

Westcountry Aircraft Servicing Limited

**Directors' report and financial
statements**

Registered number 00804531

31 March 2006



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2006.

Principal activity

The company has not traded during the year. It is not anticipated that the company will recommence trading in the near future.

Directors and directors' interests

The directors who held office during the year were as follows:

DM Brown
D Quick (resigned 3 March 2006)
CE Simpson
J French
MJH Chown

All the directors are directors of Flybe Group Limited (formerly Walker Aviation Limited) and their interests are disclosed in the directors' report of that company.

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

According to the registrar of directors' interests, no rights to subscribe for shares in the company were granted to any of the directors or their immediate families, or exercised by them, during the financial 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



CE Simpson
Director

Jack Walker House
Exeter International Airport
Exeter
Devon
EX5 2HL

2 November 2006

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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of its 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 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that its 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.



KPMG LLP

Plym House
3 Longbridge Road
Plymouth
PL6 8LT
United Kingdom

Independent auditors' report to the members of Westcountry Aircraft Servicing Limited

We have audited the financial statements of Westcountry Aircraft Servicing Limited for the year ended 31 March 2006 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, note of historical cost profits and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 purposes. 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 described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statement give a true and fair view and are properly prepared in accordance with the Companies Act 1985. 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

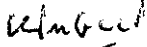
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements.


KPMG LLP
Chartered Accountants
Registered Auditor

 2006

Profit and loss account

for the year ended 31 March 2006

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

The company had no recognised gains or losses in either 2006 or 2005.

There were no acquisitions or discontinued operations within the company during 2006 or 2005.

Balance sheet

at 31 March 2006

	Note	2006 £	2005 £
Creditors: amounts falling due within one year			
Amounts owed to parent and fellow subsidiary undertakings		(11,171)	(11,171)
Net liabilities		<u>(11,171)</u>	<u>(11,171)</u>
Capital and reserves			
Called up share capital	2	1,000	1,000
Profit and loss account		<u>(12,171)</u>	<u>(12,171)</u>
Equity shareholders' deficit		<u>(11,171)</u>	<u>(11,171)</u>

These financial statements were approved by the board of directors on 2 November 2006 and were signed on its behalf by:



CE Simpson
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 preparation

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

The going concern assumption has been used on the basis that Rosedale (JW) Investments Limited ("Rosedale") as the majority shareholder of the company has confirmed that, in the absence of unforeseen circumstances of an extraordinary nature which affect the airline industry as a whole, Rosedale will provide such additional financial support as may be required to enable the company and its subsidiary companies to continue trading during the period to 30 June 2006.

The company is exempt from the requirement of Financial Reporting Standard No.1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Flybe Group Limited (formerly Walker Aviation Limited), and its cash flows are included within the consolidated cash flow statement of that company.

The company is exempt from the requirement of Financial Reporting Standard No.8 to disclose related party transactions with the Flybe Group (formerly Walker Aviation Group) and its associated undertakings on the grounds that it is a wholly owned subsidiary undertaking of Flybe Group Limited (formerly Walker Aviation Limited).

2 Share capital

	2006	2005
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each	1,000	1,000

3 Ultimate parent company and parent undertaking of larger group of which the company is a member

The directors regard Rosedale (JW) Investments Limited, incorporated in Jersey, as the ultimate parent company.

The largest and smallest group in which the results of the company are consolidated is that headed by Flybe Group Limited (formerly Walker Aviation Limited), incorporated in Great Britain and registered in England and Wales. The consolidated accounts of this group are available to the public and may be obtained from the Registrar of Companies, Crown Way, Maindy, Cardiff.

The auditors' remuneration has been paid on behalf of the Company by Flybe Group Limited (formerly Walker Aviation Limited).