

G4S Aviation Services (UK) Limited

FINANCIAL STATEMENTS

for the year ended
31 December 2012



Company Registration No 2837136

G4S Aviation Services (UK) Limited

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

GN Grosso
D Hewitson
S Curl

SECRETARY

V Patel

REGISTERED OFFICE

Sutton Park House
15 Carshalton Road
Sutton
Surrey
SM1 4LD

AUDITOR

KPMG Audit Plc
15 Canada Square
London
E14 5GL

G4S Aviation Services (UK) Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of G4S Aviation Services (UK) Limited for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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. The future of the aviation business sees G4S as developing its products and services to a wider remit and building on current strengths.

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.

FUTURE PERFORMANCE AND ACTIVITIES

We anticipate that the company will continue to perform at current levels.

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.

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.

G4S Aviation Services (UK) Limited

DIRECTORS' REPORT

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.

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.

DIVIDENDS

The directors recommend the payment of a final dividend of £800,000 (2011: £500,000. Paid in 2012). This amount will be paid post year end. The directors believe the results are satisfactory.

DIRECTORS

The following directors have held office since 1 January 2012:

GN Grosso
D Hewitson
S Curl
A Farquhar (resigned 18 January 2013)

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. Bespoke KPIs have been developed across a number of contracts to ensure the specific nature all contracts are recognised. Staff attrition has dropped to circa 9% (2011: 10%) for the business.

POLICY ON PAYMENT OF CREDITORS

It is the company's policy to pay suppliers in accordance with the payment terms negotiated with them. Thus, prompt payment is normally made to those suppliers meeting their obligations. The company does not follow any formal code or standard on payment practice.

ENVIRONMENTAL

The main business of the company is involved in the provision of security solutions personnel to our customers and therefore the organisation does not have a significant direct impact on the environment. However as part of G4S Plc we participate in the group initiatives aimed at maximising energy conservation through the adoption of best practices, we remain committed to the recycling of materials where possible and we are compliant with the relevant standards on vehicle emissions.

EMPLOYEES

Within G4S Aviation Services (UK) Limited, we value the fact that we have a diverse workforce and we expect everyone to treat each other with dignity. We welcome and value people from all communities and cultures and fully realise the benefits that can come from having employees who feel comfortable in being able to put forward different views, ideas and perspectives.

G4S Aviation Services (UK) Limited has an equal opportunities policy which aims to ensure that no job applicant, employee or group of employees receives less favourable treatment on the grounds of gender, religion, marital status, disability, age, race, colour, ethnic or national origins or is disadvantaged by conditions or

G4S Aviation Services (UK) Limited

DIRECTORS' REPORT

requirements which cannot be shown to be justifiable. It will therefore apply employment policies which are fair and consistent with the skills and abilities of its employees. These policies will ensure that all employees are afforded equal opportunity for recruitment, training and development, based solely on personal performance, ability and aptitude.

G4S Aviation Services (UK) Limited actively participates in the Group's programme of investing in the Community, by actively giving back to the community in which we operate and encouraging our employees to do the same within their local communities.

EMPLOYEE INVOLVEMENT

The company keeps employees informed on a regular basis of current activities, progress and general matters of interest by various methods, including

- a) the holding of regular regional and area meetings and management roadshows,
- b) the annual employee survey distributed to all staff,
- c) the circulation, on an individual basis, of an annual report to employees,
- d) the circulation of the company's monthly in-house newsletter "The Link", and
- e) the intranet and electronic newsletters

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political and no charitable donations during the year (2011: £Nil).

AUDITOR APPOINTMENT

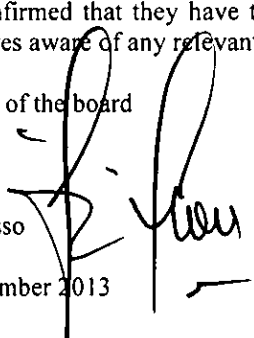
In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG Audit Plc as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is aware. 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

GN Grosso
Director
27 September 2013



G4S Aviation Services (UK) Limited

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 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 AUDITOR'S REPORT TO THE MEMBERS OF G4S AVIATION SERVICES (UK) LIMITED

We have audited the financial statements of G4S Aviation Services (UK) Limited for the year ended 31 December 2012 set out on pages 7 to 17. 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 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 company's members, as a body, for our audit work, for this report, or the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

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, 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 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 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.



