

Astrium Services UK Limited

**Report and financial statements
for the year ended 31 December 2016**

Registered number: 4596160

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Strategic report

For the year ended 31 December 2016

The director presents his strategic report for the year ended 31 December 2016.

Business review

The company acts as an intermediate holding company for a number of dormant Airbus Group subsidiaries. In the current year, as part of a wider Airbus company rationalisation exercise, these dormant subsidiaries have undergone capital reduction exercises and then paid dividends to the Company reducing their retained earnings to £nil. The company has therefore written down its investment in these subsidiaries to £nil.

Subsequently, the Company has reduced its share capital account to £1 and reduced its share premium account to £nil with the resulting reduction being credited to the retained earnings reserve of the company.

Finally, the Company has declared a dividend to its parent, Airbus Defence & Space Limited, reducing its retained earnings to £nil.

The company reports these financial statements under FRS 101 – Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard.

No further comments are considered necessary or appropriate for inclusion in this report.

By order of the Board



Alan Shaw
Secretary

17th May 2017

Directors' report

For the year ended 31 December 2016

Registered number: 4596160

The director presents his report for the year ended 31 December 2016.

Dividends

During the year the Company has paid a dividend of £265,641,000. The director does not recommend the payment of a final dividend (2015 – £nil).

Directors of the company

The members of the board who served during the year and subsequently as follows:

N Ede

Going concern

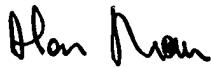
The company's business activities, together with the factors likely to affect its future development, are set out in the Strategic report.

Having completed the capital reduction exercise as set out in the Strategic Report, the directors expect that the company will be wound up at some time in the near future. Accordingly the financial statements have been prepared on a basis other than as a going concern.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquires of the company's auditor, the director has taken the steps he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board



Alan Shaw
Secretary

Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2AS

17th May 2017

Statement of director's responsibilities

For the year ended 31 December 2016

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable UK law and regulations.

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

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 them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Astrium Services UK Limited

We have audited the financial statements of Astrium Services UK Limited for the year ended 31 December 2016 which comprise the Income statement, the Statement of comprehensive income, the Statement of changes in equity, the Balance sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. As the directors expect that the company will be wound up at some time in the near future, the financial statements have been prepared on a basis other than as a going concern.

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 Statement of director's responsibilities set out on page 3, 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 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures within the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2016 and its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Astrium Services UK Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.

Ernst & Young UK

*David Marshall (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton*

Date: 24/5/2017

Income statement

For the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Other operating expenses:			
- administrative expenses		(281)	-
- impairment charge against investments	6	(39,782)	-
- other operating income – dividends received		257,462	
		<hr/>	<hr/>
Operating profit	3	217,399	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		217,399	-
Tax credit on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
Profit for the financial year	9	217,399	-
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of this Income statement.

Statement of comprehensive income

For the year ended 31 December 2016

	2016 £'000	2015 £'000
Profit for the financial year	217,399	-
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	217,399	-
	<hr/>	<hr/>

Statement of changes in equity

For the year ended 31 December 2016

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 1 January 2015	1	60,460	(12,219)	48,242
Total comprehensive income for the year	-	-	-	-
At 31 December 2015	1	60,460	(12,219)	48,242
Total comprehensive income for the year	-	-	217,399	-
Capital reduction	(1)	(60,460)	60,461	-
Dividends paid	-	-	(265,641)	-
At 31 December 2016	-	-	-	-

Balance sheet

at 31 December 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Investments	6	-	47,961
		<hr/>	<hr/>
		-	47,961
		<hr/>	<hr/>
Current assets			
Debtors due within one year	7	-	281
		<hr/>	<hr/>
Net current assets		-	281
		<hr/>	<hr/>
Total assets less current liabilities		-	48,242
		<hr/>	<hr/>
Net assets		-	48,242
		<hr/>	<hr/>
Capital and reserves			
Called-up share capital	8	-	1
Share premium	9	-	60,460
Retained earnings	9	-	(12,219)
		<hr/>	<hr/>
Total equity		-	48,242
		<hr/>	<hr/>

Approved by the Board of Directors on 17th May 2017 and signed on its behalf by:



N Ede
Director

The accompanying notes form an integral part of this balance sheet.

Notes to the financial statements

For the year ended 31 December 2016

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Astrium Services UK Limited (the "company") for the year ended 31 December 2016 were authorised for issue by the Board of Directors on the date shown on the balance sheet. Astrium Services UK Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with applicable accounting standards.

2 Accounting policies

2.1 Going concern

Having completed the capital reduction exercise as set out in the Statement of Changes in Equity during the year, the directors expect that the company will be wound up at some time in the near future. Accordingly the financial statements have been prepared on a basis other than as a going concern.

2.2 Basis of preparation

The financial statements have been prepared on a basis other than as a going concern, as detailed above. As there is no impact on the reported income and costs, and assets and liabilities of the company as a result of this change, the directors have determined that the accounting policies applied should be consistent with those adopted in the prior year.

