

# Ringway Handling Services Limited

## Directors' report and financial statements

Registered number 2638238

Year ended 31 March 2011

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## Contents

Director's report	1
Statement of director's responsibilities in respect of the Director's report and the financial statements	2
Independent auditors' report to the members of Ringway Handling Services Limited	3
Profit and Loss Account	5
Balance Sheet	6
Statement of Total Recognised Gains and Losses	7
Reconciliation of Movements in Shareholders' Deficit	7
Notes relating to the financial statements	8

## Directors' report

The director presents their Director's report and financial statements for the year ended 31 March 2011

### Principal activities

The principal activity during the year was the employment of staff who provide services to the Manchester Airport Group PLC

### Business review

The results for the year are set out on page 5 The director does recommend the payment of a dividend (2010 £nil)

### Principal risks and uncertainties

The Company's risks are managed at a Group level For this reason, the directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of Ringway Handling Services Limited's business The principal risks and uncertainties of The Manchester Airport Group PLC, which include those of the Company, are discussed on page 14 of the Group's annual report, which does not form part of this report

### Key performance indicators ("KPIs")

The Company's director believes that an analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Ringway Handling Services Limited The development, performance and position of The Manchester Airport Group PLC, which includes the Company, is discussed in the business and financial review of the Group's Annual Report

### Directors

The directors who held office during the year were as follows

C Cornish (appointed 1 October 2010)

G Muirhead (resigned 30 September 2010)

K Duncan (resigned 17 February 2011)

### Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year

### Disclosure of information to auditors

The directors who held office at the date of approval of this Director's report confirm that, so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



S Welsh  
Secretary

22 September 2011

## **Statement of director's responsibilities in respect of the Director's report and the financial statements**

The Director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under Company Law the Director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the Company and to prevent and detect fraud and other irregularities



## KPMG LLP

St James' Square  
Manchester  
M2 6DS  
United Kingdom

### **Independent auditor's report to the members of Ringway Handling Services Limited**

We have audited the financial statements of Ringway Handling Services Limited for the year ended 31 March 2011 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 2, 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 (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of Financial Statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

#### **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 March 2011 and of its profit for the year then ended
- have been properly prepared in accordance with UK 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**

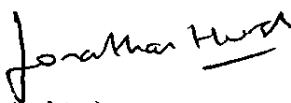
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Ringway Handling Services 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



**Jonathan Hurst (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP  
Statutory Auditor  
Chartered Accountants  
St James' Square  
Manchester  
M2, 6DS

26 September 2011

**Profit and Loss Account**  
*for the year ended 31 March 2011*

	<i>Note</i>	<b>2011</b> <b>£000</b>	<b>2010</b> <b>£000</b>
<b>Turnover</b>		<b>26</b>	<b>24</b>
Operating costs		<b>(26)</b>	<b>59</b>
		<hr/>	<hr/>
<b>Operating profit before significant items</b>		<b>-</b>	<b>83</b>
Pension credit	<i>4</i>	<b>2,588</b>	<b>-</b>
		<hr/>	<hr/>
<b>Operating profit</b>		<b>2,588</b>	<b>83</b>
Other interest receivable and similar income		<b>1,231</b>	<b>859</b>
Interest payable and similar charges		<b>(1,138)</b>	<b>(1,024)</b>
		<hr/>	<hr/>
<b>Profit/ (loss) on ordinary activities before taxation</b>	<i>2</i>	<b>2,681</b>	<b>(82)</b>
Tax on profit/(loss) on ordinary activities	<i>5</i>	<b>(697)</b>	<b>63</b>
		<hr/>	<hr/>
<b>Profit/ (loss) for the financial year</b>		<b>1,984</b>	<b>(19)</b>
		<hr/>	<hr/>

There is no material difference between the ordinary activities before taxation and the retained profit for the year as stated above, and their historical equivalents

**Balance Sheet**  
*at 31 March 2011*

	<i>Note</i>	<b>2011</b> <b>£000</b>	<b>£000</b>	<b>2010</b> <b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Investments			-		-
<b>Creditors</b> amounts falling due within one year	6	<u>(10,437)</u>		<u>(10,436)</u>	
<b>Net current liabilities</b>			<b>(10,437)</b>		<b>(10,436)</b>
<b>Provisions for liabilities</b>			-		-
<b>Net liabilities excluding pension liabilities</b>			<b>(10,437)</b>		<b>(10,436)</b>
<b>Pension liabilities</b>	9		<b>(5,993)</b>		<b>(7,128)</b>
<b>Net liabilities</b>			<b>(16,430)</b>		<b>(17,564)</b>
<b>Capital and reserves</b>					
Called up share capital	7		<b>1</b>		<b>1</b>
Profit and loss account	8		<b>(16,431)</b>		<b>(17,565)</b>
<b>Shareholders' deficit</b>			<b>(16,430)</b>		<b>(17,564)</b>