Jonathan Downer (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc,
Statutory Auditor Chartered Accountants
15 Canada Square
London
E14 5GL
27 September 2013

G4S Aviation Services (UK) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2012

	<i>Notes</i>	2012 £000	2011 £000
TURNOVER	1	47,538	54,900
Cost of Sales		(42,667)	(49,734)
GROSS PROFIT		4,871	5,166
Other operating expenses		(4,201)	(3,673)
OPERATING PROFIT		670	1,493
Interest payable and similar charges	2	(8)	(3)
Investment income	3	929	656
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,591	2,146
Taxation	7	(185)	(512)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	1,406	1,634

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

There are no material differences between the results as stated above and their historical cost equivalents

The notes from pages 11 to 17 form part of the financial statements

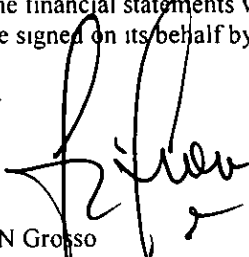
G4S Aviation Services (UK) Limited

BALANCE SHEET

31 December 2012

	<i>Notes</i>	2012 £'000	2011 £'000
FIXED ASSETS			
Tangible assets	10	376	634
		<u>376</u>	<u>634</u>
CURRENT ASSETS			
Debtors	11	60,657	62,026
Cash at bank and in hand		863	300
		<u>61,520</u>	<u>62,326</u>
CREDITORS			
Amounts falling due within one year	12	(57,843)	(59,793)
NET CURRENT ASSETS		<u>3,677</u>	<u>2,533</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,053</u>	<u>3,167</u>
PROVISIONS FOR LIABILITIES AND CHARGES	13	(122)	(142)
NET ASSETS		<u>3,931</u>	<u>3,025</u>
CAPITAL AND RESERVES			
Called up share capital	14	219	219
Profit and loss account	15	3,712	2,806
EQUITY SHAREHOLDERS' FUNDS	16	<u>3,931</u>	<u>3,025</u>

The financial statements were approved by the board of directors and authorised for issue on 27 September 2013 and are signed on its behalf by

- 
GN Grosso
Director

Company Registration No 2837136

G4S Aviation Services (UK) Limited

ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 400 of the Companies Act 2006, as it is a wholly owned subsidiary undertaking of G4S plc, a company incorporated in England & Wales, and is included in the consolidated accounts of that company

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 wholly owned entities which form part of the group

TANGIBLE FIXED ASSETS

Fixed assets are stated at historic cost

Depreciation is provided on all tangible fixed assets, other than freehold land, 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 years 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 years 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

OPERATING LEASES

The annual rentals are charged to the profit and loss account on a straight line basis over the term

PROVISIONS

Provisions are made when an obligation exists for a future liability in respect of a past event, payment is probable and where the amount of the obligation can be reliably estimated. The costs of meeting lease requirements on unoccupied properties are provided for on a discounted basis. Interest is calculated at an applicable interest rate and charged to the profit and loss account

G4S Aviation Services (UK) Limited

ACCOUNTING POLICIES

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 represent 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.

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, net of Value Added Tax, recognised at the point of delivery of service.

DIVIDENDS ON SHARES PRESENTED WITHIN SHAREHOLDERS' FUNDS

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

G4S Aviation Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit on ordinary activities were derived from its principal activity, wholly undertaken in the United Kingdom

2	INTEREST PAYABLE	2012	2011
		£'000	£'000
	Other interest payable	8	3
		<u>8</u>	<u>3</u>
		<u><u>8</u></u>	<u><u>3</u></u>
3	INTEREST INCOME	2012	2011
		£'000	£'000
	Receivable from group undertakings	929	656
		<u>929</u>	<u>656</u>
		<u><u>929</u></u>	<u><u>656</u></u>
4	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2012	2011
		£'000	£'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	368	440
	Operating lease rentals		
	Land and buildings	278	273
	Auditor's remuneration – statutory audit		
	Audit Fees	12	18
		<u>12</u>	<u>18</u>
		<u><u>12</u></u>	<u><u>18</u></u>