The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Airbus S.E. (formerly Airbus Group S.E.)

The company has taken advantage of the following disclosure exemptions under FRS 101:

- a) The requirements of IFRS 7 Financial Instruments: Disclosures;
- b) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- c) The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - i. Paragraph 79(a)(iv) of IAS 1;
 - ii. Paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - iii. Paragraph 118(e) of IAS 38 Intangible Assets
- d) The requirements of paragraphs 10(d), 10(f), 39 (c) and 134-136 of IAS 1 Presentation of Financial Statements;
- e) The requirements of IAS 7 Statement of Cash Flows;
- f) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- h) The requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- i) The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Notes to the financial statements

For the year ended 31 December 2016

2.3 Significant accounting policies

a) Foreign currency translation

The company's financial statements are presented in sterling, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

b) Investments

Investments in subsidiaries are held at historical cost less any applicable provision for impairment.

The carrying value of investments are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

c) Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements, with the following exception:

- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability settled, based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax is reviewed at each balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

d) Provisions for liabilities

A provision is recognised where the company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

2.4 Key judgments and sources of estimation uncertainty

The directors do not consider there to be any key judgments or sources of estimation uncertainty required to be disclosed for the year ended 31 December 2016.

Notes to the financial statements

For the year ended 31 December 2016

3 Operating profit

The auditor's remuneration for 2016 is included in the remuneration payable for its parent company Airbus Defence and Space Limited.

4 Staff costs and directors' remuneration

The company had no employees other than the directors during the year (2015: nil).

No remuneration (2015: £nil) was payable to the directors of the company in respect of qualifying services provided in the year.

5 Taxation

The net profits that arose during the year all relate to items on which tax is not chargeable. Accordingly there is a £NIL (2015: £NIL) tax charge recorded.

6 Investments

	Total £'000
Shares in subsidiary undertakings:	
Cost	
At 1 January 2016	60,461
Disposals	(8,179)
	<hr/>
At 31 December 2016	52,282
	<hr/>
Provision	
At 1 January 2016	(12,500)
Disposals	-
Impairments in the period	(39,782)
	<hr/>
At 31 December 2016	52,282
	<hr/>
Net book value	
At 1 January 2016	47,961
	<hr/>
At 31 December 2016	-
	<hr/>

Notes to the financial statements

For the year ended 31 December 2016

6 Investments (continued)

Subsidiary investments:

<i>Name</i>	<i>Business activity</i>	<i>Proportion of nominal value of issued shares held</i>	<i>Country of incorporation</i>
Paradigm Secure Communications Limited	Dormant	100%	England
Infoterra Limited	Dormant	100%	England

During the year, as part of a restructuring within the Airbus Group, and as a result of assignment deeds being entered into to reduce the net assets of these companies to £1 each, the company has written down the value of its investments in its subsidiary undertakings to £nil.

7 Debtors

Amounts falling due within one year:

	2016 £'000	2015 £'000
Amounts due from fellow subsidiary undertakings	-	281
	<u> </u>	<u> </u>

8 Share capital

	2016 £'000	2015 £'000
<i>Allotted and fully paid</i>		
1 (2015: 1,463) ordinary shares of £1 each	-	1
	<u> </u>	<u> </u>

During the year, as part of a restructuring of the Airbus Group (of which the company forms part), the company reduced its share capital by cancelling and extinguishing 1,462 of its existing issued and paid up ordinary shares of £1 each, with the resulting reduction monies being credited to the retained earnings reserve of the company.

Notes to the financial statements

For the year ended 31 December 2016

9 Reserves

As disclosed in note 8, the company credited its retained earnings reserve with £1,462, as a result of its share capital reduction. The company also reduced its share premium account to £nil with the resulting £60,459,537 of reduction monies being credited to the retained earnings reserve of the company.

Movements on reserve account balances during the year are disclosed in the Statement of changes in equity.

10 Dividends paid

During the year the Company has made a dividend payment of £265,641,000 (2015: £nil).

11 Related party transactions

As the company is a wholly owned subsidiary of Airbus Defence and Space Limited it has taken advantage of the exemption in FRS 101 and has therefore not disclosed transactions with fellow wholly owned subsidiaries.

There are no other related party transactions that require disclosure.

12 Parent undertakings and controlling party

The company's ultimate parent company and controlling party is considered by the directors to be Airbus S.E. (formerly Airbus Group S.E.) which is registered in The Netherlands. Airbus S.E. (formerly Airbus Group S.E.) is the parent undertaking of the largest group of undertakings of which the company is a subsidiary undertaking for which group financial statements are prepared. The parent undertaking of the smallest such group of undertakings of which the company is a subsidiary undertaking is Airbus Defence and Space Limited which is registered in England and Wales. Copies of the financial statements of Airbus S.E. (formerly Airbus Group S.E.) and Airbus Defence and Space Limited are available from The Secretary, Airbus Defence and Space N.V., Mendelweg 30, 2333 CS Leiden, The Netherlands.