Ringway Handling Services Limited

Directors' report and financial statements

Registered number 2638238

Year ended 31 March 2012

Contents

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2012

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 directors do not recommend the payment of a dividend

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 20 of the Group's annual report, which does not form part of this report

Key performance indicators ("KPIs")

The Company's key performance indicators (KPI's) are managed at a Group level For this reason, the directors believe that a discussion of the Group's KPI's would not be appropriate for an understanding of the development, performance or position of Ringway Handling Services Limited's business The development, performance and position on page 7 of The Manchester Airport Group PLC, which includes the Company, is discussed in the business and financial review of the Group's Annual Report, which does not form part of this report

Directors

The directors who held office during the year were as follows
C Cornish
N Thompson (appointed 27 October 2011)
K O'Toole (appointed 16 January 2012)

Political and charitable contributions

The Company made no political or charitable donations during the year

Disclosure of information to auditors

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

21 September 2012

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

The directors are responsible for preparing 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 they have elected to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 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 have general responsibility for taking such steps as are reasonably open to them 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 auditors' 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 2012 set out on pages 5 to 15 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 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 director and auditors

As explained more fully in the director's responsibilities statement set out on page 2, the director is 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, 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

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 2012 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Jonathan Hurst

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

25 September 2012

Profit and Loss Account
for the year ended 31 March 2012

	Note	2012 £000	2011 £000
Turnover		**26**	26
Operating costs		**30**	(26)
Operating profit before significant items		**56**	-
Pension credit	*4*	-	2,588
Operating profit		**56**	2,588
Other interest receivable and similar income		**1,208**	1,231
Interest payable and similar charges		**(1,133)**	(1,138)
Profit on ordinary activities before taxation	*2*	**131**	2,681
Tax on profit on ordinary activities	*5*	**(31)**	(697)
Profit for the financial year		**100**	1,984

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 2012

	Note	**2012** **£000**	**£000**	2011 £000	£000
Creditors amounts falling due within one year	*6*	**(10,437)**		(10,437)	
Net current liabilities			**(10,437)**		(10,437)
Provisions for liabilities			**-**		-
Net liabilities excluding pension liabilities			**(10,437)**		(10,437)
Pension liabilities	*9*		**(7,447)**		(5,993)
Net liabilities			**(17,884)**		(16,430)
Capital and reserves					
Called up share capital	*7*		**1**		1
Profit and loss account	*8*		**(17,885)**		(16,431)
Shareholders' deficit			**(17,884)**		(16,430)

The notes on pages 8 to 15 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 21 September 2012 and were signed on its behalf by

N Thompson
Director

Statement of Total Recognised Gains and Losses
for the year ended 31 March 2012

	2012 £000	2011 £000
Profit for the financial year	**100**	1,984
Actuarial loss recognised in the pension scheme	**(1,834)**	(881)
Deferred tax arising on losses in the pension scheme	**440**	229
Effect of change in rate of Corporation tax	**(160)**	(198)
Total recognised gains and losses relating to the financial year	**(1,454)**	1,134

Reconciliation of Movements in Shareholders' Deficit
for the year ended 31 March 2012

	2012 £000	2011 £000
Profit for the financial year	**100**	1,984
Retained profit	**100**	1,984
Actuarial loss (net of deferred tax)	**(1,554)**	(850)
Net reduction in shareholders' deficit	**(1,454)**	1,134
Opening shareholders deficit	**(16,430)**	(17,564)
Closing shareholders' deficit	**(17,884)**	(16,430)

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 Company has net current liabilities and relies upon the support of the Group to meet its day-to-day working capital requirements The Manchester Airport Group PLC has confirmed that it will continue to provide financial and other support to the Company, for at least the next twelve months from the date of approval of the financial statements, to the extent necessary to enable the company to continue to trade and in particular will not seek repayment of the amounts currently made available The following paragraphs set out a summary of the going concern status of The Manchester Airport Group

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

Notes *(continued)*

Post-retirement benefits

The Company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the Company in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

The Company operates a pension scheme providing benefits based on final pensionable pay The assets of the scheme are held separately from those of the Company

Pension scheme assets are measured using market values For quoted securities the current bid price is taken as market value Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability

The pension scheme deficit is recognised in full The movement in the scheme deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses

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 *(2011 £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 2012	2011
Administration	**1**	1
	1	1

