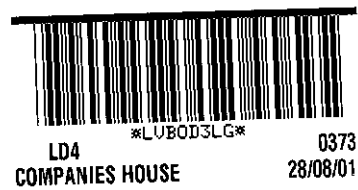


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MANN AVIATION SALES LIMITED

REPORT AND FINANCIAL STATEMENTS

31st OCTOBER 2000



Mann Aviation Sales Limited
Report and Financial Statements
For the year ended 31st October 2000

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Mann Aviation Sales Limited**Company Information****Directors**

A.G. Mann
C.J. Hobbs
R. Luscombe

Secretary and Registered Office

C.J. Hobbs
Fairoaks Airport, Chobham, Woking, Surrey, GU24 8HU

Registered Number

1110435 (England and Wales)

Auditors

Moore Stephens
Chartered Accountants
St. Paul's House, Warwick Lane, London, EC4P 4BN

Bankers

National Westminster Bank
P.O. Box No 38, 4th Floor, Abbey House, 282 Farnborough Road,
Farnborough, Hants. GU14 7YT

Solicitors

Mackrell Turner Garrett
Church Gate, 9-11 Church Street West, Woking, Surrey, GU21 1DJ

Mann Aviation Sales Limited

Report of the Directors

The directors present their report with the financial statements of the company for the year ended 31st October 2000.

Principal Activity

The principal activity of the company in the year under review was that of earning commission on the sale of aircraft. The directors are continuing to look for opportunities to earn commission.

Dividends

No dividends will be distributed for the year ended 31st October 2000.

Directors

The directors during the year under review were:

A.G. Mann (Chairman)
C.J. Hobbs
R. Luscombe (appointed 20th September 2000)

Throughout the year the company was a wholly owned subsidiary of Fair Oaks Airport Limited so the directors did not have a direct interest in the share capital. Interests in the share capital of the ultimate holding company, Fair Oaks Holdings Limited, are detailed in that company's directors report.

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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

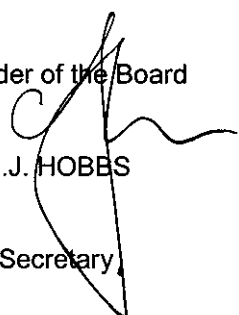
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Mann Aviation Sales Limited**Report of the Directors (Continued)****Auditors**

The auditors, Moore Stephens, who were appointed during the year are willing to continue in office. A resolution for their reappointment and authorising the directors to fix their remuneration will be submitted to the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board



C.J. HOBBS

Secretary

**Report of the Auditors to the Shareholders of
Mann Aviation Sales Limited**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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.

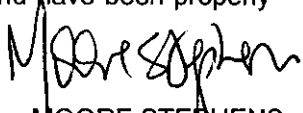
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 31st October 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House
London, EC4P 4BN

18 JUL 2001


MOORE STEPHENS
Registered Auditor
Chartered Accountants

Mann Aviation Sales Limited

**Profit and Loss Account
For the year ended 31st October 2000**

	<u>Note</u>	<u>2000</u> £	<u>1999</u> £
Turnover	2	448,792	424,041
Administrative expenses		145,359	150,056
Operating Profit	3	303,433	273,985
Interest received and similar income		3,218	424
Profit on Ordinary Activities before Taxation		306,651	274,409
Tax on profit on ordinary activities	4	157,301	6,804
Profit for the Financial Year after Taxation		149,350	267,605
Retained profit brought forward		36,892	(230,713)
Retained Profit Carried Forward		£ 186,242	£ 36,892

All of the company's activities are in respect of continuing operation.

The company has no recognised gains or losses other than the those in the profit and loss account.

Mann Aviation Sales Limited

Balance Sheet as at 31st October 2000

	Note	2000		1999	
		£	£	£	£
Fixed Assets					
Tangible assets	5		1,864		2,743
Current Assets					
Debtors	6	375,754		37,975	
Cash at bank and in hand		13,583		351,218	
		<u>389,337</u>		<u>389,193</u>	
Creditors, amounts falling due within one year	7	<u>(204,859)</u>		<u>(354,944)</u>	
Net Current Assets			184,478		34,249
Total Assets Less Current Liabilities		£	<u>186,342</u>	£	<u>36,992</u>
Capital and Reserves					
Called up share capital	10		100		100
Profit and loss account			186,242		36,892
Shareholders' Funds	15	£	<u>186,342</u>	£	<u>36,992</u>

These financial statements have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on
and signed on its behalf by

A.G. MANN)
C.J. HOBBS)

Directors

18 JUL 2001

Mann Aviation Sales Limited

**Notes to the Financial Statements
For the year ended 31st October 2000**

1. Principal Accounting Policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention.

(b) Turnover

Turnover represents net invoiced sales, excluding Value Added Tax.

(c) Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery, etc - 25% on cost and 15% on reducing balance

In addition to the above improvements to land and buildings are depreciated on a straight line basis to write off the cost over the period to 30th October 2009.

(d) Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

(e) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

(f) Pensions

The company participates in a mixed scheme containing both a defined benefit and defined contribution section.

The regular pension cost in respect of the defined benefit section is charged to the profit and loss account and is based on the expected pension costs over the service life of the employees (currently estimated at twenty years). Given the latest triennial actuarial valuation showed only a small deficit, the payments made in the current year are charged to the profit and loss account as incurred.

