 9. The loss before taxation for the year was £59,902 (2012: loss of £142,067).

As shown in the company's profit and loss account on page 9, the company's revenue has increased in the year by 17% on the back of contract wins outweighing losses.

The Company's balance sheet on page 10 of the financial statements shows the Company's net liability position at £340,789 at the end of the period (2012: net liability £283,887), with the movement explained by the loss for the year.

Average staff numbers stand at 104 (2012: 83), with the increase explained by the additional business being awarded at Manchester Airport.

The company's principle activity in 2013 was interior aircraft cleaning at Manchester Airport and Birmingham Airport. Following the loss of a key contract at Birmingham Airport, the decision was taken to close down the operation, which was completed in 2014. In addition, in 2014, the company was awarded KLM/Air France's Ground Handling contract at Manchester Airport.

Principal risks and uncertainties

- Deterioration in the global economy resulting in airlines either reducing their flight schedules or ceasing to trade;
- Disruption of air traffic movements due to either increased security at airport locations, volcanic eruptions or due to a flu pandemic. A significant disruption in air traffic is likely to lead to a decrease in the company's revenue streams; and
- Increased competition in the interior aircraft cleaning business. New entrants may lead to lost business along with a reduction in prices, so impacting on the company's revenue streams.

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report.

At 31 December 2013, the company has net liabilities of £340,789. The directors have received letters of comfort from the group undertakings stating that the group undertakings will support the company should the company fail to meet any of its liabilities as they fall due.

The company is currently operating in a period of considerable economic uncertainty. This increases the requirement for the directors to carefully consider whether the company can continue in operational existence for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the company's parent, BBA Aviation plc, to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the BBA Aviation plc 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 BBA Aviation plc, 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.

ASIG Manchester Limited

Strategic report (continued)

Approval

This report was approved by the board of directors on 30th September 2014 and signed on its behalf by:

Secretary

David Brooks

ASIG Manchester Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 December 2013.

Results and dividends

The company's turnover for the period amounted to £1,647,530 (2012: £1,406,196) and the loss after taxation was £56,902 (2012: £146,067).

The directors do not recommend the payment of a dividend (2012: £nil).

Principal activities

The principal activity of the company is interior aircraft cleaning at Manchester and Birmingham airports. The Birmingham Airport operation was closed down in 2014 following the loss of a key customer.

Business review

Trading conditions during the period were challenging as a result of the competitive market in which the company operates. Management reduced labour and operating costs where possible whilst also extricating the company where possible from non- profitable contracts and targeting new profitable customer wins.

The company is in a net current liabilities and net liabilities position and needs the on-going support of its ultimate parent company to continue to operate.

The key performance indicators that management monitors are revenue, which amounted to £1,647,530 (2012: £1,406,196) and operating loss which was £50,641 in 2013 (2012: loss of £133,550).

The key risks facing the company are:

- further deterioration in the global economy resulting in airlines either reducing their flight schedules or ceasing to trade;
- disruption of air traffic movements due to either increased security at airport locations, volcanic eruptions or due to a flu pandemic. A significant disruption in air traffic is likely to lead to a decrease in the company's revenue streams; and
- increased competition in the interior aircraft cleaning business. New entrants may lead to lost business along with a reduction in prices, so impacting on the company's revenue streams.

Future prospects

The directors consider the results for the year ended 31 December 2013 to be unsatisfactory. Management will be working on achieving maximum labour efficiency whilst also targeting new customer wins to optimise our customer portfolio.

Directors' report (continued)

Disabled employees

It is the company's policy to make reasonable accommodations and give full consideration to suitable applications for employment for disabled persons. In the event of a member of staff becoming disabled every effort is made to ensure that employment continues or training is provided for other positions within the company.

Supplier payment policy

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the company at 31 December 2013 were equivalent to 119 days (2012: 99) days' purchases, based on the average daily amount invoiced by suppliers during the year.

Employee involvement

The company recognises the value of the involvement of its employees and continues its practice of keeping them informed of matters affecting them as employees and factors affecting the company's performance. During the year regular meetings were held with employees.

Directors

The directors who served through the year were as shown on page 1.

Financial risk management

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Management consider the largest risk to be recovery of debtor balances and as a result we carry out credit checks on all new customers, review credit limits for existing customers on an ongoing basis and also closely monitor the ageing of our receivable balances, enforcing recovery if required.