The aggregate payroll costs of these persons were as follows

	2012 £000	2011 £000
Wages and salaries	**24**	24
Social security costs	**2**	2
Pension credit actual adjustment	**(56)**	-
	(30)	26
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

	2012 £000	£000	2011 £000	£000
UK Corporation tax				
Current tax on income for the period	-		-	
Total current tax		-		-
Deferred tax				
FRS17 Adjustments	31		697	
Adjustment in respect of previous years	-		-	
Total deferred tax		31		697
Tax (charge)/credit on loss on ordinary activities		31		697

Factors affecting the tax charge for the current period

The current tax charge is lower *(2011 lower)* than the standard rate of Corporation tax in the UK (26%) The differences are explained below

	2012 £000	2011 £000
Current tax reconciliation		
Profit/ (loss) on ordinary activities before tax	131	2,681
Current tax at 26%	34	751
Effects of		
FRS17 adjustment	(34)	(751)
Total current tax charge (see above)	-	-

The Corporation tax applicable to the company was 26% in the current period From 1 April 2012 the Corporation tax rate payable by the company is to reduce to 24% with further 1% reductions each year until 2014/15 (stabilising at a rate of 22%) 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

	2012 £000	2011 £000
Amounts owed to group undertakings	**10,423**	10,417
Taxation and social security	**14**	20
	10,437	10,437

7 Called up share capital

	2012 £000	2011 £000
Authorised		
1,000 Ordinary shares of £1 each	**1**	1
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	**1**	1

Notes *(continued)*

8 Reserves

	Profit and loss account £000
At beginning of year	(16,431)
Profit for the year	100
Actuarial loss recognised in the pension scheme	(1,831)
Deferred tax arising on losses in the pension scheme	439
Effect of charge in rate of Corporation tax	(162)
At end of year	**(17,885)**

9 Pension scheme

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 2010 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 2010 amounted to £10,445 million The funding level of the scheme as measured using the actuarial method of valuation was 96 4%

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

	2012 £000	2011 £000
Present value of funded defined benefit obligations	**(22,000)**	(20,550)
Fair value of plan assets	**12,612**	12,856
	(9,388)	(7,694)
Present value of unfunded defined benefit obligations	**(411)**	(406)
Deficit	**(9,799)**	(8,100)
Related deferred tax asset	**2,352**	2,107
Net liability	**(7,447)**	(5,993)

Notes *(continued)*

10 Pension scheme (continued)

Movements in present value of defined benefit obligation

	2012 £000	2011 £000
At 1 April	**20,956**	22,700
Current service cost	**239**	238
Past service cost	**31**	(2,582)
Interest cost	**1,133**	1,138
Curtailment and settlements	**10**	-
Actuarial losses	**890**	675
Contributions by members	**88**	88
Benefits paid	**(936)**	(1,301)
At 31 March	**22,411**	20,956

Movements in fair value of plan assets

	2012 £000	2011 £000
At 1 April	**12,856**	12,800
Expected return on plan assets	**1,208**	1,231
Actuarial (losses)/gains	**(944)**	(206)
Contributions by employer	**340**	244
Contributions by members	**88**	88
Benefits paid	**(936)**	(1,301)
At 31 March	**12,612**	12,856

Expense recognised in the profit and loss account

	2012 £000	2011 £000
Current service cost	**239**	238
Losses on settlements and curtailments	**-**	-
Past service cost	**31**	(2,582)
Interest on defined benefit pension plan obligation	**1,133**	1,138
Expected return on defined benefit pension plan assets	**(1,208)**	(1,231)
Total	**195**	(2,437)

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

	2012 £000	2011 £000
Operating costs	**270**	(58)
Interest receivable and similar income	**(1,208)**	(1,231)
Interest payable and similar charges	**1,133**	1,138
Pension credit	**-**	2,588
	195	(2,437)

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 £1,834,000 *(2011 £881,000)*

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

	2012 Fair value £000	2011 Fair value £000
Equities	8,824	8,486
Bonds	2,270	2,185
Property	633	643
Other	885	1,542
	12,612	12,856

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

	2012 %	2011 %
Discount rate	4 95	5 5
Expected rate of return on plan assets	5 8	6 6
Expected return on plan assets at beginning of the period	6.6	6 8
Future salary increases	3.5	4 3
Inflation assumption	2 5	2 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 Contingent liabilities

The Company has entered into a cross guarantee in respect of all bank advances up to £40 million in aggregate with certain Group companies No loss is expected to arise from this arrangement

12 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