

Company No: 1435045

PARK AVIATION SUPPLY CO LIMITED

REPORT & FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 1993



AUDITORS
Hacker Young
Registered Auditor
Chartered Accountants
168 Church Road, Hove
East Sussex. BN3 2DL

PARK AVIATION SUPPLY CO LIMITED

DIRECTORS

A G Wright
Mrs C A Wright
J R Barden (resigned 23 March 1993)
S Wright (appointed 22 March 1993)

SECRETARY

Mrs C A Wright

AUDITORS

Hacker Young
Registered Auditor
Chartered Accountants
168 Church Road, Hove
East Sussex. BN3 2DL

REGISTERED OFFICE

204 Church Road
Hove
East Sussex

PARK AVIATION SUPPLY CO LIMITED

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FOR THE YEAR ENDED 31 AUGUST 1993

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PARK AVIATION SUPPLY CO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 1993

The directors present their annual report, together with the audited financial statements for the year ended 31 August 1993.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £4,591.

The directors do not recommend payment of a dividend for the current year.

REVIEW OF THE BUSINESS

The company's principal activity during the year under review was the supply of aircraft spares.

The directors consider the state of the company's affairs to be satisfactory.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their beneficial interests in the share capital of the company were as follows:

	<u>Number of shares</u>	
	<u>At end of</u> year	<u>At start of</u> year or when appointed
A G Wright	-	-
Mrs C A Wright	-	-
J R Barden (resigned 23 March 1993)	-	-
S Wright (appointed 22 March 1993)	-	-

FIXED ASSETS

The movements in fixed assets during the year are set out in note 7 of the financial statements.

In the directors' opinion the market value of the freehold property is considerably in excess of its book value.

AUDITORS


A resolution to re-appoint Messrs Hacker Young will be proposed at the forthcoming Annual General Meeting.

REGISTERED OFFICE

204 Church Road
Hove
East Sussex

Date: 22 June 1995

By Order of the Board


Mrs C A Wright
Secretary

PARK AVIATION SUPPLY CO LIMITED

FOR THE YEAR ENDED 31 AUGUST 1993

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 judgments 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 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' REPORT TO THE MEMBERS OF
PARK AVIATION SUPPLY CO LIMITED

FOR THE YEAR ENDED 31 AUGUST 1993

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 judgments 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, except that due to a computer failure, records were lost in regard to the purchase and sales ledger balances. It has therefore not been possible to attain adequate assurance as to the valuation of these figures and any adjustments to these figures would have a consequential effect on the profit for the year ended 31 August 1993 and 31 August 1994. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

Subject to any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning trade debtors and creditors, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 1993 and of its profit for the year then ended and have been properly prepared in accordance with provisions of the Companies Act 1985 applicable to small companies.

Hacker Young

Hacker Young

Registered Auditor
Chartered Accountants
168 Church Road, Hove

Date: 22nd June 1995

PARK AVIATION SUPPLY CO LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 1993

	<u>Notes</u>	£	<u>1993</u> £	£	<u>1992</u> £
TURNOVER	2		429,760		405,025
COST OF SALES			172,144		165,661
GROSS PROFIT			257,616		239,364
ADMINISTRATION COSTS			230,145		261,054
OPERATING PROFIT/(LOSS) ON CONTINUING OPERATIONS			27,471		(21,690)
Rent receivable		8,660		8,660	
			8,660		8,660
Interest payable and similar charges	5		36,131		(13,030)
			(31,578)		(36,509)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION ON CONTINUING OPERATIONS	3		4,553		(49,539)
Tax on profit or loss on ordinary activities	6		38		(3,750)
RETAINED PROFIT/ACCUMULATED (LOSS) FOR THE YEAR			4,591		(53,289)
Accumulated (deficit) brought forward			(128,412)		(75,123)
ACCUMULATED (DEFICIT) CARRIED FORWARD			£(123,821)		£(128,412)

All recognised gains and losses are included in the profit and loss account.

The accompanying notes are an integral part of these financial statements.

PARK AVIATION SUPPLY CO LIMITED

BALANCE SHEET

AS AT 31 AUGUST 1993

	<u>Notes</u>	£	<u>1993</u> £	£	<u>1992</u> £
FIXED ASSETS					
Tangible assets	7		160,240		174,968
			<u>160,240</u>		<u>174,968</u>
CURRENT ASSETS					
Stocks	8	3,950		4,200	
Debtors	9	137,522		167,822	
		<u>141,472</u>		<u>172,022</u>	
CREDITORS - amounts falling due within one year	10	(178,733)		(222,439)	
NET CURRENT (LIABILITIES)			<u>(37,261)</u>		<u>(50,417)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			122,979		124,551
CREDITORS - amounts falling due after more than one year	11		(246,700)		(252,863)
NET (LIABILITIES)			<u>£(123,721)</u>		<u>£(128,312)</u>
CAPITAL AND RESERVES					
Called-up share capital	12		100		100
Profit and loss account			(123,821)		(128,412)
TOTAL CAPITAL EMPLOYED			<u>£(123,721)</u>		<u>£(128,312)</u>

Signed on behalf of the Board

A G Wright

Mrs C A Wright

} Directors

Dated: 29th June 1995

The accompanying notes are an integral part of these financial statements.

PARK AVIATION SUPPLY CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1993

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards. The particular accounting policies adopted are set out below.

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention.

1.2 Turnover

This represents the invoiced amounts of goods sold, net of value added tax.

