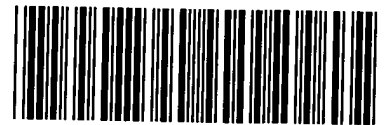


Menzies Group Holdings Limited

**Report and Accounts
for the year ended 31 December 2014**

Company No. 748655

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Menzies Group Holdings Limited

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Menzies Group Holdings Limited

Company information

Directors	P Bell JFA Geddes
Secretary	JFA Geddes
Registered Office	2 World Business Centre Heathrow Newall Road London Heathrow Airport Hounslow TW6 2SF
Company number	748655
Auditors	Ernst & Young LLP G1 5 George Square Glasgow G2 1DY

Menzies Group Holdings Limited

Directors' Report

The directors have pleasure in submitting their annual report together with the audited accounts for the year ended 31 December 2014 (year ended 31 December 2013).

Principal activities and results for the year

The Company acts as a holding Company for investments in subsidiaries.

The results for the Company show a pre-tax profit of £28.8m (2013: £1.8m), which includes dividends received of £33.5m (2013: £6.8m), the details of which are shown in note 3. The directors approved and paid a dividend of £15,952.38 per share (2013: £9,523.81), amounting to £33.5m (2013: £20.0m) to John Menzies plc in the year.

Going Concern

In line with the FRC guidance on Going Concern, the directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis and have concluded that it is appropriate. The factors considered by the directors are identical to those of its parent company, John Menzies plc, and are outlined within the Directors' Report of that company.

Directors

The directors of the Company who served throughout the year and to the date of this report can be found on page 3.

Future developments

The future developments of the Company are described in the Strategic Report.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report, Strategic 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 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 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business state.

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.

Auditors and disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Menzies Group Holdings Limited

Directors' Report (continued)

Auditors

A resolution to reappoint Ernst & Young LLP as auditors to the Company will be proposed at the Annual General Meeting.

By Order of the Board


JFA Geddes
Secretary

1 June 2015

Menzies Group Holdings Limited

Strategic Report

Business review and future developments

The Company continued to earn finance income from investments in subsidiaries. The Company expects its activities in 2015 to be similar to those of 2014.

Principal risks and uncertainties

The Company's principal financial instruments comprise inter group loans. The principal risks to which the company is exposed are those relating to credit, liquidity and interest rate risk. These risks are managed in accordance with Board approved policies.

Credit risk

The credit risk associated with the Company's inter group receivables is considered to be limited.

Liquidity risk

The Company obtains funds for its operations via the Group's bank facilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and loans.

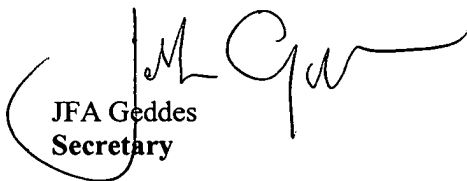
Interest rate risk

The Company's inter group balances are subject to variable interest rates. Interest rate risk is regularly monitored and is not considered to be material.

Key Performance Indicators

The directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the performance or position of the Company.

By Order of the Board


JFA Geddes
Secretary

1 June 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MENZIES GROUP HOLDINGS LIMITED

We have audited the financial statements of Menzies Group Holdings Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholder's Funds, the Balance Sheet and the related notes 1 to 11. 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 Directors' Report and Strategic 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 2014 and of its profit 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.

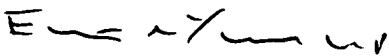
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic 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.


Ian McDowall (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

3 June 2015

Menzies Group Holdings Limited

Profit and loss account for the year ended 31 December 2014

	Notes	2014 £m	2013 £m
Finance income	3	34.8	7.8
Finance charges	4	(6.0)	(6.0)
Profit on ordinary activities before taxation		28.8	1.8
Taxation credit	5	1.0	1.2
Profit for the financial year	10	29.8	3.0
Reconciliation of movements in shareholder's funds			
		2014 £m	2013 £m
Retained profit for the financial year		29.8	3.0
Dividends paid	6	(33.5)	(20.0)
Shareholder's funds at beginning of year		28.9	45.9
Shareholder's funds at end of year		25.2	28.9

There were no material recognised gains and losses other than the result for the current and previous financial years. There is no difference between the historic cost profit and the profit stated above.

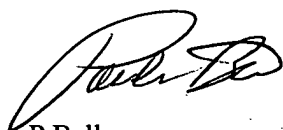
All activities are continuing.

Menzies Group Holdings Limited

Balance sheet
At 31 December 2014
Company No. 748655

	Notes	2014 £m	2013 £m
Fixed assets			
Investments - shares in Group companies	7	<u>186.1</u>	<u>186.1</u>
Current assets			
Amounts owed by Group companies - due within one year		2.7	2.7
Corporation tax recoverable		<u>1.0</u>	<u>1.2</u>
		<u>3.7</u>	<u>3.9</u>
Creditors: amounts falling due within one year			
Amounts due to Group companies	8	<u>(164.6)</u>	<u>(161.1)</u>
Net current liabilities		<u>(160.9)</u>	<u>(157.2)</u>
Total assets less current liabilities		<u>25.2</u>	<u>28.9</u>
Net assets		<u>25.2</u>	<u>28.9</u>
Capital and reserves			
Called up share capital	9	-	-
Share premium		20.9	20.9
Profit and loss account	10	<u>4.3</u>	<u>8.0</u>
Total shareholder's funds		<u>25.2</u>	<u>28.9</u>

The financial statements on pages 8 to 14 were approved by the board of directors on 1 June 2015 and signed on its behalf by:



P Bell
Director

Menzies Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2014

1. Accounting Policies

Accounting periods

These financial statements are for the year ended 31 December 2014 (year ended 31 December 2013).

