

**Air UK Leasing Limited**

**Directors' report and financial  
statements**

Registered number 497053

31 March 2004



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29/04/05

## Directors' report and financial statements

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## Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2004.

### Principal activities

The company was engaged in the leasing of aircraft. The company has ceased to trade.

### Results and dividends

The company did not trade during the year ended 31 March 2004.

The directors do not recommend the payment of a dividend for the year (2003: £nil).

### Directors and directors' interests

The directors of the company who held office in the year are as follows:

F J van Pallandt	(resigned 31 July 2003)
J Derbyshire	(resigned 30 June 2003)
E F van Galen	(appointed 30 June 2003)

The company has in place insurance against the liabilities of all the directors in relation to the company.

No director in office at 31 March 2004 had any disclosable interest in the shares of KLM Royal Dutch Airlines NV, Air UK Leasing Limited or any other group company during the year.

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

  
E F van Galen  
Director

Skyway House  
Parsonage Road  
Takeley  
Bishop's Stortford  
Herts  
CM22 6PU

27-04-05

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 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.

The directors are responsible for keeping proper accounting records 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 1985. 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.



KPMG LLP  
8 Salisbury Square  
London  
EC4Y 8BB  
United Kingdom

## **Auditors' report to the members of Air UK Leasing Limited**

We have audited the financial statements on pages 4 to 7.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 opinion we have formed.

### ***Respective responsibilities of directors and auditors***

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom Law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### ***Basis of audit opinion***

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### ***Opinion***

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG LLP**  
Chartered Accountants  
Registered Auditor

29 April 2005

## Profit and loss account

During the financial year and the preceding year the company did not trade and received no income and incurred no expenditure. Consequently, during those periods the company made neither a profit nor a loss.

## Balance sheet

*As at 31 March 2004*

	Note	2004	2003
		£	£
<b>Current assets</b>			
Cash at bank and in hand	1		
<b>Creditors: amounts falling due within one year</b>	4	(4,652,383)	(4,652,383)
<b>Net current liabilities</b>		(4,652,382)	(4,652,382)
<b>Net liabilities</b>		(4,652,382)	(4,652,382)
<b>Capital and reserves</b>			
Called up share capital	5	50,000	50,000
Profit and loss account	6	(4,702,382)	(4,702,382)
<b>Equity shareholders' deficit</b>	7	(4,652,382)	(4,652,382)

These financial statements were approved by the board of directors on 27/4/05 and were signed on its behalf by:

  
E. van Galen  
Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of accounting*

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

#### *Cash flow statement*

Under Financial Reporting Standard No. 1 (Revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the company in its own published consolidated financial statements.

**Notes** *(continued)*

**2 Staff numbers and costs**

There were no staff employed by the company and hence no payroll costs incurred in the year (2003: *nil*).

There were no directors' emoluments paid during the year (2003: *nil*).

**3 Tax on ordinary activities**

There is no tax charge for the year (2003: *£nil*).

**4 Creditors: amounts falling due within one year**

	2004 £	2003 £
Amounts owed to parent and fellow subsidiary undertakings	<u>4,652,383</u>	<u>4,652,383</u>

**5 Called up share capital**

	2004 £	2003 £
<i>Authorised, allotted and fully paid:</i>		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>



## Notes (continued)

### 6 Reserves

	Profit and loss account £
At 1 April 2003	(4,702,382)
Result for the year	-
	<hr/>
At 31 March 2004	(4,702,382)
	<hr/>

### 7 Reconciliation of movement in equity shareholders' funds

	2004 £	2003 £
Opening equity shareholders' funds	(4,652,382)	(4,652,382)
Retained profit for the year	-	-
	<hr/>	<hr/>
Closing equity shareholders' funds	(4,652,382)	(4,652,382)
	<hr/>	<hr/>

### 8 Related party transactions

No disclosure has been made of transactions with the parent undertakings as advantage has been taken of the exemption contained in Financial Reporting Standard No.8 granted to subsidiary undertakings where 90% or more of the voting rights are controlled within the group.

### 9 Ultimate parent company

At 31 March 2004, the directors considered the company's ultimate parent undertaking and the largest group in which the results of the company are consolidated to be KLM Royal Dutch Airlines NV, which is registered in the Netherlands.

As from 1 May 2004, as a result of the merger of KLM Royal Dutch Airlines NV with Air France, the company's ultimate parent undertaking is considered to be AIR FRANCE-KLM, which is registered in France.

The financial statements of the ultimate parent undertaking can be obtained from Skyway House, Parsonage Road Takeley, Bishop's Stortford, Herts, CM22 6PU.

The smallest group in which the results of the company are consolidated is that headed by KLM UK Holdings Limited, which is registered in England and Wales.

At 31 March 2004 the directors considered the company's immediate parent undertaking to be KLM UK Limited, which is registered in England and Wales. The financial statements of KLM UK Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff.