

Airport Strategy & Marketing Limited

Financial Statements

31 December 2012

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COMPANIES HOUSE

Airport Strategy & Marketing Limited

Registered No 02815333

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Directors

Crosswall Nominees Limited
UNM Investments Limited
D Stroud
C Corbett

Secretary

Crosswall Nominees Limited

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered office

Ludgate House
245 Blackfriars Road
London
SE1 9UY

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2012

Results and dividends

The loss for the year, after taxation, is £492,308 (2011 profit of £110,191) The directors do not recommend a final dividend (2011 £nil)

Principal activity and review of the business

The principal activity of the Company throughout the year continued to be that of route development and airport marketing No change to the Company's activity is expected in the foreseeable future

The Company continues to be the market leader in its field of providing Route Development consultancy services to Airports globally Turnover decreased in 2012, due to a major management re-structure and also difficult trading conditions as a result of the economic situation globally This resulted in a decline in turnover of 55% but also a decline in operating costs of 25% as a result of the decrease in resource

The results for the year are set out in the profit and loss account on page 7, and the directors expect that the present level of activity will be sustained for the foreseeable future

Principal risks and uncertainties

The Company has considered the impact of price risk, credit risk, liquidity risk and cash flow risk on the Company and they are not deemed to have a material effect

The Company's activities are influenced by risks associated with the global economy which, by their nature, are beyond the control of the Company The risks and uncertainties arising from the economy and its impact on the aviation industry as a whole are monitored closely and assessed by the directors in order to minimise the risk to the Company

The Company is mindful of the ecological impact of the aviation industry and is committed to conducting its activities and operations in line with best environmental practice

Directors

The directors who served the Company during the year were as follows

Crosswall Nominees Limited

UNM Investments Limited

J Grant (resigned 21 June 2012)

M Plose (resigned 16 November 2012)

D Stroud (appointed 21 June 2012)

C Corbett (appointed 16 November 2012)

Laying of reports and accounts

The Company has passed an elective resolution dispensing with the requirements to lay reports and accounts before the Company's members in a general meeting

Under the provisions of Sections 495 and 496 of the Companies Act 2006, a member has the right to require the reports and accounts to be laid before the Company in a general meeting The member must deposit notice of intention to exercise such right at the registered office of the Company within 28 days of the date of this report

Political and charitable contributions

During the year donations to charitable causes amounted to £nil (2011 £nil) No contributions were made for political purposes (2011 £nil)

Directors' report

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The board recognises the value of communication with employees at all levels and this is further encouraged by various incentive and share ownership schemes.

Going concern

The directors have concluded that the overall net liabilities at the year-end represents a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern and that, therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Company has received confirmation from UBM (GP) No3 Limited, a fellow group company, that it will provide the necessary funds to enable it to meet its liabilities as they fall due. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information to the auditors

So far as each director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The Company has an elective resolution in force dispensing with the requirement to reappoint auditors annually.

By order of the board



For and on behalf of
Crosswall Nominees Limited
Secretary

02 SEP 2013

Date

Statement of directors' responsibilities

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 directors have 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 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 Airport Strategy & Marketing Limited

We have audited the financial statements of Airport Strategy & Marketing Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. 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).

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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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

An audit involves obtaining evidence about the amounts and disclosures in 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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the annual report to identify material inconsistencies with the audited financial statements. 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 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

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

Independent Auditor's report

to the members of Airport Strategy & Marketing Limited

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



Alison Duncan (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date **04 SEP 2013**

Profit and loss account

for the year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover	2	857,784	1,892,352
Cost of sales		(137,728)	(293,472)
Gross profit		<u>720,056</u>	<u>1,598,880</u>
Administration expenses		(1,205,753)	(1,478,338)
Operating (loss)/profit		(485,697)	120,542
Interest payable and similar charges	6	(414)	(900)
(Loss)/profit on ordinary activities before taxation		(486,111)	119,642
Taxation	7	(6,197)	(9,451)
Retained (loss)/profit for the year	13	<u>(492,308)</u>	<u>110,191</u>

The results stated above all relate to continuing activities

There have been no acquisitions or discontinued operations during the year

There are no recognised gains and losses other than the loss of £492,308 attributable to the shareholders for the year ended 31 December 2012 (2011 profit of £110,191)

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year above and their historical cost equivalents

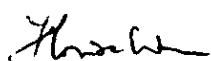
The accounting policies and the notes on pages 9 to 15 form part of these financial statements

Balance sheet

at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Investments	8	50	50
Current assets			
Debtors amounts falling due within one year	9	526,409	627,826
Cash at bank and in hand		32,486	46,300
		<u>558,895</u>	<u>674,126</u>
Creditors amounts falling due within one year	10	<u>(722,812)</u>	<u>(345,735)</u>
Net current (liabilities)/assets		(163,917)	328,391
Net (liabilities)/assets		<u>(163,867)</u>	<u>328,441</u>
Capital and reserves			
Called up share capital	11	2,000	2,000
Share premium account	12	24,000	24,000
Profit and loss account	12	(189,867)	302,441
	13	<u>(163,867)</u>	<u>328,441</u>

