

# G4S Aviation Services (UK) Limited

## FINANCIAL STATEMENTS

for the year ended  
31 December 2009



Company Registration No 2837136

# G4S Aviation Services (UK) Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

D Hewitson  
G Windsor  
G Grosso  
J Darnton  
A Farquhar

### SECRETARY

V Patel

### REGISTERED OFFICE

Sutton Park House  
15 Carshalton Road  
Sutton  
Surrey SM1 4LD

### AUDITORS

KPMG Audit Plc  
8 Salisbury Square  
London  
EC4Y 8BB

# G4S Aviation Services (UK) Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of G4S Aviation Services (UK) Limited for the year ended 31 December 2009

### PRINCIPAL ACTIVITIES

The company's principal activity is the provision of specialised security and support services for the aviation sector in the United Kingdom and Jersey

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company continues to work with the airlines and airports to deliver quality solutions against the background of an ever increasing focus on security, particularly in the aviation industry. Although we had a number of challenges in 2009, in relation to falling aviation passenger numbers and ultimately cost reductions, we have stabilised the contract base, and ensured organic growth with the ports business.

G4S Aviation Services (UK) Limited continues to develop and promote the values of quality, reliability and integrity associated with the G4S brand. This has seen us forge true partnerships with our customers, who recognising the value that we bring to their business have remained extremely loyal.

Our commitment is as always to increase shareholder value through our guiding principles of excellence in customer service, committed employees, the delivery of innovative products and services, sound commercial decisions and by fostering a climate of continuous improvement.

### PRINCIPAL RISKS AND UNCERTAINTIES

All businesses are subject to risk and many individual risks are macro-economic or social and common across many businesses. The key risks are those which could materially damage the company's strategy, reputation, business, profitability or assets and these risks are listed below. This list is in no particular order and is not an exhaustive list of all potential risks. Some risks may be unknown and it may transpire that others currently considered immaterial become material.

#### *Price competition*

The security industry in the UK is fragmented with relatively low economic barriers to entry and there are a wide variety of operators of varying sizes. Actions taken by our competitors may place pressure on our pricing, margins and profitability.

#### *In-sourcing by customers*

If the trend towards outsourcing manned security were for any reason to be reversed, the company's revenue and profitability may be adversely affected.

#### *Deterioration in labour relations*

The company's most significant asset is its large and committed workforce. Were the current good relationships between the group and its employees to become strained the company's operational performance and reputation may be adversely affected.

#### *Terrorist attacks*

The company operates in an industry which is sometimes involved in seeking to protect its customers against acts of terrorism. Were terrorist incidents in the future to involve premises or events for which the company is contracted to provide security they could result in brand and reputational damage and so affect earnings and profitability.

# G4S Aviation Services (UK) Limited

## DIRECTORS' REPORT

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### *IT systems*

The company makes widespread use of IT systems both in its operations and for financial management. Failure in these systems, including failure in business continuity procedures in the event of physical damage to or inaccessibility of normal systems, could result in reputational damage and the loss of revenue and profitability.

### *Regulatory requirements*

Security can be a high profile industry. There is a wide and ever changing variety of regulations applicable to our business across the UK. Changes in such regulations may adversely affect the company's revenues and profitability. G4S Aviation Services (UK) Limited complies with all the requirements of the Department of Transport.

The potential impact of these risks is mitigated through the company's performance management procedures, operational standards and policy of proactive engagement with customers, industry associations, government regulators and employee representatives.

### KEY PERFORMANCE INDICATORS

Due to the nature of our business, the majority of our KPIs are contract specific and monitored internally on a contract by contract basis. Customers are pursuing ever challenging KPI regimes which is ensuring the service provision is continually monitored to deliver excellent customer service. Staff attrition remains at around 10% for the business.

### AUDITOR APPOINTMENT

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

### DIVIDENDS

The directors recommend a final dividend payment of £700,000 (2008 £3,600,000). This amount was paid on 3 March 2010.