No other fees were paid to KPMG Audit Plc in respect of the company (2011 £Nil)

G4S Aviation Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

5	EMPLOYEES	2012 No	2011 No
	The average weekly number of persons (including directors) employed by the company during the year was		
	Management and administration	51	148
	Operational	2,378	2,682
		<u>2,429</u>	<u>2,830</u>
		2012 £'000	2011 £'000
	Staff costs for above persons		
	Wages and salaries	38,541	44,899
	Social security costs	3,075	3,676
	Other pension costs	239	200
		<u>41,855</u>	<u>48,775</u>

DIRECTORS' REMUNERATION

The directors received no emoluments in the year in respect of their services to the company (2011 £Nil)

6 PENSIONS

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"). During 2011 the group closed the UK scheme to future accrual. Existing members retained their link to final salary where appropriate and their benefits accrued to-date. Members were offered the opportunity to move to a new defined contribution scheme for future pension benefits. There has been no curtailment gain or loss.

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 contributions scheme. Full details of the scheme can be found in the accounts of G4S plc.

The pension costs are assessed on the advice of independent qualified actuaries using the projected unit credit method. The most recent actuarial valuation was 5 April 2009. The assets of the schemes are held in separate trustee administered funds.

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

Contributions paid by the company during the year to the pension schemes amounted to £166,431 (2011 £199,937).

Contributions paid by the company during the period to the defined benefits scheme amounted to £Nil (2011 £5,781) and payments to the defined contribution scheme amounted to £166,431 (2011 £194,156).

The amounts being held within creditors in relation to defined benefit schemes is £Nil (2011 £558) and defined contribution schemes £27,908 (2011 £19,139).

G4S Aviation Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

7	TAXATION	2012 £'000	2011 £'000
	Current tax		
	UK corporation tax on (loss) / profit for the year	400	570
	Adjustment in respect of the prior periods	(251)	(85)
	Total current tax	149	485
	Deferred taxation		
	Adjustment in respect of previous years	90	2
	Origination and reversal of timing differences	(56)	25
	Effect of change in tax rate	2	
	Total deferred tax	36	27
	Tax charge on ordinary activities	185	512
	Factors affecting tax charge for year		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK (24.5%) The differences are explained below		
	(Loss) / profit on ordinary activities before tax	1,591	2,146
	(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK (24.5% (2011: 26.5%))	390	569
	Effects of		
	Expenses not deductible for tax purposes	2	7
	Capital allowances in excess of depreciation	8	(6)
	Adjustment in respect of previous years	(251)	(85)
	Current tax charge for year	149	485

Factors that may affect future tax charges

On 3 July 2012, a reduction in the UK corporation tax rate from 24% to 23% with effect from 1 April 2013 became substantively enacted. The effect of the rate reduction on the deferred tax balances as at 31 December 2012 has been included in the figures above.

The Chancellor has also announced proposed changes to further reduce the main rate of corporation tax rate to 21% on 1 April 2014, but these changes have not yet been substantively enacted and, therefore, are not included in the figures above. The overall effect of the further reduction, if applied to the deferred tax balance as at 31 December 2012, would be to further reduce the deferred tax asset. It has not yet been possible to quantify the full anticipated effect of the announced further reductions, although, this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

G4S Aviation Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

8 DEFERRED TAXATION

	2012 £'000	2011 £'000
Balance at 1 January	59	86
Transfer to profit and loss account	(36)	(27)
Balance at 31 December	<u>23</u>	<u>59</u>
The deferred taxation asset, which is included in debtors (see note 11) comprises	2012 £'000	2011 £'000
Accelerated capital allowances	<u>23</u>	<u>59</u>

9 DIVIDENDS

A final dividend of £800,000 (£3 66 per share) in respect of the year ended 31 December 2012 will be paid post year end (2011 £500,000, £2 29 per share)