1.3 Depreciation of tangible fixed assets

Provision is made for depreciation on all tangible assets at rates calculated to write off the cost or valuation of each asset over its expected useful life as follows:

Freehold buildings	2%	per annum straight line
Leasehold properties	over the term of the lease	
Workshop and stores	2%	per annum straight line
Plant and equipment	15%	per annum straight line
Fixtures and fittings	15%	per annum straight line
Computer equipment	25%	per annum straight line
Motor vehicles	25%	per annum on a reducing basis

1.4 Deferred taxation

Deferred taxation is accounted for on all timing differences, except where no tax liability is expected to arise in the foreseeable future.

1.5 Cashflow statement

The company has taken advantage of the exemption permitted by FRS1, whereby a cashflow statement need not be prepared by a small company, as defined in Companies Act 1985.

1.6 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. The most conservative figure for realisable value would arise if the stocks were sold for scrap and it is on this basis that the directors have prepared their valuation.

PARK AVIATION SUPPLY CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1993

2. TURNOVER

The turnover is attributable to the following activities:

	<u>Turnover</u>	
	<u>1993</u>	<u>1992</u>
	£	£
U K sales	330,274	305,436
Rest of world sales	99,486	99,589
	<u>429,760</u>	<u>405,025</u>

3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1993</u>	<u>1992</u>
	£	£
This is stated after charging (crediting):		
Staff costs (see note 4)	58,275	67,955
Directors' emoluments (see note 4)	44,382	27,400
Auditors' remuneration	2,500	6,076
Depreciation of owned assets	17,683	18,533
	<u>122,840</u>	<u>120,000</u>

4. EMPLOYEE INFORMATION

	<u>1993</u>	<u>1992</u>
	£	£
4.1 Staff costs:		
Wages and salaries	50,618	62,212
Social security costs	7,657	5,743
	<u>£ 58,275</u>	<u>£ 67,955</u>
4.2 Directors' emoluments:	£	£
Remuneration	44,382	27,400
	<u>44,382</u>	<u>27,400</u>

The average number of employees during the year including directors was 5 (1992 = 5).

PARK AVIATION SUPPLY CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1993

5. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1993</u>	<u>1992</u>
	£	£
On bank overdrafts repayable within 5 years	25,177	27,411
On other loans	6,401	8,457
Finance lease and hire purchase contracts	-	641
	<u>£ 31,578</u>	<u>£ 36,509</u>

6. TAX ON ORDINARY PROFITS

	<u>1993</u>	<u>1992</u>
	£	£
(Over)/underprovision in previous years	(38)	3,750
	<u>£ (38)£</u>	<u>3,750</u>

PARK AVIATION SUPPLY CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1993

7. TANGIBLE FIXED ASSETS

	<u>Land and buildings</u>	<u>Plant and equipment</u>	<u>Fixtures and fittings</u>	<u>Computer Equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£		£	£
Cost or valuation:						
At 1 September 1992	179,667	34,181	29,720	27,391	96,804	367,763
Additions	-	1,250	-	1,705	-	2,955
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 1993	179,667	35,431	29,720	29,096	96,804	370,718
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation:						
At 1 September 1992	39,171	28,451	29,156	26,208	69,809	192,795
Charge for year	3,492	5,315	564	1,609	6,703	17,683
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 1993	42,663	33,766	29,720	27,817	76,512	210,478
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value at 31 August 1993	137,004	1,665	-	1,279	20,292	160,240
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value at 31 August 1992	140,496	5,730	564	1,183	26,995	174,968
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	<u>1993</u> £	<u>1992</u> £
The net book values of land and building comprises:		
Freehold	115,789	118,798
Workshop and stores	21,215	21,698
	<u> </u>	<u> </u>
	£137,004	£140,496
	<u> </u>	<u> </u>

8. STOCKS	<u>1993</u> £	<u>1992</u> £
Raw materials and consumables	3,950	4,200
	<u> </u>	<u> </u>

PARK AVIATION SUPPLY CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1993

9. DEBTORS

<u>1993</u>	<u>1992</u>
<u>£</u>	<u>£</u>
Trade debtors	136,890
Prepayments	632
	1,476
	<u>166,346</u>
<u>£137,522</u>	<u>£167,822</u>

These amounts are all due within one year.

**10. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR**

<u>1993</u>	<u>1992</u>
<u>£</u>	<u>£</u>
Bank loans and overdraft (see note 11.1)	39,629
Trade creditors	82,577
Corporation tax	46,635
Other taxes and social security costs	82,984
Directors' current accounts	-
Other creditors	38
Accruals	68,897
	27,479
	519
	319
	12,282
	12,181
	10,771
	16,861
<u>£178,733</u>	<u>£222,439</u>

PARK AVIATION SUPPLY CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1993

11. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>1993</u> £	<u>1992</u> £
Bank loans (see note 11.1)	184,251	190,414
Other loans	62,449	62,449
	<u>£246,700</u>	<u>£252,863</u>

11.1 The total amount of bank loans and overdrafts was as follows:

Falling due within one year:

Bank overdraft	29,629	72,577
Bank loan - current portion	10,000	10,000
	<u>£ 39,629</u>	<u>£ 82,577</u>

Falling due after more than one year:

Bank loan - repayable within five years	184,251	190,414
	<u>£184,251</u>	<u>£190,414</u>

Total bank borrowings	<u>£223,880</u>	<u>£272,991</u>
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The bank loan and overdraft are secured by a charge over the freehold property of the company dated 16 March 1984, and are secured by a personal guarantee by the director.

The other loan is repayable in 5 equal annual installments starting in 2001 or earlier at the option of the company, bears interest at 3% above base rate and is secured on the company's pension policy.

12. CALLED-UP SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, called-up and fully paid</u>	
	£	<u>1993</u> £	<u>1992</u> £
Ordinary shares of £1 each	10,000	100	100

13. ULTIMATE HOLDING COMPANY

The company regards Yarngrange Limited, incorporated in England as its ultimate holding company.