### DIRECTORS

The following directors have held office during the year:

G Grosso  
D Hewitson  
G Windsor  
J Darnton  
A Farquhar (appointed 4 January 2010)

### EMPLOYEE INVOLVEMENT

The company has continued its practice of keeping employees informed on a regular basis of current activities, progress and general matters of interest by various methods. These include regular team briefings, the circulation of the in-house magazine 'The Link', and the availability to employees of a comprehensive Intranet site. Policy developments include the use of focus groups to identify employee views.

# G4S Aviation Services (UK) Limited

## DIRECTORS' REPORT

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### EMPLOYMENT OF DISABLED PERSONS

The company's policy and practice is to encourage the recruitment and subsequent training, career development and promotion of disabled persons on the basis of their aptitudes and abilities, and the retention and retraining of employees who become disabled

### POLITICAL AND CHARITABLE CONTRIBUTIONS

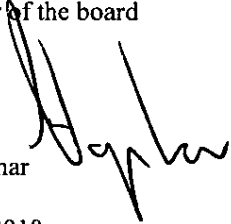
The Company made no political and no charitable donations during the year (2008 £Nil)

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board

A Farquhar  
Director  
1 April 2010



# G4S Aviation Services (UK) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 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
- 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMEBRS OF G4S AVIATION SERVICES (UK) LIMITED

We have audited the financial statements of G4S Aviation Services (UK) Limited for the year ended 31 December 2009 set out on pages 7 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 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 company's members, as a body, for our audit work, for this report, or the opinions we have formed.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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/UKNP](http://www.frc.org.uk/apb/scope/UKNP)

### 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 2009 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

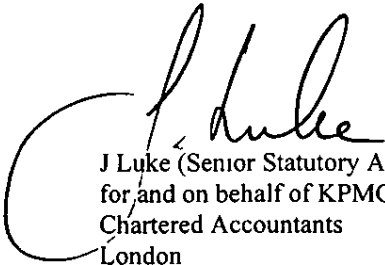
### OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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.

### 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



J Luke (Senior Statutory Auditor)  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
London  
1 April 2010

# G4S Aviation Services (UK) Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2009

	<i>Notes</i>	2009 £000	2008 £000
TURNOVER	1	65,970	73,163
Cost of sales		(59,309)	(65,953)
GROSS PROFIT		<u>6,661</u>	<u>7,210</u>
Administrative expenses		(5,731)	(7,284)
OPERATING PROFIT / (LOSS)		<u>930</u>	<u>(74)</u>
Interest receivable and similar income	4	540	923
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>1,470</u>	<u>849</u>
Taxation	6	(411)	(150)
PROFIT FOR THE YEAR	14	<u><u>1,059</u></u>	<u><u>699</u></u>

The operating profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account for the current and preceding year

The notes from pages 10 to 14 form part of the financial statements



# G4S Aviation Services (UK) Limited

## BALANCE SHEET

31 December 2009

	<i>Notes</i>	2009 £000	2008 £000
<b>FIXED ASSETS</b>			
Tangible assets	9	1,315	1,917
<b>CURRENT ASSETS</b>			
Debtors	10	54,485	44,467
Cash at bank and in hand		284	5,589
		<u>54,769</u>	<u>50,056</u>
<b>CREDITORS</b> Amounts falling due within one year	11	(46,263)	(39,816)
<b>NET CURRENT ASSETS</b>		<u>8,506</u>	<u>10,240</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		9,821	12,157
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	12	(379)	(174)
		<u>9,442</u>	<u>11,983</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	219	219
Profit and loss account	14	9,223	11,764
<b>SHAREHOLDERS' FUNDS</b>	15	<u>9,442</u>	<u>11,983</u>

The financial statements were approved by the board of directors and authorised for issue on 1 April 2010 and are signed on its behalf by

A Farquhar  
Director

# G4S Aviation Services (UK) Limited

## ACCOUNTING POLICIES

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### BASIS OF PREPARATION

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

Under FRS 1 the Company is exempt from the requirements 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 G4S 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

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows

Computer equipment	-	over 3 years
Office and commercial equipment	-	over 5 years
Ground technical equipment	-	over 5 years

