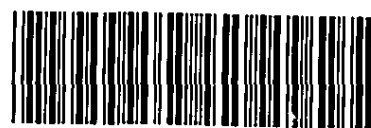


# **WALLOP HOLDINGS LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006**

**Company registration number 1564807**

**WEDNESDAY**



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# **WALLOP HOLDINGS LIMITED**

## **Directors' Report and Financial Statements**

**for the year ended 31 December 2006**

### **Contents**

Report of the Directors' for the year ended 31 December 2006	1
Independent auditors' report to the members of Wallop Holdings Limited	3
Statement of accounting policies	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements for the year ended 31 December 2006	8

# **WALLOP HOLDINGS LIMITED**

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2006**

The Directors have pleasure in submitting their report, together with the financial statements of the Company, for the year ended 31 December 2006

### **Results and dividend**

During the year the Company did not trade, other than disposing of its investment in ML Wallop Defence Systems Limited in February 2006 realising a profit on disposal of £3

The ultimate parent undertaking, Cobham plc, has confirmed that it will provide financial support to Wallop Holdings Limited to enable it to meet its liabilities as they fall due

The directors did not propose payment of dividends (2005 £nil)

### **Principal activities and business review**

The Company did not trade during the year, other than disposing of its investment in ML Wallop Defence Systems Limited

### **Principal risks and uncertainties**

As the Company did not trade during the year, the directors do not consider that the management of the business and the execution of the Company's strategy are subject to significant risks

### **Key performance indicators**

As the Company did not trade during the year, the directors do not consider it appropriate to comment on key performance indicators

### **Financial risk management**

Due to the lack of trading during the year, the directors do not consider that the Company has been exposed to financial risks that have required management

### **Board of Directors**

The following directors held office during the year

A J Stevens  
R Sismey

### **Statement of Directors' Responsibilities**

The following statement, which should be read in conjunction with the report of the auditors set out on pages 3 and 4, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements

Company law requires the directors to prepare financial statements for each financial period 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 the financial period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business

## **WALLOP HOLDINGS LIMITED**

The directors confirm that suitable accounting policies have been used and applied consistently as noted on page 5. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2006 and that applicable accounting standards have been followed.

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.

### **Auditors and disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that

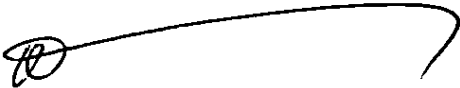
- i) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- ii) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

### **Auditors**

Following several years of the company being dormant, and as it expected that the company will return to being dormant in 2007, PriceWaterhouseCoopers LLP were appointed as auditors for the financial year 2006.

### **By order of the board**



R Sismey  
Director and Secretary

26 October 2007

# **WALLOP HOLDINGS LIMITED**

## **Independent auditors' report to the members of Wallop Holdings Limited**

We have audited the financial statements of Wallop Holdings Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, Balance Sheet, related notes and the statement of accounting policies

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, 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 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 In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

# WALLOP HOLDINGS LIMITED

## Opinion

### In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*PricewaterhouseCoopers LLP*

*PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Southampton  
29 October 2007*

# **WALLOP HOLDINGS LIMITED**

## **Statement of accounting policies**

### **Accounting convention**

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK accounting standards. The principal accounting policies are set out below.

### **Basis of preparing the financial statements – going concern assumption**

The Company has net current liabilities at 31 December 2006 and has become dormant. The directors have prepared the financial statements on the going concern basis as confirmation has been received from Flight Refuelling Limited, the Company's immediate parent undertaking, that they will provide financial support to Wallop Holdings Limited to enable it to meet its liabilities as they fall due.

### **Investments**

Investments are stated at cost, less any provision for impairment in value.

# **WALLOP HOLDINGS LIMITED**

## **Profit and loss account for the year ended 31 December 2006**

	Notes	2006 £000	2005 £'000
Turnover		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Selling and distribution costs		-	-
Administrative expenses		-	-
<b>Operating profit</b>	1	-	-
Exceptional items	3	-	-
<b>Profit on ordinary activities before taxation</b>		-	-
Tax on profit on ordinary activities		-	-
<b>Result for the financial year</b>	7	-	-

The Company has no recognised gains or losses other than the amounts above and therefore no separate statement of total recognised gains and losses has been prepared



# WALLOP HOLDINGS LIMITED

## BALANCE SHEET AT 31 DECEMBER 2006

	Notes	2006 £'000	2005 £'000
<b>FIXED ASSETS</b>			
Investments	3	-	-
<b>CURRENT LIABILITIES</b>			
Creditors Amounts falling due within one year	4	(162)	(162)
Net current liabilities		(162)	(162)
<b>Total assets less current liabilities</b>		(162)	(162)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	75	75
Profit and Loss Account	6	(237)	(237)
<b>Equity shareholders' deficit</b>	7	(162)	(162)

These financial statements on pages 5 to 9 were approved by the Board of Directors on 26 October 2007 and were signed on its behalf by



RG Sismey  
Director

# WALLOP HOLDINGS LIMITED

## Notes to the Financial Statements for the year ended 31 December 2006

### 1 Operating Profit

Auditors' remuneration fees for the audit of the Company's annual accounts and tax services have been borne by the immediate parent company and will not be recharged

### 2 Directors' emoluments / Employees

None of the Directors held an interest in the Company's shares or a right to subscribe for such shares

All directors in office at the year end are employed by, and receive their emoluments from, another group undertaking

No other amounts have been paid or are owed at 31 December 2006 (2005 £nil) in respect of services supplied by the directors to the Company, since their services are incidental to their services to the group as a whole

The number of employees of the Company during the year was nil (2005 nil)

### 3 Exceptional Items and Investments

Investments in subsidiary undertakings were held at nil value at 31 December 2006 and 31 December 2005. The directors reduced the value of the investments to nil following an impairment review in a previous period

	£
Shares in subsidiary undertakings	
Investments at original cost	28,000
Amounts previously written off investments	(28,000)
Net book value at 31 December 2005 and 31 December 2006	-

At 31 December 2006, the Company had the following subsidiary undertakings which were registered in England and Wales

Company	Proportion of ordinary shares held	Activity
Frazer-Nash Defence Systems Limited	100%	Dormant

During the year, the Company disposed of its investment in ML Wallop Defence Holdings Limited for £3 yielding a profit on disposal of the same amount. This investment had been held in the books at an original cost of £85,619 less amounts previously written off of the same amount.

## WALLOP HOLDINGS LIMITED

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

	31 December 2006 £'000	31 December 2005 £'000
Amounts due to group undertakings	162	162

Amounts owed are to the immediate parent undertaking, are unsecured and interest free

### 5 Share Capital

	31 December 2006 £'000	31 December 2005 £'000
Authorised Ordinary shares of £1 each	1,000	1,000
Allotted, called-up and fully paid Ordinary shares of £1 each	75	75

### 6 Profit and Loss Account

	Profit and loss account £000
As at 1 January 2006	(237)
Result for the financial year	-
<b>As at 31 December 2006</b>	<b>(237)</b>

### 7 Reconciliation of movements in equity shareholders' deficit

	2006 £000	2005 £000
Loss for the financial year	-	-
Opening shareholders' deficit	(162)	(162)
<b>Closing shareholders' deficit</b>	<b>(162)</b>	<b>(162)</b>

### 8 Ultimate parent undertaking

The immediate parent undertaking is Flight Refuelling Limited. The ultimate parent undertaking and controlling party is Cobham plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Cobham plc can be obtained from the Company Secretary at Cobham plc, Brook Road, Wimborne, Dorset BH21 2BJ.