10 TANGIBLE FIXED ASSETS

	Motor Vehicles £'000	Ground technical equipment £'000	Office and commercial equipment £'000	Total £'000
Cost				
1 January 2012	32	1,516	100	1,648
Additions	-	148	-	148
Disposals	-	(193)	(6)	(199)
31 December 2012	<u>32</u>	<u>1,471</u>	<u>94</u>	<u>1,597</u>
Depreciation				
1 January 2012	32	890	92	1,014
Charged in the year	-	366	2	368
Disposals	-	(158)	(2)	(160)
31 December 2012	<u>32</u>	<u>1,097</u>	<u>92</u>	<u>1,221</u>
Net book value				
31 December 2012	<u>-</u>	<u>374</u>	<u>3</u>	<u>376</u>
31 December 2011	<u>-</u>	<u>626</u>	<u>9</u>	<u>634</u>

G4S Aviation Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

11	DEBTORS	2012 £'000	2011 £'000
	Due within one year		
	Trade debtors	5,603	5,411
	Amounts owed by group undertakings	54,719	56,031
	Other debtors	28	128
	Prepayments and accrued income	284	397
	Deferred tax asset	23	59
		<u>60,657</u>	<u>62,026</u>

Amounts owed by group undertakings are unsecured, repayable on demand with interest receivable at 2.02% (2011 2.56%)

12	CREDITORS Amounts falling due within one year	2012 £'000	2011 £'000
	Trade creditors	110	624
	Amounts owed to group undertakings	49,832	52,290
	Other taxation and social security costs	4,302	2,340
	Other creditors	2,837	3,614
	Accruals and deferred income	492	355
	Corporation Tax	270	570
		<u>57,843</u>	<u>59,793</u>

Amounts owed to group undertakings are unsecured, repayable on demand with interest payable at 3.02% (2011 3.56%)

13	PROVISION FOR LIABILITIES AND CHARGES	Total £'000
	Provision at 1 January 2012	142
	Charge to the profit and loss in the year	(38)
	Additions	18
	Provision at 31 December 2012	<u>122</u>

The provisions relate to ongoing industrial tribunal cases, legal claims and customer claims. These will be utilised throughout 2013.

G4S Aviation Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

14	SHARE CAPITAL	2012 £'000	2011 £'000
	Allotted, issued and fully paid 218,707 ordinary shares of £1 each	219	219
15	PROFIT AND LOSS ACCOUNT	2012 £'000	2011 £'000
	1 January	2,806	10,172
	Profit for the financial year	1,406	1,634
	Dividend paid	(500)	(9,000)
	31 December	3,712	2,806
16	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2012 £'000	2011 £'000
	Profit for the financial year	1,406	1,634
	Dividends paid	(500)	(9,000)
	Net movement in shareholders' funds	906	(7,366)
	Opening shareholders' funds	3,025	10,391
	Closing shareholders' funds	3,931	3,025
17	COMMITMENTS UNDER OPERATING LEASES		
	At 31 December 2012 the company had annual commitments under non-cancellable operating leases expiring as follows		
		2012 £'000	2011 £'000
	Land and buildings		
	expiring within 1 year	-	8
	expiring between 2 and 5 years	8	-
	expiring after 5 years	265	265
		273	273

G4S Aviation Services (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

18 RELATED PARTY TRANSACTIONS

In accordance with paragraph 3(c) of FRS 8 "Related Party Transactions", the company is exempt from disclosing details of arrangements with other wholly owned companies in the group

During the year, the company had transactions with the following disclosable related parties

- Fellow subsidiary undertakings (not wholly owned) as listed below

G4S FSI Limited (85% owned by G4S Group)

	2012 £'000	2011 £'000
BALANCES		
AMOUNTS DUE FROM RELATED PARTIES		
G4S FSI Limited	135	54
	<u>135</u>	<u>54</u>

No expense has been recognised in the year for bad and doubtful debts in respect of amounts owed by related parties (2010 £Nil)

19 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 2012 totalled £18,553,356 (2011 £20,509,520)
- The company, together with other certain group companies, is jointly and severally liable under the terms of a guarantee provided in respect of a revolving credit loan facility granted to G4S Plc
- The company is included within a group composite banking arrangement with certain fellow subsidiary undertakings and has provided an unlimited guarantee

20 ULTIMATE PARENT UNDERTAKING

At 31 December 2012 the ultimate holding company of G4S Aviation Services (UK) Limited was G4S plc, which is 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