Contribution payable for the year in respect of the defined contribution section of the scheme are charged to the profit and loss account.

Mann Aviation Sales Limited

**Notes to the Financial Statements
For the year ended 31st October 2000 (Continued)**

2. Turnover

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by geographical market is given below:

	<u>2000</u> £	<u>1999</u> £
Overseas	100%	100%

3. Operating Profit

The operating profit is stated after charging:

	<u>2000</u> £	<u>1999</u> £
Hire of plant and machinery	-	672
Depreciation - owned assets	879	1,186
Auditors' remuneration	1,520	2,400
Foreign exchange differences	-	4,599
Pension costs	10,288	8,707
Rent	6,840	6,965
	<u> </u>	<u> </u>
Directors' emoluments and other benefits, etc	-	-

4. Taxation

The tax charge on the profit on ordinary activities for the year was as follows:

	<u>2000</u> £	<u>1999</u> £
UK corporation tax	11,250	6,804
Group relief	146,051	-
	<u>157,301</u>	<u>6,804</u>

Mann Aviation Sales Limited

Notes to the Financial Statements
For the year ended 31st October 2000 (Continued)

5. Tangible Fixed Assets

	Plant and machinery etc £
Cost	
At 1st November 1999 and at at 31st October 2000	20,913
Depreciation	
At 1st November 1999	18,170
Charge for the year	879
At 31st October 2000	19,049
Net book value	
At 31st October 2000	1,864
At 31st October 1999	2,743

6. Debtors: amounts falling due within one year

	<u>2000</u> £	<u>1999</u> £
Trade debtors	374,568	35,529
Other debtors	1,186	2,004
Owed by group undertakings	-	442
	<u>375,754</u>	<u>37,975</u>

7. Creditors: amounts falling due within one year

	<u>2000</u> £	<u>1999</u> £
Bank loans and overdrafts (see note 8)	-	825
Trade creditors	4,305	1,459
Other creditors	18,735	18,657
Owed to group undertakings	168,795	325,467
Other taxes and social security	1,774	1,732
Taxation	11,250	6,804
	<u>204,859</u>	<u>354,944</u>

Mann Aviation Sales Limited

**Notes to the Financial Statements
For the year ended 31st October 2000 (Continued)**

8. Loans and Overdrafts

An analysis of the maturity of loans and overdrafts is given below:

	<u>2000</u> £	<u>1999</u> £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	825

The bank overdraft is secured by a fixed and floating charge over the assets of the company.

9. Provisions for Liabilities and Charges

The amounts for which no provision has been made in respect of deferred taxation, is as follows:

	<u>2000</u> £	<u>1999</u> £
Accelerated capital allowances	35	98

10 Called Up Share Capital

Authorised, allotted, issued and fully paid:

<u>Number</u>	<u>Class</u>	<u>Nominal value</u>	<u>2000</u> £	<u>1999</u> £
100	Ordinary	£1	100	100

11. Ultimate Parent Company

In the opinion of the directors, the company's ultimate parent company at 31st October 2000 was Fairoaks Holdings Limited, a company registered in England and Wales.

The directors are of the opinion that Mr. A.G. Mann (a director of the company) is the ultimate controlling party. Mr. A.G. Mann is both a director and shareholder of Fairoaks Holdings Limited.

12. Contingent Liabilities

The company has given an unlimited guarantee in respect of amounts due by fellow group undertakings to the group's principal bank. This is secured by a fixed and floating charge over all the assets of the company. At 31st October 2000 the group as a whole (excluding this company) has net borrowings of £633,788 (1999: £469,376) from the bank.

Mann Aviation Sales Limited

Notes to the Financial Statements For the year ended 31st October 2000 (Continued)

13. Pension Commitments

The company participates in a pension scheme operated by Fairoaks Airport Limited. The scheme is a mixed scheme containing both a defined benefit and defined contribution section. The assets of the scheme are held separately from those of the company.

For the defined benefit section of the scheme, the pension costs are assessed in accordance with the advice of a qualified actuary, the last triennial actuarial valuation was carried out on 30th July 1998, the results of which are noted in the financial statements of Fairoaks Airport Limited.

There were no outstanding or prepaid contributions in respect of the defined contribution section of the scheme at the balance sheet date.

14. Related Party Disclosures

The company is controlled by Fairoaks Airport Limited who have a direct interest in 100% of the issued share capital of the company.

The results of the company are included in the consolidated financial statements of Fairoaks Holdings Limited, who have an indirect interest in 100% of the issued share capital of the company. These financial statements are available on public record. The company has taken advantage of the FRS 8 exemption not to disclose transactions with group entities or investees of the group.

Copies of Fairoaks Holdings Limited financial statements are available from its registered office at Fairoaks Airport, Chobham, Surrey.

15. Reconciliation of Movements in Shareholders' Funds

	<u>2000</u> £	<u>1999</u> £
Profit/(loss) for the financial year	149,350	267,605
Opening Shareholders' Funds	36,992	(230,613)
	<hr/>	<hr/>
Closing Shareholders' Funds	186,342	36,992
	<hr/>	<hr/>
Equity interests	186,342	36,992
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