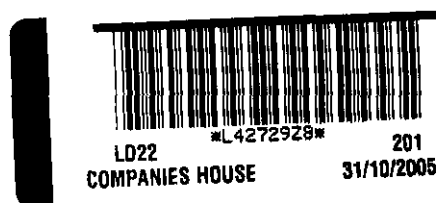


WALLOP HOLDINGS LIMITED

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

31 DECEMBER 2004

Company registration number 1564807



WALLOP HOLDINGS LIMITED

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WALLOP HOLDINGS LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their report, together with the financial statements of the company, for the twelve month period ended 31 December 2004.

RESULTS FOR THE YEAR

During the year the company did not trade, did not incur any liabilities and consequently made neither profit nor loss.

BOARD OF DIRECTORS

The following directors held office throughout the year.

P Banning (appointed 28 June 2004/ resigned 3 October 2005)
W.I.French (resigned 29 June 2004)
A J Stevens

The directors' shareholdings and interests are shown in note 4 to the financial statements.

On 3 October 2005 P Banning resigned as a director of the Company.



A.J. Stevens
Director

31 October 2005

WALLOP HOLDINGS LIMITED

BALANCE SHEET AT 31 DECEMBER 2004

	Notes	<u>31 December</u> <u>2004</u> £'000	<u>31 December</u> <u>2003</u> £'000
FIXED ASSETS			
Investments	1	-	-
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year			
Amounts due to group undertakings		(162)	(162)
Net current liabilities		(162)	(162)
Total assets less current liabilities		(162)	(162)
CAPITAL AND RESERVES			
Called up share capital	2	75	75
Profit and Loss Account		(237)	(237)
		(162)	(162)

For the year ended 31 December 2004 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

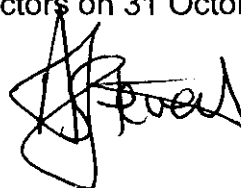
Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- i. ensuring the company keeps accounting records which comply with section 221; and
- ii. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The company was dormant throughout the financial year. These financial statements were approved by the Board of Directors on 31 October 2005 and were signed on its behalf by

A.J. Stevens
Director



WALLOP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 INVESTMENTS

	£
Shares in subsidiary undertakings	
Investments at original cost	113,619
Amounts previously written off investments	<u>(113,619)</u>
Net book value at 31 December 2003 and 31 December 2004	<u>-</u>

The principal subsidiary undertakings at 31 December 2004, which are registered in England and Wales are:

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

2 SHARE CAPITAL

	<u>31</u> <u>December</u> <u>2004</u> <u>£'000</u>	<u>31</u> <u>December</u> <u>2003</u> <u>£'000</u>
Authorised:		
Ordinary shares of £1 each	<u>1000</u>	<u>1000</u>
<i>Allotted, called-up and fully paid:</i>		
Ordinary shares of £1 each	<u>75</u>	<u>75</u>

3 ULTIMATE HOLDING COMPANY

The company is controlled by Flight Refuelling Limited, the company's immediate parent undertaking. The company's ultimate parent undertaking and controlling party is Cobham plc. A copy of the Cobham plc's financial statements may be obtained from:

The Secretary,
Cobham plc,
Brook Road,
WIMBORNE.
Dorset BH21 2BJ.

WALLOP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 DIRECTORS

Directors' shareholdings and interests

None of the directors held an interest in the company's shares or a right to subscribe for such shares.

Interests of A J Stevens and his family in the shares of the ultimate parent undertaking and rights to subscribe for such shares are disclosed in the financial statements of that undertaking. Interests of P. Banning and his family in the shares of the ultimate parent undertaking and rights to subscribe for such shares are disclosed in the financial statements of the immediate parent undertaking.