### 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

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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

### POST RETIREMENT BENEFITS

The Company participates in the Group's defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amounts charged to the profit and loss account represents the contributions payable to the scheme in respect of the financial year

The Company also participates in a group wide defined benefit pension scheme. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

### LEASED ASSETS AND OBLIGATIONS

All leases are "operating leases" and the annual rentals are charged to the profit and loss on a straight-line basis over the lease term

### TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for the sale of goods and/or services in the ordinary nature of the business. Turnover is presented net of VAT and is recognised at the point of delivery of service

# G4S Aviation Services (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit on ordinary activities before taxation were derived from the provision of ground handling services in the United Kingdom

2	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2009 £000	2008 £000
	Profit on ordinary activities before taxation is stated after charging		
	Depreciation and amounts written off tangible fixed assets		
	Charge for the year		
	Owned assets	390	230
	Profit on disposal of fixed assets	63	-
	Operating lease rentals		
	land and buildings	275	397
	equipment and vehicles	90	347
	Auditors' remuneration -- statutory audit	22	25

No other fees were payable to KPMG Audit Plc in respect of the company (2008 £Nil)

3	EMPLOYEES	2009 No	2008 No
	The average weekly number of persons employed by the company during the period was		
	Management and administration	83	200
	Operational	2,398	2,539
		2,481	2,739

Staff costs for the above employees

Wages and salaries

Social security costs

Other pension costs

2009 £000	2008 £000
54,868	60,794
4,433	5,062
316	331
59,617	66,187

### DIRECTORS' REMUNERATION

Emoluments

- 8

The highest paid director

- 8

### 4 INTEREST RECEIVABLE AND SIMILAR INCOME

Receivable from group undertakings

Other interest receivable

2009 £000	2008 £000
538	915
2	8
540	923

# G4S Aviation Services (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

### 5 PENSION CONTRIBUTIONS

The company participates in two group operated pension schemes

The defined benefit pension scheme for employees in the United Kingdom is called the Securicor Group Pension Scheme ("the principal scheme") G4S Aviation Services (UK) Limited is unable to identify its share of the underlying assets and liabilities of the scheme and has therefore taken advantage of the exemption available in FRS17 to account for contributions to the scheme as if it were a defined contribution scheme Full details of the scheme can be found in the accounts of G4S plc

The company also participates in the group defined contribution scheme G4S Group Personal Pension Plan

Contributions paid by the company during the period to the pension schemes amounted to £316,412 (2008 £330,581)

Contributions paid by the company during the period to the defined benefits scheme amounted to £42,124 (2008 £64,923) and payments to the defined contribution scheme amounted to £274,288 (2008 £265,658)

The amounts being held within creditors in relation to defined benefit schemes is £4,653 (2008 £6,355) and defined contribution schemes £9,027 (2008 £18,601)

6	TAXATION	2009 £000	2008 £000
	Current tax		
	UK corporation tax on profits of the period	451	335
	Overprovision in respect of previous years	(12)	(85)
	Total current tax	439	250
	Deferred taxation		
	Adjustment in respect of previous years	14	(173)
	Origination and reversal of timing differences	(42)	73
	Total deferred tax	(28)	(100)
	Tax on profit on ordinary activities	411	150
	Factors affecting tax charge for period		
	The tax assessed for the period is higher than the standard rate of corporation tax in the UK of (28%) The differences are explained below		
	Profit on ordinary activities before tax	1,470	849
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	412	242
	Effects of		
	Expenses not deductible for tax purposes	53	160
	Capital allowances in excess of depreciation	(14)	(67)
	Adjustment in respect of previous years	(12)	(85)
	Current tax charge for period	439	250

# G4S Aviation Services (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

### 7 DEFERRED TAXATION

	2009 £000	2008 £000
Balance at 1 January	100	-
Transfer to profit and loss account	28	100
Balance at 31 December	<u>128</u>	<u>100</u>
The deferred taxation asset, which is included in debtors (see note 10) comprises	2009 £000	2008 £000
Accelerated capital allowances	<u>128</u>	<u>100</u>

