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BBA Financial Services (Jersey) Limited

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



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

Templar House

Don Road

St. Helier

Jersey

JE1 2TR

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.

Principal activities

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 5. During the year no dividends were paid (2007 - £nil), and the directors do not recommend the payment of a final dividend (2007 - £nil).

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)

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 the year. 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 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 (Jersey) Law 1991. They are also responsible for the system of internal control, safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Templar House
Don Road
St Helier
Jersey
JE4 8WH

By order of the Board


 MARK HOAD
 Director

-date 3.9.09

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

We have audited the financial statements of BBA Financial Services (Jersey) 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 Article 110 of the Companies (Jersey) Law 1991. 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 (Jersey) Law 1991. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Directors' Report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 judgments 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 (JERSEY) (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 2008 and of its loss for the year then
- the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Deloitte LLP

Deloitte LLP Chartered Accountants

Chartered Accountants

London

United Kingdom

[date]

3.9.09

Profit and loss account

For the year ended 31 December 2008

	Notes	2008 £	2007 £
Interest payable and similar charges	3	<u>(25)</u>	<u>(26)</u>
Loss on ordinary activities before taxation	2	(25)	(26)
Taxation on loss on ordinary activities	4	<u>-</u>	<u>-</u>
Retained loss for the financial year		<u><u>(25)</u></u>	<u><u>(26)</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.

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

BBA FINANCIAL SERVICES (JERSEY) LIMITED

Balance sheet
At 31 December 2008

	Notes	2008 £	2007 £
Current assets			
Debtors	5	10,013,184	10,013,184
Current liabilities			
Bank overdraft		(441)	(416)
Total assets less current liabilities		<u>10,012,743</u>	<u>10,012,768</u>
Capital and reserves			
Share capital	6	11,000	11,000
Share premium	7	9,990,000	9,990,000
Capital redemption reserve	7	11,000	11,000
Profit and loss account	7	<u>743</u>	<u>768</u>
Shareholders' funds	8	<u>10,012,743</u>	<u>10,012,768</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:


Director **MARK HOAD**

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 under FRS 1 from the requirement to present a cash flow statement because it is a wholly owned subsidiary of BBA Aviation plc, which prepares consolidated financial statements which are publically 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 period and are available to the public.

Notes to the accounts (continued)

For the year ended 31 December 2008

2. Loss 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. Interest payable and similar charges

	2008 £	2007 £
Interest payable on overdraft	(25)	(26)
	<u>(25)</u>	<u>(26)</u>

4. Tax on loss on ordinary activities

The Company has been granted exempt company status under Article 123A of the Income Tax (Jersey) Law 1961. This status is renewable annually. The Company plans to maintain this status for as long as it is available pending the introduction of a general zero rate of corporate income tax which will be introduced as from 1 January 2009. In order to hold exempt status an annual fee of £600 is payable. This fee has not been included within the accounts as it has been borne by the Company's ultimate parent.

	2008 £	2007 £
United Kingdom corporation tax at 28.5% (2007: 30%) based on the loss for the year	-	-
Total current tax charge	<u>-</u>	<u>-</u>
<i>Factors affecting the current tax charge:</i>		
Loss on ordinary activities before taxation	(25)	(26)
Tax at the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	(7)	(8)
Tax losses surrendered for no payment	7	8
Current tax charge	<u>-</u>	<u>-</u>

No deferred tax has been required to be included in the BBA Aviation plc consolidated group accounts in respect of this Company, and hence the deferred tax charge recognised in those accounts for 2008 was £nil (2007 - £nil).

5. Debtors

	2008 £	2007 £
<i>Amounts falling due within one year:</i>		
Amounts owed by parent undertakings	<u>10,013,184</u>	<u>10,013,184</u>

Notes to the accounts (continued)
For the year ended 31 December 2008

6. Share capital

	2008 £	2007 £
Authorised:		
110,000 ordinary shares of 10p each	11,000	11,000
1,100 preference shares of £10 each	11,000	11,000
	<u>22,000</u>	<u>22,000</u>
Allotted, called-up and fully paid:		
110,000 ordinary shares of 10p each	<u>11,000</u>	<u>11,000</u>

7. Movement in reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 January 2008	9,990,000	11,000	768
Retained loss for the year	-	-	(25)
At 31 December 2008	<u>9,990,000</u>	<u>11,000</u>	<u>743</u>

8. Reconciliation of movement in shareholders' funds

	2008 £	2007 £
Shareholders' funds at 1 January	10,012,768	10,012,794
Loss for the year	<u>(25)</u>	<u>(26)</u>
Shareholders' funds at 31 December	<u>10,012,743</u>	<u>10,012,768</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 immediate and 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.

BBA Financial Services (Jersey) Limited is a company incorporated in Jersey.