The financial statements on pages 7 to 15 were approved by the Board of Directors and were signed on its behalf by



For and on behalf of
UNM Investments Limited
Director

Date

02 SEP 2013

Registered No 02815333

Notes to the financial statements

at 31 December 2012

1. Accounting policies

Basis of preparation

The financial statements have been prepared on a consistent basis with prior accounting periods except for the adoption of the amendment to an existing accounting standard as issued by the Accounting Standards Board

- Amendment to FRS 29 (IFRS 7) Disclosures – Transfers of financial assets

The adoption of the above amendment has not had any impact on the financial position, performance, presentation or disclosures of the Company

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

The Company has exercised its entitlement under Sections 400 to 402 of the Companies Act 2006 to dispense with the requirement to prepare group financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent. Consequently the financial statements present information about the Company as an individual undertaking and not about its group.

The directors have prepared these financial statements on the going concern basis, in accordance with applicable accounting standards in the United Kingdom. This is because a fellow group undertaking has indicated that it will continue to provide adequate funds to the Company to enable it to meet its liabilities as and when they fall due.

Statement of cash flows

The Company has taken advantage of the exemption available under FRS 1 not to prepare a statement of cash flows on the grounds that the Company is wholly owned and its ultimate parent publishes consolidated financial statements.

Investments

Unlisted investments are stated at the lower of cost less provision for impairment.

The Company reviews investments for impairment if events or changes in circumstances indicate that the carrying value may be impaired. The Company assesses whether such indicators exist at each reporting date. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognised.

Turnover recognition

Turnover, which is stated net of discounts, VAT, and other sales related taxes, is recognised as follows:

Consultancy – turnover is recognised as services are delivered. Where consultancy services are provided over a period of time, revenue is recognised using the stage of completion method when the outcome of the contract can be measured reliably. The stage of completion is determined with regard to key milestones in the contract being attained and the percentage of services performed under the contract as a percentage of the total services to be performed.

Data revenue - turnover is recognised over the life of the subscription.

Notes to the financial statements

at 31 December 2012

Pension costs

The company participates in the United Group Pension Scheme, a defined contribution pension scheme. Contributions payable are charged to the profit and loss account as they fall due under the scheme rules.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide hedge against foreign equity investments, which are taken directly to reserves together with exchange differences on the carrying amount of the related investments. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in reserves.

2. Turnover and segmental analysis

The Company has elected as permitted under SSAP 25 (amended 2010) not to disclose segmental information, as it is a wholly owned subsidiary of a parent that provides segmental disclosures in accordance with IFRS. In addition, the Company has not carried on substantially different businesses or significantly different markets that would require disclosure under SI 2008 (paragraph 68) of the Companies Act 2006.

3. Operating (loss)/profit

This is stated after charging / (crediting)

	2012	2011
	£	£
Management charges	5,000	16,657
Foreign exchange losses	1,322	4,302
Management fee income	-	(47,687)
	<u>-</u>	<u>(47,687)</u>

Auditor's remuneration for 2012 of £3,500 (2011 £3,000) was borne by other United Kingdom group undertakings. No amounts were paid to the auditors in respect of non-audit services.

4. Staff costs

(a) Staff costs

	2012	2011
	£	£
Wages and salaries	507,058	624,918
Social security costs	56,478	69,951
Other pension costs	16,082	6,770
	<u>579,618</u>	<u>701,639</u>

Included in other pension costs are £16,082 (2011 £6,770) in respect of the defined contribution schemes.

Notes to the financial statements

at 31 December 2012

4. Staff costs (continued)

The average monthly number of employees during the year was made up as follows

	2012 Number	2011 Number
Consultancy	<u>15</u>	<u>15</u>

(b) Directors' emoluments

	2012 £	2011 £
Aggregate emoluments in respect of qualifying services	-	9,650
Aggregate pension contribution	-	188

	2012 Number	2011 Number
Number of directors accruing benefits under defined contribution scheme	-	1

In respect of the highest paid director

	2012 £	2011 £
Aggregate emoluments	-	9,650
Aggregate pension contribution	-	188

None of the directors received any emoluments for their services to the Company during the year

5. Pensions

During 2012 the Company participated in United Group Pension Scheme, a defined contribution pension scheme. Contributions payable are charged to the profit and loss account as they fall due under the scheme rules.

Defined contribution scheme pension costs amounted to £16,082 (2011: £6,770). Included in creditors is £nil (2011: £nil) in respect of contributions to the scheme.

