

CAVIAPEN TRUSTEES LIMITED

ANNUAL REPORT

Year ended 31 December 2003

Company Registration Number 1739994



CAVIAPEN TRUSTEES LIMITED

DIRECTORS REPORT

The Directors have pleasure in submitting the annual report and accounts for the year to 31 December 2003.

Activities and future developments

The company is Custodian Trustee to the Civil Aviation Authority Pension Scheme by whom it is wholly owned. This role will continue in the future.

The company's wholly owned subsidiary, Caviapen Investments Limited, has been a dormant company since 31 December 1999.

Directors and their interests

The Directors are all Trustees of the Civil Aviation Authority Pension Scheme, and their interests in the share capital of the company are held non-beneficially by them on behalf of the Scheme.

	Number of ordinary shares held			
	at 31.12.03		at 31.12.02	
Mr R Mountford (appt 01.04.03)	31,250	A Shares		
Mr L Priestley (retired 31.03.03)			31,250	A Shares
Mr N Fotherby	31,250	A Shares	31,250	A Shares
Mr P James (appt 01.01.03)	31,250	A Shares		
Mr B Montague (resigned 31.12.02)			31,250	A Shares
Mr R J Britton	31,250	A Shares	31,250	A Shares
Mr T Mander (appt 01.04.03)	31,250	B Shares		
Mr A Cowell (retired 31.03.03)			31,250	B Shares
Mr D R Hobday	31,250	B Shares	31,250	B Shares
Mr P Madden	31,250	B Shares	31,250	B Shares
Mr E J Walker	31,250	B Shares	31,250	B Shares

Results and dividends

There was no consolidated profit for the year after taxation (2002:nil). The Directors do not recommend the payment of a dividend.

Directors' Responsibilities

United Kingdom 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 the group as at the end of the financial year and of the profit or loss of the group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

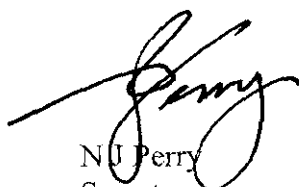
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the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

Auditors

Following the conversion of our auditors Deloitte & Touche to a Limited Liability Partnership (LLP) from 1 August 2003, Deloitte & Touche resigned as the auditors with effect from 31 July 2003 and the Directors appointed its successor, Deloitte & Touche LLP.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board



N J Perry
Secretary

11 June 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAVIAPEN TRUSTEES LIMITED

We have audited the financial statements of Caviapen Trustees Limited for the year ended 31 December 2003, which comprise the balance sheets and the related notes 1 to 6. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company and other members of the group is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

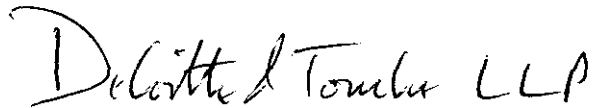
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 circumstances of the company and the group, 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 affairs of the company and the group as at 31 December 2003 and of the result of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

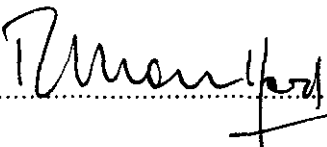
Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

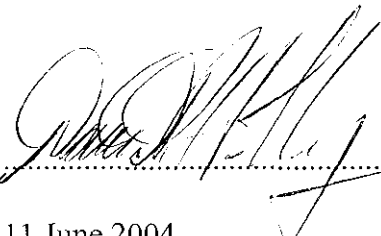
11 June 2004

CAVIAPEN TRUSTEES LIMITED
CONSOLIDATED BALANCE SHEET
31 December 2003

	Note	2003 £	2002 £
Current assets			
Loan to the Trustees of the Civil Aviation Authority Pension Scheme	4	250,000	250,000
Total assets less current liabilities		<u>250,000</u>	<u>250,000</u>
Capital and reserves			
Called up share capital	5	250,000	250,000
Profit and loss account		-	-
Equity shareholders' funds		<u>250,000</u>	<u>250,000</u>

The group has no recognised gains or losses or movements of shareholders' funds for the current and preceding financial period and subsequently a separate profit and loss account is not presented.


.....R Mountford (Director)

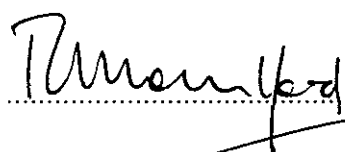

.....D R Hobday (Director)

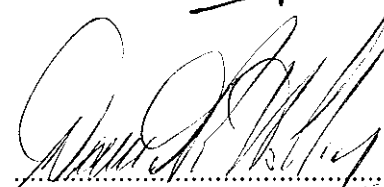
11 June 2004

The notes on pages 7 to 8 form part of these accounts.

CAVIAPEN TRUSTEES LIMITED
BALANCE SHEET
31 December 2003

	Note	2003 £	2002 £
Tangible fixed assets			
Investment in group undertaking	3	100	100
		-----	-----
Current assets			
Loan to the Trustees of the Civil			
Aviation Authority Pension Scheme	4	250,000	250,000
Creditors : Amounts falling due within one year			
Due to Caviapen Investments Limited		(100)	(100)
		-----	-----
Net current assets		249,900	249,900
		-----	-----
Total assets less current liabilities		250,000	250,000
		=====	=====
Capital and Reserves			
Called up share capital	5	250,000	250,000
		-----	-----
Equity Shareholders' Funds		250,000	250,000
		=====	=====

.....R Mountford (Director)

.....D R Hobday (Director)

11 June 2004

The notes on pages 7 to 8 form part of these accounts.

CAVIAPEN TRUSTEES LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 December 2003

1) Accounting policies

(a) Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

(b) Basis of consolidation

The consolidated accounts include the results of the company and its wholly owned dormant subsidiary, Caviapen Investments Limited, made up to 31 December 2003.

No company Profit and Loss is presented for Caviapen Trustees Limited as provided by section 230 of the Companies Act 1985. The company made no profit or loss in the current or preceding financial year.

2) Directors' and staff remuneration

No remuneration was paid to any Director of the company during the year to 31 December 2003, (2002: £Nil) and there were no employees during the year.

3) Investment in group undertaking

% Nominal value
held directly
(ordinary shares
of £1 each)

Investment in dormant subsidiary :

Caviapen Investments Limited	100
(Investment Management Company)	
Incorporated in Great Britain and registered in England and Wales	

4) Loan to the Trustees of the Civil Aviation Authority Pension Scheme

This loan is non-interest bearing and repayable on demand.

5) Share capital

The authorised, allotted, called up and fully paid share capital comprises:

	2003	2002
	£	£
125,000 A Ordinary Shares of £1 each	125,000	125,000
125,000 B Ordinary Shares of £1 each	125,000	125,000
	-----	-----
	250,000	250,000
	=====	=====

A and B Ordinary Shares rank pari passu.

6) Parent undertaking

The ultimate and immediate parent undertaking is the Civil Aviation Authority Pension Scheme, a scheme established by Trust Deed in England and Wales. The Scheme consolidates the assets and liabilities of Caviapen Trustees Limited. The audit fees are borne by the parent undertaking.