The notes on pages 8 to 14 form part of these financial statements

These financial statements of Ringway Handling Services Limited, registered number 2638238, were approved by the board of directors on 22 September 2011 and were signed on its behalf by

  
**C Cornish**  
Director



**Statement of Total Recognised Gains and Losses**  
*for the year ended 31 March 2011*

	2011 £000	2010 £000
<b>Profit/ (Loss) for the financial year</b>	<b>1,984</b>	<b>(19)</b>
Actuarial loss recognised in the pension scheme	(881)	(2,817)
Deferred tax arising on losses in the pension scheme	229	789
Effective of change in rate of Corporation tax	(198)	-
<b>Total recognised gains and losses relating to the financial year</b>	<b>1,134</b>	<b>(2,047)</b>

**Reconciliation of Movements in Shareholders' Deficit**  
*for the year ended 31 March 2011*

	2011 £000	2010 £000
<b>Profit/ (Loss) for the financial year</b>	<b>1,984</b>	<b>(19)</b>
<b>Retained profit/(loss)</b>	<b>1,984</b>	<b>(19)</b>
Actuarial loss (net of deferred tax)	(850)	(2,028)
<b>Net addition/(reduction) in shareholders' deficit</b>	<b>1,134</b>	<b>(2,047)</b>
Opening shareholders' deficit	(17,564)	(15,517)
<b>Closing shareholders' deficit</b>	<b>(16,430)</b>	<b>(17,564)</b>

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules

The Company is exempt by virtue of s228 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of The Manchester Airport Group PLC, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements of The Manchester Airport Group PLC, within which this Company is included, can be obtained from the address given in note 11.

The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities, which have been agreed to December 2015.

#### ***Tangible fixed assets and depreciation***

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives.

#### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***Turnover***

Turnover is recognised as the related services are provided and represents the full value of sales and services to external customers during the year, excluding value added tax.

## Notes (continued)

### 2 Notes to the profit and loss account

Amounts receivable by the Company's auditors and their associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, The Manchester Airport Group PLC

### 3 Remuneration of directors

The directors did not receive any emoluments in the year (2010 £nil)

### 4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2011	2010
Administration	1	1
	<u>1</u>	<u>1</u>

The aggregate payroll costs of these persons were as follows

	2011 £000	2010 £000
Wages and salaries	24	22
Social security costs	2	2
	<u>26</u>	<u>24</u>
Pensions credit	2,588	-

The significant pension credit relates to a credit to the Profit and Loss Account relating to a past service cost gain. This gain was a result of the government announcement in June 2010 that local government pension increases will link to Consumer Price Index rather than Retail Price Index.

## Notes (continued)

### 5 Taxation

#### Analysis of charge in period

	2011 £000	£000	2010 £000	£000
<i>UK Corporation tax</i>				
Current tax on income for the period	-		-	
	<hr/>		<hr/>	
Total current tax		-		-
<i>Deferred tax</i>				
FRS17 Adjustments	697		(23)	
Adjustment in respect of previous years	-		(40)	
	<hr/>		<hr/>	
Total deferred tax		697		(63)
		<hr/>		<hr/>
Tax (charge)/credit on loss on ordinary activities		697		(63)
		<hr/>		<hr/>

#### Factors affecting the tax charge for the current period

The current tax charge is lower (2010 higher) than the standard rate of Corporation tax in the UK (28%) The differences are explained below

	2011 £000	2010 £000
<i>Current tax reconciliation</i>		
Profit/ (loss) on ordinary activities before tax	2,681	(82)
	<hr/>	<hr/>
Current tax at 28%	751	(23)
<i>Effects of</i>		
FRS17 adjustment	(751)	23
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

The Corporation tax applicable to the company was 28% in the current period. From 1 April 2011 the Corporation tax rate payable by the company is to reduce to 26% with further 1% reductions each year until 2014/15 (stabilising at a rate of 23%). This first reduction was substantively enacted on 29 March 2011 and deferred tax balances at 31 March 2011 have been calculated at 26%.