### 8 DIVIDENDS

A final dividend of £700,000 (£3 20 per share) in respect of the year ended 31 December 2009 was paid on 3 March 2010 (2008 £3,600,000, £16 46 per share)

### 9 TANGIBLE FIXED ASSETS

	Motor Vehicles £000	Ground technical equipment £000	Office and commercial equipment £000	Asset under course of construction £000	Total £000
Cost					
1 January 2009	32	1,687	137	510	2,366
Additions	-	172	1	2	175
Disposals	-	(519)	-	(9)	(528)
Transfer to Asset Register	-	500	1	(501)	-
31 December 2009	<u>32</u>	<u>1,840</u>	<u>139</u>	<u>2</u>	<u>2,013</u>
Depreciation					
1 January 2009	27	361	61	-	449
Charge for the year	5	370	15	-	390
Disposals	-	(141)	-	-	(141)
31 December 2009	<u>32</u>	<u>590</u>	<u>76</u>	<u>-</u>	<u>698</u>
Net book value					
31 December 2009	<u>-</u>	<u>1,250</u>	<u>63</u>	<u>2</u>	<u>1,315</u>
31 December 2008	<u>5</u>	<u>1,326</u>	<u>76</u>	<u>510</u>	<u>1,917</u>

# G4S Aviation Services (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

10	DEBTORS	2009 £000	2008 £000
	Trade debtors	10,056	10,398
	Amounts owed by group undertakings	42,352	32,512
	Other debtors	337	441
	Prepayments and accrued income	1,612	1,016
	Deferred tax asset	128	100
		<u>54,485</u>	<u>44,467</u>

Amounts owed by group undertakings are unsecured, repayable on demand with interest receivable at 1.61% (2008 3.13%)

11	CREDITORS Amounts falling due within one year	2009 £000	2008 £000
	Trade creditors	477	788
	Amounts owed to group undertakings	36,357	29,305
	Corporation tax	451	298
	Other taxation and social security costs	5,431	4,370
	Other creditors	2,721	2,921
	Accruals and deferred income	826	2,134
		<u>46,263</u>	<u>39,816</u>

Amounts owed to group undertakings are unsecured, repayable on demand with interest payable at 2.61% (2008 3.13%)

12	PROVISION FOR LIABILITIES AND CHARGES	Total £000
	Provision at 1 January	174
	Charge to the profit and loss in the year	(174)
	Additions	379
		<u>379</u>
	Provision at 31 December	<u>379</u>

The provisions relate to ongoing industrial tribunal cases, legal claims and customer claims. These will be utilised throughout 2010.

13	SHARE CAPITAL	2009 £000	2008 £000
	Allotted, issued and fully paid		
	218,707 ordinary shares of £1 each	219	219
		<u>219</u>	<u>219</u>

# G4S Aviation Services (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2009

14	PROFIT AND LOSS ACCOUNT	2009 £000	2008 £000
	1 January	11,764	11,065
	Profit for the financial period	1,059	699
	Dividends paid	(3,600)	-
	31 December	9,223	11,764
15	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2009 £000	2008 £000
	Profit for the financial period	1,059	699
	Dividends paid	(3,600)	-
	Opening shareholders' funds	11,983	11,284
	Closing shareholders' funds	9,442	11,983
16	COMMITMENTS UNDER OPERATING LEASES		
	At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows		
		2009 £000	2008 £000
	Land and buildings		
	expiring between 2 and 5 years	8	-
	expiring after the fifth year	265	265
		273	265
	Other		
	expiring within one year	64	7
	expiring between 1 and 2 years	-	64
		64	71
17	CONTINGENT LIABILITIES		
	The company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection. The liability of the UK group registration at 31 December 2009 totalled £12,048,051 (2008 £17,408,380)		
18	ULTIMATE PARENT COMPANY		
	The ultimate holding company of G4S Securicor Aviation Limited is G4S plc, a company registered in England and Wales. Copies of the group accounts of G4S plc can be obtained from The Manor, Manor Royal, Crawley, West Sussex, RH10 9UN		