

Company Registration number: 04355070

BOEING UNITED KINGDOM LIMITED

Annual Report and Financial Statements

Year ended 31 December 2013

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BOEING UNITED KINGDOM LIMITED
REPORT AND FINANCIAL STATEMENTS 2013

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BOEING UNITED KINGDOM LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Sir Roger Bone
Daniella Turner
James Herman Zrust
Robert Gatehouse (appointed on 20 August 2014)

Company Secretary

Simon Howard Jones (appointed on 26 September 2013)
John Catron (resigned on 26 September 2013)

Registered Office

25 Victoria Street, 4th Floor
London, SW1H 0EX

Auditor

Deloitte LLP
Chartered Accountants & Statutory Auditor
Cambridge, United Kingdom

Bankers

Barclays Bank
Hanover Square Corporate Banking Group
50 Pall Mall
London, SW1A 1QD

Solicitors

Eversheds LLP
One Wood Street
London EC2V 7WS

BOEING UNITED KINGDOM LIMITED

STRATEGIC REPORT

PRINCIPAL ACTIVITY

The principal activity of Boeing United Kingdom Limited (“the Company”) during the year was that of providing support services including payroll services and other administrative work to its parent company, The Boeing Company, incorporated in the USA and its affiliates.

KEY PERFORMANCE INDICATORS

The key performance indicator for the entity is ensuring that the costs of the entity are within the yearly budgets. The costs of sales for 2013 are £30,240,195 (2012: £29,722,551) and are in line with the yearly budget.

BUSINESS REVIEW

The results for the year are set out in the profit and loss account on page 8. The Company's turnover increased marginally by 1.3% from the prior year (2012: increased by 9%) as a result of additional services provided to The Boeing Company and its affiliates. The nature of the service agreements with The Boeing Company and its affiliates remains unchanged from the prior year.

The balance sheet on page 9 of the financial statements shows the Company's net asset position at year end has increased by 139%, predominantly due to the issuance of additional share capital during the year. The cash balance as at year end decreased as compared to the prior year as a result of timing differences between repayments received from the parent company in accordance with the Company's standard operating model. Management believes that the 2013 cash balance is at the appropriate level necessary for the current and future business needs.

PRINCIPAL RISKS AND UNCERTAINTIES

Management is well aware of the current global economic environment. However, due to the company's ongoing business operations, management does not believe that there are any material risks associated with manufacturing, technology, or the competitive market environment. The directors do not consider interest rate risk, liquidity risk, credit risk or cash flow risks as principal risks of the business because of the nature of the service agreement with the parent company, whereby it has been agreed to reimburse the company all its costs plus a fixed rate margin.

MARKET OUTLOOK

Management foresees continuous moderate growth despite the uncertainty presenting the global economic environment, in line with the growth in the parent company's activities in the region. Management expects the operating arrangement between the company and its parent company to remain similar for the foreseeable future.

Approved by the Board and signed on its behalf by:



Sir Roger Bone

Director

20 August 2014

BOEING UNITED KINGDOM LIMITED

DIRECTOR'S REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

DIRECTORS

The following persons served as directors during the period and, unless stated otherwise, to the date of this report:

Sir Roger Bone

James Herman Zrust

Daniella Turner

Robert Gatehouse (appointed on 20 August 2014)

GOING CONCERN

The directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 1.

DIVIDENDS

The directors do not recommend any dividend to be paid during the financial year.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Board Meeting.

AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



Sir Roger Bone

Director

20 August 2014

BOEING UNITED KINGDOM LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Director's 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, Financial Reporting Standards 102 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the applicable UK Generally Accepted Accounting Practice 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOEING UNITED KINGDOM LIMITED

We have audited the financial statements of Boeing United Kingdom Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 102 the financial reporting standard.

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 Directors' Responsibilities Statement, 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 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 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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 Financial Reporting Standard; 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 Strategic Report and 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 BOEING UNITED KINGDOM 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.



Paul Schofield FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom
26 August 2014

BOEING UNITED KINGDOM LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2013

	Note	2013 £	2012 (restated) £
TURNOVER	2	32,331,082	31,904,542
Cost of sales		<u>(30,240,195)</u>	<u>(29,722,551)</u>
GROSS PROFIT		2,090,887	2,181,991
Administrative expenses		<u>(136,803)</u>	<u>(90,926)</u>
OPERATING PROFIT		1,954,084	2,091,065
Interest receivable		<u>41,855</u>	<u>30,505</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,995,939	2,121,570
Tax on profit on ordinary activities	5	<u>(586,370)</u>	<u>(589,398)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,409,569</u></u>	<u><u>1,532,172</u></u>

All turnover and operating profit derive from continuing operations. There have been no recognised gains and losses either in the current or the preceding years other than those shown above.

BOEING UNITED KINGDOM LIMITED


BALANCE SHEET

As at 31 December 2013

	Note	2013 £	2012 (restated) £
FIXED ASSETS			
Investment in subsidiary	6	21,699,861	10
Tangible fixed assets	7	857,842	1,111,540
		<u>22,557,703</u>	<u>1,111,550</u>
CURRENT ASSETS			
Debtors	8	11,029,218	9,268,851
Deferred tax assets	9	60,601	238,163
Cash at bank and in hand		9,511,602	10,801,538
		<u>20,601,421</u>	<u>20,308,552</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(3,416,596)</u>	<u>(4,786,994)</u>
NET CURRENT ASSETS		<u>17,184,825</u>	<u>15,521,558</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>39,742,528</u>	<u>16,633,108</u>
NET ASSETS		<u>39,742,528</u>	<u>16,633,108</u>
CAPITAL AND RESERVES			
Called up share capital	11	21,700,851	1,000
Profit and loss account	14	18,041,677	16,632,108
SHAREHOLDER'S FUNDS		<u>39,742,528</u>	<u>16,633,108</u>

The financial statements of Boeing United Kingdom Limited, registered number 04355070, were approved by the Board of Directors and authorised for issue on 20 August 2014.

Signed on behalf of the Board of Directors



Sir Roger Bone

Director

BOEING UNITED KINGDOM LIMITED
STATEMENT OF CHANGES IN EQUITY
As at 31 December 2013

	Called-up share capital £	Profit and loss account £	Total £
At 31 December 2011 as previously stated	1,000	15,269,460	15,270,460
Changes on transition to FRS 102 (see note 14)	-	(169,524)	(169,524)
	<hr/>	<hr/>	<hr/>
At 1 January 2012 as restated	1,000	15,099,936	15,100,936
Profit for the financial year as restated	-	1,532,172	1,532,172
	<hr/>	<hr/>	<hr/>
At 31 December 2012 as restated	1,000	16,632,108	16,633,108
Profit for the year	-	1,409,569	1,409,569
Issue of share capital	21,699,851	-	21,699,851
	<hr/>	<hr/>	<hr/>
At 31 December 2013	<u>21,700,851</u>	<u>18,041,677</u>	<u>39,742,528</u>

BOEING UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Boeing United Kingdom Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the strategic report on page 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 14.

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

Consolidation exemption

The financial statements contain information about Boeing United Kingdom Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt from the requirement to prepare consolidated financial statements as it and its subsidiary, Boeing Commercial Aviation Services Europe Limited, are included in the consolidated financial statements of its ultimate holding company, The Boeing Company, a company registered in the USA. Copies of the group consolidated accounts can be obtained from The Boeing Company, 100 North Riverside Plaza, Chicago, Illinois, 60606, USA.

Going Concern – basis of preparation

The financial statements have been prepared on the going concern basis. The Company made a profit of £1,409,569 during 2013 (2012 (restated): £1,532,172). Based on the 2013 performance, year to date performance for 2014, 2015 forecasts and future business projections, the directors are of the opinion that the company will continue in operational existence, as a going concern, for the foreseeable future. In addition, Boeing United Kingdom Limited has obtained confirmation from The Boeing Company that they will provide financial support to the Company to enable the Company to meet all obligations as they fall due for at least 12 months from the date of signing these financial statements.

The directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

Boeing UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemption has been taken in relation to presentation of a cash flow statement.

BOEING UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Leasehold improvements	Over the period of the lease
Furniture and equipment	Straight line – 3 to 10 years

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

Investments

The investment in subsidiary is stated at cost less any provision for impairment.

