

Worknorth II Limited

Directors' report and financial
statements

Registered number 3152115

Year ended 31 March 2012



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Directors' report

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

Principal activities

The Company did not trade throughout the year to 31st March 2012

Business review

The results for the year are set out on page 5 The directors do not recommend the payment in the year of a dividend (2011 nil)

Principal risks and uncertainties

The key risk associated with Worknorth II Limited's business is the uncertainty involved in investing in early stage companies, particularly high technology companies

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 Worknorth II 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 Worknorth II Limited's business The development, performance and position of The Manchester Airport Group PLC, which includes the Company, is discussed in the business and financial review on page 7 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

K O'Toole (appointed 16 January 2012)

P Coates (resigned 16 January 2012)

Political and charitable contributions

The Company made no political or charitable donations during the year

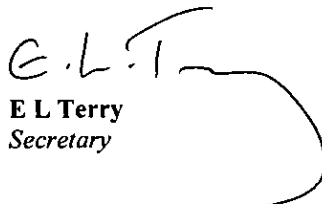
Disclosure of information to auditors

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


E L Terry
Secretary

21 September 2012

Statement of directors' responsibilities in respect of the Directors' 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 Worknorth II Limited

We have audited the financial statements of Worknorth II Limited for the year ended 31 March 2012 set out on pages 5 to 12. 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 directors and auditors

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.

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 result 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

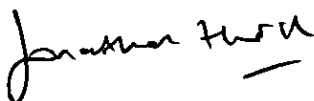
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Worknorth II 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

25 September 2012

Profit and Loss Account
for the year ended 31 March 2012

	<i>Note</i>	2012 £000	2011 £000
Turnover		-	-
Operating result		-	-
Result on ordinary activities before taxation	2-3	-	-
Tax on result on ordinary activities		-	-
Result for the financial year		-	-

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

The Company has recognised no gains and losses other than the losses shown above and therefore no separate statement of total recognised gains and losses has been presented

Balance Sheet
at 31 March 2012

	<i>Note</i>	2012 £000	2011 £000
Fixed asset investments	4	-	-
Total assets less current liabilities		-	-
Creditors amounts falling due after more than one year	5	(8,051)	(8,051)
Net liabilities		(8,051)	(8,051)
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account	7	(8,051)	(8,051)
Shareholders' deficit		(8,051)	(8,051)

These financial statements of Worknorth II Limited, registered number 3152115, were approved by the board of directors on 21 September 2012 and were signed on its behalf by



N Thompson
Director

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

	2012 £000	2011 £000
Retained loss	-	-
	<hr/>	<hr/>
Net reduction in shareholders' funds	-	-
Opening shareholders' deficit	(8,051)	(8,051)
	<hr/>	<hr/>
Closing shareholders' deficit	(8,051)	(8,051)
	<hr/>	<hr/>

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.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off.

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)*

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

Apart from the directors noted on page 1, the Company had no other employees during the year ended 31 March 2012. Directors' emoluments for the period were £nil (2011: £nil)

Notes (continued)

4 Fixed asset investments

	Shares in group undertakings	Other investments other than loans	Total
	£000	£000	£000
Cost			
At beginning and end of year	575	449	1,024
	<u> </u>	<u> </u>	<u> </u>
Provisions			
At beginning and end of year	575	449	1,024
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 March 2012 and 31 March 2011	-	-	-
	<u> </u>	<u> </u>	<u> </u>

The principal Company in which the Company's interest at the year-end is more than 20% is as follows

	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertakings			
Worknorth Limited	England & Wales	Dormant	Ordinary 100% Deferred 100%

Notes (continued)

5 Creditors: amounts falling due after more than one year

	2012 £000	2011 £000
'A' Redeemable non-cumulative participating preference shares of £1 each	450	450
B' Redeemable cumulative participating 7% preference shares of £1 each	1,550	1,550
Amounts owed to group undertakings	5,717	5,717
Amounts owed to subsidiary undertakings	334	334
	<u>8,051</u>	<u>8,051</u>

The subsidiary and Group creditors are non-interest bearing inter-company balances, which are repayable on demand

The redeemable preference A shares and the redeemable preference B shares are redeemable in total, but not in part, at any time after 31 March 1999 at the request of the holders of the majority of such shares. The shares are redeemable at par.

Preference shareholders are entitled to receive notice of all General Meetings, but not to attend or vote unless there are arrears of dividends or the meeting is considering, inter alia, winding up the Company or varying the rights attached to the Preference Shares.

The shareholders, Manchester Airport PLC have agreed to waive the interest due on the "B" Redeemable cumulative participating 7% preference shares.

6 Called up share capital

	2012 £000	2011 £000
<i>Authorised</i>		
100 Ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>
	-	-
	<u>-</u>	<u>-</u>
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>
	-	-
	<u>-</u>	<u>-</u>

7 Reserves

	Profit and loss account £000
At 1 April 2011	(8,051)
Result for the year	-
	<u>-</u>
At 31 March 2012	<u>(8,051)</u>

8 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 PLC. 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 these Groups are available to the public and may be obtained from Company Secretary at Town Hall, Manchester M60 2LA.