**Notes (continued)**

**6 Creditors: amounts falling due within one year**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	<b>10,417</b>	10,435
Taxation and social security	<b>20</b>	<b>1</b>
	<hr/>	<hr/>
	<b>10,437</b>	<b>10,436</b>
	<hr/>	<hr/>

**7 Called up share capital**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	<b>1</b>	<b>1</b>
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
1,000 Ordinary shares of £1 each	<b>1</b>	<b>1</b>
	<hr/>	<hr/>

## Notes (continued)

### 8 Reserves

	Profit and loss account £000
At beginning of year	(17,565)
Profit for the year	1,984
Actuarial loss recognised in the pension scheme	(881)
Deferred tax arising on losses in the pension scheme	229
Effect of charge in rate of Corporation tax	(198)
<b>At end of year</b>	<b>(16,431)</b>

### 9 Pension scheme

#### Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £nil (2010 £nil).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

#### Defined benefit scheme

The fund is administered by Tameside Metropolitan Borough Council. The scheme is of the defined benefit type and is funded. The securities portfolio of the fund is managed by two professional investment managers and the property portfolio is managed internally. Participation is by virtue of the company's status as an 'admitted body' to the Fund.

The last valuation of the Fund was carried out at 31 March 2007. The purpose of the valuation was to determine the financial position of the Fund and to recommend the contribution rate to be paid by Ringway Handling Services Limited and the other participating employers.

The market value of the funds assets at 31 March 2007 amounted to £9.6 million. The funding level of the scheme as measured using the actuarial method of valuation was 100%.

The information disclosed below is in respect of the whole of the plans for which the Company is either the sponsoring employer or has been allocated a share of cost under an agreed Group policy throughout the periods shown.

	2011 £000	2010 £000
Present value of funded defined benefit obligations	(20,550)	(22,200)
Fair value of plan assets	12,856	12,800
	<b>(7,694)</b>	<b>(9,400)</b>
Present value of unfunded defined benefit obligations	(406)	(500)
Deficit	(8,100)	(9,900)
Related deferred tax asset	2,107	2,772
<b>Net liability</b>	<b>(5,993)</b>	<b>(7,128)</b>

## Notes (continued)

### 10 Pension scheme (continued)

#### *Movements in present value of defined benefit obligation*

	2011 £000	2010 £000
At 1 April	22,700	14,900
Current service cost	238	146
Past service cost	(2,582)	57
Interest cost	1,138	1,024
Curtailment and settlements	-	25
Actuarial losses	675	7,146
Contributions by members	88	89
Benefits paid	(1,301)	(687)
	<hr/>	<hr/>
At 31 March	20,956	22,700
	<hr/>	<hr/>

#### *Movements in fair value of plan assets*

	2011 £000	2010 £000
At 1 April	12,800	7,900
Expected return on plan assets	1,231	859
Actuarial (losses)/gains	(206)	4,327
Contributions by employer	244	312
Contributions by members	88	89
Benefits paid	(1,301)	(687)
	<hr/>	<hr/>
At 31 March	12,856	12,800
	<hr/>	<hr/>

#### *Expense recognised in the profit and loss account*

	2011 £000	2010 £000
Current service cost	238	146
Losses on settlements and curtailments	-	25
Past service cost	(2,582)	57
Interest on defined benefit pension plan obligation	1,138	1,024
Expected return on defined benefit pension plan assets	(1,231)	(859)
	<hr/>	<hr/>
Total	(2,437)	393
	<hr/>	<hr/>

The expense is recognised in the following line items in the profit and loss account

	2011 £000	2010 £000
Operating costs	(58)	228
Interest receivable and similar income	(1,231)	(859)
Interest payable and similar charges	1,138	1,024
Pension credit	2,588	-
	<hr/>	<hr/>
	(2,437)	393
	<hr/>	<hr/>

## Notes (continued)

### 10 Pension scheme (continued)

The total amount recognised in the statement of total recognised gains and losses in respect of actuarial losses is £881,000 (2010 £2,817,000)

The fair value of the plan assets and the return on those assets were as follows

	2011 Fair value £000	2010 Fair value £000
Equities	8,486	8,576
Bonds	2,185	2,050
Property	643	768
Other	1,542	1,406
	<u>12,856</u>	<u>12,800</u>

The expected rates of return on plan assets are determined by reference to the historical returns, without adjustment, of the portfolio as a whole and not on the sum of the returns on individual asset categories. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows

	2011 %	2010 %
Discount rate	5.5	5.7
Expected rate of return on plan assets	6.6	6.8
Expected return on plan assets at beginning of the period	6.8	5.8
Future salary increases	4.3	5.3
Inflation assumption	2.8	3.8

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows

- Current pensioner aged 65: 20.1 years (male), 22.9 years (female)
- Future retiree upon reaching 65: 22.5 years (male), 25 years (female)

### 11 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Manchester Airport Aviation Services Limited. The Group in which the results of the Company are consolidated is that headed by The Manchester Airport Group PLC. The consolidated financial statements of this Group are available to the public and may be obtained from Company Secretary at Town Hall, Manchester M60 2LA.