ASIG Manchester Limited

Directors' report (continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Mark Johnstone
Director
30 September 2014

Directors' responsibilities statement

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 to 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 members of ASIG Manchester Limited

We have audited the financial statements of ASIG Manchester Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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, 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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Edward Hanson

Edward Hanson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 SEPTEMBER 2014

ASIG Manchester Limited

Profit and loss account
Year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	2	1,647,530	1,406,196
Cost of sales		(1,654,874)	(1,495,998)
Gross loss		(7,344)	(89,802)
Administrative expenses		(43,297)	(43,748)
Operating loss		(50,641)	(133,550)
Interest payable and similar charges	6	(9,261)	(8,517)
Loss on ordinary activities before taxation	3	(59,902)	(142,067)
Tax credit/(charge) on loss on ordinary activities	7	3,000	(4,000)
Loss for the financial year	12	(56,902)	(146,067)

All results derive from continuing operations.

There were no recognised gains or losses in the current or prior period other than those reflected above.

There was no movement in shareholders' deficit during the current or prior period other than that shown in the profit and loss account above.

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.

ASIG Manchester Limited

Balance sheet
31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	8	58,459	78,771
Current assets			
Debtors	9	408,860	357,907
Creditors: amounts falling due within one year	10	(808,108)	(720,565)
Net current liabilities		(399,248)	(362,658)
Net liabilities		(340,789)	(283,887)
Capital and reserves			
Called up share capital	11, 12	200	200
Profit and loss account	12	(340,989)	(284,087)
Shareholder's deficit		(340,789)	(283,887)

The accompanying notes form an integral part of this balance sheet.

The financial statements of ASIG Manchester Limited registered number 4678439 were approved by the Board of Directors on 23 September 2014.

Signed on behalf of the Board of Directors

Mark Johnstone
Director

Notes to the financial statements
Year ended 31 December 2013

1. Accounting policies

Accounting convention

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding period.

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom law and accounting standards.

The financial statements have been prepared on the going concern basis in accordance with the rationale set out in the directors' statement of going concern in the Directors' Report.

The company is exempt from the requirements of FRS 1 to present a cash flow statement because it is a wholly-owned subsidiary of BBA Aviation plc which prepares consolidated accounts which are publicly available.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated based on the straight line method to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful economic life as follows:

Fixtures and fittings	-	3 to 10 years old
Plant and machinery	-	3 to 15 years
Motor vehicles	-	4 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

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 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 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.

Notes to the financial statements
Year ended 31 December 2013

1. **Accounting policies (continued)**

Leasing commitments

Rentals paid under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Pensions

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. **Turnover and revenue recognition**

Turnover represents amounts receivable for services provided by the company in accordance with the terms of the contractual arrangements, net of value added tax and arises wholly in the United Kingdom from continuing activities.

Revenue is recognised when services are supplied by the company in accordance with the terms of the contractual arrangement.

3. **Loss on ordinary activities before taxation**

This is stated after charging:

		2013 £	2012 £
Depreciation – owned assets		23,312	20,185
Auditor's remuneration – fee payable for the audit of the company's financial statements		1,600	2,619
Operating lease rentals	- plant and machinery	3,775	7,243
	- other	54,191	54,883

The auditor received no fees for non-audit work in either period.

4. **Directors' emoluments**

The directors did not receive any remuneration in respect of their services to the company during the year (2012: £nil).

Notes to the financial statements
Year ended 31 December 2013

5. Staff costs (including directors' emoluments)

	2013 £	2012 £
Wages and salaries	1,256,154	1,127,770
Pension costs	215	454
Social security costs	74,711	71,423
	1,331,080	1,199,647

The average weekly number of employees during the year was as follows:

	2013	2012
Operations	102	81
Administration	2	2
	104	83

6. Interest payable and similar charges

	2013 £	2012 £
Bank interest payable and similar charges	(9,261)	(8,517)

7. Taxation (charge)/credit

	2013 £	2012 £
United Kingdom corporation tax at 23.25% (2012: 24.5%) based on the profit for the year	-	-
Deferred tax:		
Deferred tax - origination and reversal of timing differences	5,000	(2,000)
Deferred tax - changes in UK Corporation tax rate	(2,000)	(2,000)
Total tax credit/(charge)	3,000	(4,000)
Factors affecting the current tax charge		
Loss on ordinary activities before taxation	(56,902)	(142,067)
Tax at the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	(13,230)	(34,806)
Permanent differences	145	91
Depreciation in excess of capital allowances	5,363	(2,533)
Tax losses surrendered for no payment	7,722	37,248
Current tax charge	-	-

The tax charge of the Company for future periods is expected to be affected most significantly by the availability of group relief for nil consideration and the occurrence of expenses for which there is no tax relief available.