Notes to the financial statements

at 31 December 2012

6. Interest payable and similar charges

	2012 £	2011 £
Bank loans and overdrafts	<u>414</u>	<u>900</u>

7. Taxation

(a) Tax on (loss)/profit on ordinary activities

The tax charge is made up as follows

	2012 £	2011 £
Current tax:		
UK corporation tax at 24.5% (2011: 26.5%)	-	-
Foreign taxes	<u>6,197</u>	<u>9,451</u>
Tax on (loss)/profit on ordinary activities	<u>6,197</u>	<u>9,451</u>

(b) Factors affecting the current tax charge

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	<u>(486,111)</u>	<u>119,642</u>
(Loss)/profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	(119,097)	31,705
Expenses not deductible for tax purposes	81	164
Deduction for foreign taxes	(1,518)	(2,504)
Foreign taxes	6,197	9,451
Group relief surrendered / (claimed) for nil consideration	120,534	(29,365)
Total current tax charge (note 7(a))	<u>6,197</u>	<u>9,451</u>

(c) Factors affecting future tax charge

The UK government has announced that there will be a phased decrease in the UK rate of corporation tax until it reaches 20% from 1 April 2015. Reductions to 24% from 1 April 2012 and to 23% from 1 April 2013 were enacted during 2011 and 2012 respectively and have therefore been reflected in the Company's financial statements. Each subsequent reduction will be reflected in the appropriate period once substantively enacted.

Notes to the financial statements

at 31 December 2012

8. Investments in subsidiaries

	£
Cost	
At 1 January 2012 and 31 December 2012	<u>50</u>
Amounts provided	
At 1 January 2012 and 31 December 2012	<u>-</u>
Net book value at 1 January 2012 and 31 December 2012	<u>50</u>

Details of the investments in which the Company holds a portion of the nominal value of the share capital are as follows

<i>Name of company</i>	<i>Country of incorporation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Research Solutions for Airports Limited	England and Wales	£1 Ordinary shares	50%	Research services

In the opinion of the directors the aggregate value of the Company's interest in its subsidiary undertakings is not less than the amount stated in the balance sheet

	2012 £	2011 £
Historical cost		
Unlisted	<u>50</u>	<u>50</u>
Value		
Unlisted	<u>50</u>	<u>50</u>

9. Debtors

	2012 £	2011 £
Amounts falling due within one year		
Trade debtors	114,986	204,350
Amounts owed by fellow group undertakings	336,310	281,761
Other debtors	-	4,452
Prepayments and accrued income	75,113	137,263
	<u>526,409</u>	<u>627,826</u>

Amounts owed by fellow group undertakings are unsecured, interest free and repayable on demand

Notes to the financial statements

at 31 December 2012

10. Creditors

	2012	2011
	£	£
<i>Amounts falling due within one year</i>		
Trade creditors	7,491	13,772
Amounts owed to fellow group undertakings	603,086	266,146
Other taxes and social security	1,950	-
Other creditors	-	10,034
Accruals and deferred income	110,285	55,783
	<u>722,812</u>	<u>345,735</u>

Amounts owed to fellow group undertakings are unsecured, interest free and repayable on demand

11. Allotted and issued share capital

	2012	2011
	£	£
<i>Allotted, called up and fully paid</i>		
2,000 ordinary shares of £1 each (2011 2,000)	<u>2,000</u>	<u>2,000</u>

12. Reserves

	Share premium account	Profit and loss account
	£	£
At 1 January 2012	24,000	302,441
Loss for the year	-	(492,308)
At 31 December 2012	<u>24,000</u>	<u>(189,867)</u>

13. Reconciliation of movements in shareholders funds

	2012	2011
	£	£
(Loss)/profit for the financial year	(492,308)	110,191
Shareholders funds at the beginning of the year	- 328,441	218,250
Shareholders (deficit) / funds at the end of the year	<u>(163,867)</u>	<u>328,441</u>

Notes to the financial statements

at 31 December 2012

14. Events after the balance sheet date

There have been no material events since the balance sheet date

15 Capital commitments

The Company does not have any capital commitments (2011 £nil)

16. Contingent liabilities

The Company does not have any contingent liabilities (2011 £nil)

17. Related party transactions

The Company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the UBM group, or investees of the group qualifying as related parties, as it is a wholly owned subsidiary of a parent publishing consolidated financial statements

18. Ultimate parent undertaking and controlling party

The immediate parent undertaking is UBM Aviation Routes Limited, which is registered in England and Wales

The ultimate parent undertaking and controlling party is UBM plc registered in Jersey and resident in the United Kingdom UBM plc is the parent undertaking of the smallest and largest group to consolidate these financial statements Copies of the financial statements for UBM plc can be obtained from the secretary at Ludgate House, 245 Blackfriars Road, London, SE1 9UY