Pension costs

The company operates a defined contribution pension scheme for employees. Contributions are charged to the profit and loss account as they become payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term. In accordance with the transitional provisions of FRS 102, lease incentives which were in existence prior to the date of transition have been spread over the shorter of the lease term and the period to the first review date on which the rent is first expected to be adjusted to the prevailing market rate.

Current taxation

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

Deferred taxation

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.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

BOEING UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

2. TURNOVER

Turnover represents amounts derived from the provision of services which all fall within the company's ordinary activity and is wholly derived from the parent company in the USA and the subsidiary companies within the group.

3. EMPLOYEES

	2013 £	2012 £
UK Staff		
Wages and salaries	6,780,221	7,136,575
Social security costs	752,176	767,010
Pension costs	382,851	393,813
	<u>7,915,248</u>	<u>8,297,398</u>
	No.	No.
Average number of people employed on local terms	85	88
	2013 £	2012 £
Directors' Remuneration		
Emoluments	799,638	707,159
Company contributions to money purchase pension schemes	10,917	20,009
	<u>810,555</u>	<u>727,168</u>
	No.	No.
The number of directors who:		
Are members of a money purchase pension scheme	<u>1</u>	<u>2</u>
	2013 £	2012 £
Remuneration of the highest paid director:		
Emoluments	656,893	558,486
Company contributions to money purchase pension schemes	-	9,359

BOEING UNITED KINGDOM LIMITED**NOTES TO THE ACCOUNTS****Year ended 31 December 2013****4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2013	2012
	£	(restated) £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation (note 7)	326,143	499,197
Rentals under operating leases		
Plant & machinery	34,279	33,975
Other	604,432	606,088
Foreign exchange loss	1,745	552
Auditor's remuneration		
Fees payable for the audit of the Company's annual accounts	45,000	43,400
	<u>45,000</u>	<u>43,400</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2013	2012
	£	(restated) £
UK corporation tax on profits for the year	449,077	593,140
Under provision in prior years	107,635	-
Current tax charge for the year	<u>556,712</u>	<u>593,140</u>
Deferred taxation		
Timing differences, origination and reversal	29,658	(3,742)
Tax charge on profit on ordinary activities	<u>586,370</u>	<u>589,398</u>

BOEING UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

5. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The tax assessed for the year is different from that resulting from applying the standard rate of corporation tax in the UK. The differences are explained below:

	2013	2012
	£	(restated) £
Profit on ordinary activities before taxation	1,995,939	2,121,570
Tax charge on profit on ordinary activities at standard rate of 23.25% (2012: 24.5%)	464,056	519,785
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	5,812	12,659
Capital allowances in excess of depreciation	-	56,954
Tax rate change	8,867	-
Under provision in prior years	107,635	-
Current tax charge for the year	586,370	589,398

The standard rate of tax applied to reported profit on ordinary activities is 23.25% (2012: 24.5%).

There is no expiry date on timing differences, unused tax losses or tax credits.

The Government has enacted future reductions in the main tax rate down to 21% effective from 1 April 2014 and to 20% by 1 April 2015. As these tax rates were substantively enacted at the balance sheet date, the rate reduction is reflected in these financial statements in accordance with FRS 102 Section 32.

BOEING UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

6. INVESTMENT IN SUBSIDIARY

	2013 £	2012 £
Shares in group undertaking		
At 1 January	10	-
Additions in year	21,699,851	10
At 31 December	<u>21,699,861</u>	<u>10</u>

Boeing Commercial Aviation Services Europe Limited, a company incorporated in the United Kingdom is a wholly owned subsidiary of the Company. The principal activity of Boeing Commercial Aviation Services Europe Limited is the provision of service activities incidental to air transportation. During the year, Boeing Commercial Aviation Services Europe Limited issued additional share capital of £21,699,851 of which all the shares were issued, allotted and fully paid for cash at par by the Company.

7. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Furniture and equipment £	Total £
Cost			
At 1 January 2013	3,092,196	782,639	3,874,835
Additions	63,950	8,495	72,455
At 31 December 2013	<u>3,156,146</u>	<u>791,134</u>	<u>3,947,280</u>
Accumulated depreciation			
At 1 January 2013	(2,190,763)	(572,532)	(2,763,295)
Charge for the year	(289,305)	(36,838)	(326,143)
At 31 December 2013	<u>(2,480,068)</u>	<u>(609,370)</u>	<u>(3,089,438)</u>
Net book value			
At 31 December 2013	<u>676,078</u>	<u>181,764</u>	<u>857,842</u>
At 31 December 2012	<u>901,433</u>	<u>210,107</u>	<u>1,111,540</u>

BOEING UNITED KINGDOM LIMITED**NOTES TO THE ACCOUNTS**

Year ended 31 December 2013

8. DEBTORS

	2013	2012
	£	£
Amounts due from parent company	7,154,756	6,090,202
Amounts due from subsidiary	3,145,343	126,034
Amounts due from other affiliates	396,373	212,160
Other debtor	145,140	249,537
Corporate income tax recoverable	105,830	2,463,697
Prepayments and accrued income	81,776	127,221
	<u>11,029,218</u>	<u>9,268,851</u>

9. DEFERRED TAX ASSETS

	2013	2012
	£	(restated) £
Deferred tax asset		
At 1 January	238,163	234,421
Movement in period	(177,562)	3,742
	<u>60,601</u>	<u>238,163</u>
At 31 December		
Comprising:		
Capital allowances in excess of depreciation	18,548	169,235
Timing difference of lease payments	42,053	68,928
	<u>60,601</u>	<u>238,163</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	(restated) £
Amounts payable to other affiliate	-	1,870
Taxation and social security	453,333	470,559
Accruals and deferred income	2,952,580	4,080,208
VAT payable	10,683	234,357
	<u>3,416,596</u>	<u>4,786,994</u>

BOEING UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

11. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Authorised		
21,700,851 ordinary shares of £1 each	21,700,851	1,000
Called up, allotted and fully paid		
21,700,851 ordinary shares of £1 each	21,700,851	1,000

On 15 July 2013, the Company increased its authorised share capital and issued 21,699,851 ordinary shares of £1 each to the parent company, The Boeing Company. All the new ordinary shares were issued, allotted and fully paid for cash at par.

12. FINANCIAL COMMITMENTS

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

	Land and buildings 2013 £	Other 2013 £	Land and buildings 2012 (restated) £	Other 2012 (restated) £
Expiry date:				
Within one year	604,432	14,960	604,432	14,960
Between one and five years	2,204,196	1,312	2,419,384	16,272
After five years	322,421	-	711,665	-
	<u>3,131,049</u>	<u>16,272</u>	<u>3,735,481</u>	<u>31,232</u>

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available in FRS 102 Section 33.1A relating to the disclosure of intra-group transactions between two or more members of the group, provided that all subsidiaries party to the transaction are wholly owned by the group, not to disclose transactions provided that the consolidated financial statements in which that subsidiary is included is publicly available.

BOEING UNITED KINGDOM LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2013

14. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2012 and the date of transition to FRS 102 was therefore 1 January 2012. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

In accordance with the transitional provisions of FRS 102, lease incentives on leases which were in existence prior to the date of transition have been spread over the shorter of the lease term and the period to the first review date on which the rent is first expected to be adjusted to the prevailing market rate.

Reconciliation of equity

Note	At 1 January 2012 £	At 31 December 2012 £
Equity reported under previous UKGAAP	15,270,460	16,863,866
Adjustments to equity on transition to FRS 102		
Lease smoothing liability	(209,311)	(90,375)
Tax movement as a result of transition	39,787	29,141
Prior year impact on transition to FRS102	-	(169,524)
Equity reported under FRS 102	15,100,936	16,633,108

Reconciliation of profit for 2012

Note	£
Profit for the financial year under previous UK GAAP	1,593,406
Adjustment for lease smoothing liability	(90,375)
Tax movement as a result of transition	29,141
Profit for the financial year under FRS 102	1,532,172

15. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate and ultimate parent company and controlling party and parent of the smallest and largest group of which the company is a member for which group accounts are prepared is The Boeing Company, a company registered in the USA. Copies of the group consolidated accounts can be obtained from The Boeing Company, 100 North Riverside Plaza, Chicago, Illinois, 60606, USA.