

REGISTERED NUMBER: 03298236 (England and Wales)

Financial Statements for the Year Ended 31 March 2017

for

MDS Aero Support Limited



MDS Aero Support Limited

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for the Year Ended 31 March 2017

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MDS Aero Support Limited

Company Information
for the Year Ended 31 March 2017

DIRECTORS:

S Arbuthnot
J Jastremski
W Penney

SECRETARY:

W Penney

REGISTERED OFFICE:

37 Longbridge Lane
Off Ascot Drive
Derby
Derbyshire
DE24 8UJ

REGISTERED NUMBER:

03298236 (England and Wales)

AUDITOR:

Deloitte LLP
Statutory Auditor
Nottingham
United Kingdom

MDS Aero Support Limited (Registered number: 03298236)

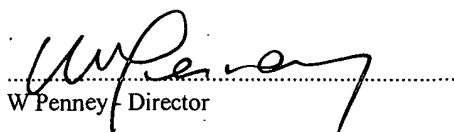
Statement of Financial Position
31 March 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	2	34,632	34,145
CURRENT ASSETS			
Debtors	3	1,007,055	975,184
Cash in hand		47,457	80,876
		<u>1,054,512</u>	<u>1,056,060</u>
CREDITORS			
Amounts falling due within one year	4	(187,668)	(245,190)
NET CURRENT ASSETS		<u>866,844</u>	<u>810,870</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>901,476</u>	<u>845,015</u>
CAPITAL AND RESERVES			
Called up share capital	5	100	100
Profit and loss account		901,376	844,915
SHAREHOLDERS' FUNDS		<u>901,476</u>	<u>845,015</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on July 10, 2017 and were signed on its behalf by:


W Penney - Director

MDS Aero Support Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

1. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

MDS Aero Support Limited ("the Company") is a Company incorporated in the United Kingdom under the Companies Act.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1.

The financial statements have been prepared under the historical cost convention and in accordance with the provisions of Section 1A of Financial Reporting Standard 102 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Going concern

The Company's activity is largely dependent on a contract with a key customer. This contract was last successfully renegotiated on 11 February 2016 and now runs through to the end of December 2017. Negotiations to renew the contract through 2018 and beyond are yet to commence at the date of reporting but are expected to commence in Summer 2017. This matter indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern. The parent company has confirmed continued support to this company for a period of no less than 12 months from the signing of these financial statements. As a result, the financial statements have been prepared on a going concern basis.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources 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.

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover excludes rechargeable expenses incurred by the Company on behalf of another group Company. The income received in relation to the recharges is netted off against the expenses incurred.

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, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a reducing balance basis over its expected useful life, as follows:

Fixtures and fittings 20% - 30% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

1. ACCOUNTING POLICIES - continued

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1. **ACCOUNTING POLICIES - continued**

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Leases

The Company as lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Pension costs

The Company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Difference between contribution payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

MDS Aero Support Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

2. **TANGIBLE FIXED ASSETS**

	Office equipment £
COST	
At 1 April 2016	64,922
Additions	7,920
	<hr/>
At 31 March 2017	72,842
DEPRECIATION	
At 1 April 2016	30,777
Charge for year	7,433
	<hr/>
At 31 March 2017	38,210
NET BOOK VALUE	
At 31 March 2017	<hr/> <hr/> 34,632
At 31 March 2016	<hr/> <hr/> 34,145

3. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Amounts owed by group undertakings	949,856	908,916
Other debtors	57,199	66,268
	<hr/>	<hr/>
	1,007,055	975,184
	<hr/> <hr/>	<hr/> <hr/>

4. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade creditors	38,445	39,208
Amounts owed to group undertakings	46,055	109,051
Social security and other taxes	34,026	34,623
Other creditors	69,142	62,308
	<hr/>	<hr/>
	187,668	245,190
	<hr/> <hr/>	<hr/> <hr/>

5. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2017	2016
Number:	Class:	Nominal value:	£	£
100	Ordinary shares	£1 each	100	100
			<hr/> <hr/>	<hr/> <hr/>

MDS Aero Support Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2017

6. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified. An Emphasis of Matter paragraph was included within the audit report in relation to going concern.

The senior statutory auditor was Joanna Waring FCA.
The auditor was Deloitte LLP.

7. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Within one year	19,120	19,120
Between two and five years	66,341	69,461
After five years	-	16,000
	<u>85,461</u>	<u>104,581</u>

8. RELATED PARTY TRANSACTIONS

The Company made sales during the year to MDS Aero Support Corporation, its parent company, totalling £1,326,444 (2016 - £1,388,572). The Company also recharged purchases of £252,014 (2016 - £244,759) to its parent and incurred management charges of £192,000 (2016 - £192,000) from its parent. At the year end, the Company was owed £949,856 (2016 - £908,916) by MDS Aero Support Corporation and owed £46,055 (2016 - £109,051) to MDS Aero Support Corporation.

9. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company is 8696519 Canada Inc, a company registered in Canada. The immediate parent company is MDS Aero Support Corp, a company registered in Canada.

In the opinion of the directors, there is no controlling party.

The largest and smallest group of undertakings for which group financial statements have been drawn up is that headed by 8696519 Canada Inc, incorporated in Canada. The consolidated financial statements are not available to the public. The registered office of 8696519 Canada Inc is 1220 Old Innes Road, Suite 200, Ottawa, ON, K1B 3V3, Canada.

10. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), as applied to smaller entities by the adoption of Section 1A of FRS 102 issued by the Financial Reporting Council. The following disclosure is required in the year of transition.

The last financial statements under Financial Reporting Standard for Smaller Entities (effective January 2015) ("FRSSE") were for the year ended 31 March 2016 and the date of transition to FRS 102 was therefore 1 April 2015. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard. There are no differences from the profit for the financial period ending 31 March 2016 under FRSSE and that under FRS 102. There are no adjustments resulting from the transitions from FRSSE to FRS 102 which affect the financial position or financial performance of the entity.