Deferred tax

The deferred taxation asset provided in the financial statements is as follows:

	2013 £	2012 £
Balance as at start of year	13,000	17,000
Deferred tax credit/(charge) in year	3,000	(4,000)
Balance as at 31 December	16,000	13,000

Under Financial Reporting Standard Number 19, deferred taxation is provided for in full on certain timing differences. The company does not discount the provision.

The deferred taxation credit was mainly the result of the tax effect of timing differences as follows:

	Provided		Unprovided	
	2013	2012	2013	2012
Asset	£	£	£	£
Arising from accelerated capital allowances	16,000	13,000	-	-
	16,000	13,000	-	-

Notes to the financial statements
Year ended 31 December 2013

7. Taxation (charge)/credit (continued)

Factors that may affect future tax charges:

The tax charge of the company in future periods is expected to be affected most significantly by the availability of group relief for £nil consideration and the incurrence of expenses for which there is no tax relief available.

The reduction in the UK corporation tax rate to 21 per cent from 1 April 2014 and the further reduction to 20 percent from 1 April 2015 were substantively enacted on 2 July 2013. As the 2013 Finance Act has been enacted at the balance sheet date, the effects of these changes are reflected in the financial statements for the year ended 31 December 2013.

8. Tangible fixed assets

	Fixture and fittings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2013	8,581	109,003	75,258	192,842
Additions		3,000		3,000
At 31 December 2013	8,581	112,003	75,258	195,842
Accumulated depreciation				
At 1 January 2013	1,452	105,342	7,277	114,071
Charge for the year	2,810	4,270	16,232	23,312
At 31 December 2013	4,262	109,612	23,509	137,383
Net book value				
At 31 December 2013	4,319	2,391	51,749	58,459
At 31 December 2012	7,129	3,661	67,981	78,771

Notes to the financial statements
Year ended 31 December 2013

9. Debtors

	2013 £	2012 £
Trade debtors	154,765	103,770
Deferred tax	16,000	13,000
Amounts owed by group undertakings	99,001	99,001
Prepayments and accrued income	139,094	142,136
	408,860	357,907

10. Creditors: amounts falling due within one year

	2013 £	2012 £
Overdraft	570,377	519,943
Trade creditors	114,242	106,249
Amounts owed to group undertakings	29,585	29,585
Other creditors	24,998	371
Other taxes and social security costs	17,593	16,414
Accruals and deferred income	51,313	48,003
	808,108	720,565

11. Called up share capital

	2013 £	2012 £
Authorised		
5,000 ordinary A shares of £1 each	5,000	5,000
5,000 ordinary B shares of £1 each	5,000	5,000
	10,000	10,000
Allotted, issued and fully paid		
100 ordinary A shares of £1 each	100	100
100 ordinary B shares of £1 each	100	100
	200	200

Notes to the financial statements
Year ended 31 December 2013

12. Reconciliation of movement in shareholder's deficit and movements on reserves

	Share capital £	Profit and loss account £	Total £
At 1 January 2013	200	(284,087)	(283,887)
Loss for the year	-	(56,902)	(56,902)
At 31 December 2013	200	(340,989)	(340,789)

13. Other financial commitments

At 31 December 2013 the company had no annual commitments under non-cancellable operating leases (2012: £nil).

14. Parent undertaking and controlling party

The company was incorporated in the United Kingdom and the company's immediate parent undertaking is ASIG Holdings Limited.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is BBA Aviation plc, which is incorporated in the United Kingdom and registered in England and Wales.

The parent undertaking of the largest and smallest group which includes the company and for which group financial statements are prepared is BBA Aviation plc, a company incorporated in the United Kingdom.

Copies of the group financial statements of BBA Aviation plc are available from 105 Wigmore Street, London, W1U 1QY.

15. Related party transactions

There were no related party transactions with parties other than BBA Aviation plc group companies in the period. The company has taken advantage of the exemption available in Financial Reporting Standard No. 8 not to disclose transactions with other members of the BBA Aviation plc group.