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PARK AVIATION SUPPLY CO LIMITED

AUDIT REPORT IN COMPLIANCE WITH SCHEDULE 8(1) OF THE
COMPANIES ACT 1985

FOR THE YEAR ENDED 31 AUGUST 1988

The annexed accounts have been prepared on the basis of the modifications available to small companies under Sections 247 to 249 of the Companies Act 1985.

In our opinion, for the year ended 31 August 1988, the company is entitled to the modifications available to a small company and the accounts have been properly prepared in accordance with Schedule 8 of the Companies Act 1985.

We reproduce below our audit report to the members of the company on the full accounts (not appended hereto) for the year ended 31 August 1988.

'We have audited the annexed accounts in accordance with approved auditing standards having regard to the matters referred to in the following paragraph.

In common with businesses of similar size and organisation, the company's system of control is dependent on the close involvement of the directors who are major shareholders. Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the directors that all the company's transactions, assets and liabilities have been properly reflected in the accounts.

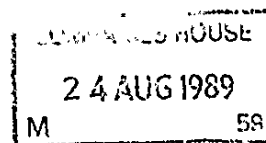
Subject to the foregoing, in our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31 August 1988 and of its result and source and application of funds for the year then ended and comply with the Companies Act 1985.'

Date:

3rd February 1989

Hacker Young

HACKER YOUNG
Chartered Accountants
47 Middle Street
Brighton
East Sussex
BN1 1AL



PARK AVIATION SUPPLY CO LIMITED
BALANCE SHEET
31 AUGUST 1988

	Notes	1988 £	1987 £
FIXED ASSETS			
Tangible assets	9	189,143	177,398
CURRENT ASSETS			
Stocks	10	7,500	7,500
Debtors	11	195,076	139,143
		202,576	146,643
CREDITORS: amounts falling due within one year	12	232,583	197,028
NET CURRENT LIABILITIES		(30,007)	(50,385)
TOTAL ASSETS LESS CURRENT LIABILITIES		159,136	127,013
CREDITORS: amounts falling due after more than one year	12	62,449	62,449
NET ASSETS		£96,687	£64,564
CAPITAL AND RESERVES			
Called up share capital	2	100	100
Profit and loss account		96,587	64,464
SHAREHOLDERS' FUNDS		£96,687	£64,564

In preparing these accounts we have relied upon Sections 247 to 249 of the Companies Act 1985 which entitles us to deliver modified accounts, on the ground that the company is entitled to the benefit of those sections as a small company.

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Directors

PARK AVIATION SUPPLY CO LIMITED
 NOTES TO THE ACCOUNTS
 FOR THE YEAR ENDED 31 AUGUST 1988

1. ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention.

b) DEPRECIATION

Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost of each asset over its expected useful life at the following rates:-

Freehold buildings	~ 2% per annum
Leasehold properties	~ over the period of the lease term
Work shop and stores	~ 2% per annum
Plant and equipment	~ 15% per annum
Fixtures and fittings	~ 15% per annum
Motor vehicles	~ 25% per annum
Computer equipment	~ 25% per annum

c) STOCKS

Stocks are valued at the lower of cost and net realisable value.

d) DEFERRED TAXATION

Deferred taxation is accounted for on all timing differences, except where the directors are able to foresee that no tax liability is likely to arise for at least three years ahead and where there is no indication, that after this period, the situation is likely to change.

e) FOREIGN EXCHANGE

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in operating profit.

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

2. SHARE CAPITAL

	1988	1987
Authorised		
10000 Ordinary shares of £1 each	£10,000	£10,000
Issued and fully paid		
100 Ordinary shares of £1 each	£100	£100