Accounting convention and preparation

The financial statements have been prepared under the historical cost convention and in accordance with accounting standards applicable in the UK, which have been applied consistently.

Basis of accounting

At the balance sheet date, the Company was a wholly owned subsidiary of John Menzies plc and the cash flows of the Company are included in the consolidated group cash flow statement of John Menzies plc. The Company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the John Menzies plc Group.

Consolidated financial statements

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent, John Menzies plc.

Investments

Investments are stated at cost less any provision for impairment.

Deferred taxation

Deferred tax is provided in full on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. Directors and employees

	2014 £m	2013 £m
Aggregate remuneration in respect of qualifying services	0.8	0.7
Aggregate amounts receivable under long term incentive plans	-	0.1
	No.	No.
Number of directors who received shares in respect of qualifying services	1	2
Number of directors who exercised share options	1	2
Number of directors accruing benefits under defined benefit schemes	1	2
Number of directors accruing benefits under defined contribution schemes	-	-
	2014 £m	2013 £m
In respect of the highest paid director:		
Aggregate remuneration	0.5	0.3

The highest paid director did not exercise share options during the year and did not receive shares under the group's long term incentive scheme.

Menzies Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2014

2. Directors and employees (continued)

Expenses of management, including auditor's remuneration, are borne by the parent company (2013: same). The Company has no employees (2013: nil).

The directors of the Company are also directors of other subsidiary companies within the John Menzies Group. The directors do not believe that it is practicable to apportion the aggregate remuneration receivable between their services as directors of the Company and their services as directors of fellow subsidiaries.

3. Finance income

	2014 £m	2013 £m
Dividends received from subsidiary undertakings	33.5	6.8
Interest received from group companies	1.3	1.0
	<u>34.8</u>	<u>7.8</u>

Dividends received from subsidiaries:

	2014 £m	2013 £m
Menzies Distribution Limited	1.1	2.8
John Menzies (108) Limited	4.0	2.0
Princes Street (Jersey) Limited	2.8	2.0
Menzies Aviation Holdings Limited	23.0	-
DNDS Limited	2.6	-
	<u>33.5</u>	<u>6.8</u>

4. Finance charges

	2014 £m	2013 £m
Interest paid to group companies	<u>(6.0)</u>	<u>(6.0)</u>

5. Taxation

	2014 £m	2013 £m
UK corporation tax credit	<u>1.0</u>	<u>1.2</u>

The difference between the current year effective rate and the standard rate is reconciled below:

Menzies Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2014

5. Taxation (continued)

	<u>2014</u> £m	<u>2013</u> £m
Profit on ordinary activities before tax	<u>28.8</u>	<u>1.8</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	(6.2)	(0.4)
Effects of: UK dividends received	<u>7.2</u>	<u>1.6</u>
Total current tax credit	<u><u>1.0</u></u>	<u><u>1.2</u></u>

6. Dividends paid

	<u>2014</u> £m	<u>2013</u> £m
Dividend paid	<u><u>33.5</u></u>	<u><u>20.0</u></u>

A dividend of £15,952.38 per ordinary share was paid to John Menzies plc, amounting to £33.5m (2013: £20.0m).

Menzies Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2014

7. Investments

	Holding %	2014 £m	2013 £m
Shares in Group companies (unlisted):			
(a) Menzies Distribution Limited 24,999,000 ordinary shares of £1 each 1,000 3% non-cumulative preference shares	55.9	25.0	25.0
(b) Menzies Aviation Holdings Limited 1,000,000 ordinary shares at £1 each	100	30.9	30.9
(c) Lonsdale Universal Limited 2,805,123 ordinary shares of £1 each	100	2.5	2.5
(d) Princes Street (Jersey) Limited 10,000 ordinary shares of £1 each	16.3	75.0	75.0
(e) John Menzies International Limited 40,000 ordinary shares of £1 each	100	3.4	3.4
(f) John Menzies (108) Limited 35,488,002 ordinary shares of £1 each	100	49.3	49.3
(g) Jones Yarrell & Company Limited 3,000 ordinary shares of £1 each	100	-	-
(h) Rose Street Nominees Limited 4,000 preferred ordinary shares of £1 each 4,000 ordinary shares at £1 each	100	-	-
(i) DNDS Limited 2 ordinary shares of £1 each	100	-	-
		<u>186.1</u>	<u>186.1</u>

8. Amounts due to Group companies

This balance includes a Loan Note, for which the principal amount of £46.4m is repayable on 31 December 2015, the noteholder may at its discretion call for early repayment. The loan note bears interest at a rate of 12 month LIBOR plus 2.5%.

9. Share capital

	2014 £	2013 £
Allotted, called up and fully paid:		
Ordinary shares of £1 each	2,100	2,100
Deferred ordinary shares of £1 each	18,000	18,000
	<u>20,100</u>	<u>20,100</u>

Menzies Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2014

10. Profit and loss account

	2014	2013
	£m	£m
At beginning of the year	8.0	25.0
Profit for the year	29.8	3.0
Dividends paid	(33.5)	(20.0)
At end of the year	4.3	8.0

11. Ultimate holding company

The immediate and ultimate holding company is John Menzies plc, which is registered in Scotland. Copies of the Group accounts can be obtained from:

The Secretary
John Menzies plc
2 Lochside Avenue
Edinburgh Park
EH12 9DJ