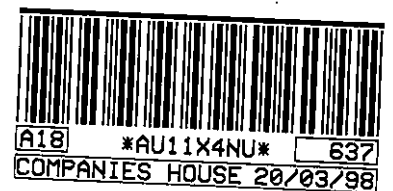


**CAVIAPEN TRUSTEES LIMITED**

**ANNUAL REPORT**

**Year ended 31 December 1997**

**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 1997.

#### 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, provides investment management services to the Civil Aviation Authority Pension Scheme.

#### 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 31.12.97		at 31.12.96	
Mr L W Priestley	31,250	A Shares	31,250	A Shares
Mr C M Prentice - retired on 28/02/97			31,250	A Shares
Mr A G Herron appointed on 01/03/97	31,250	A Shares		
Mr F A M Motture	31,250	A Shares	31,250	A Shares
Mr R J Britton	31,250	A Shares	31,250	A Shares
Mr A L Cowell	31,250	B Shares	31,250	B Shares
Mr D R Hobday	31,250	B Shares	31,250	B Shares
Mr R B Page	31,250	B Shares	31,250	B Shares
Mr G P Lee	31,250	B Shares	31,250	B Shares

#### Results and Dividends

The consolidated profit for the year after taxation amounted to £0 (1996 : Loss of £9,041). The Directors do not recommend the payment of a dividend.

## **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 the group and of the profit and loss of the group for that period. In preparing those financial statements, the Directors are required to :

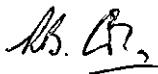
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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 safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Auditors**

A resolution to re-appoint Deloitte & Touche as auditors will be put to the members at the Annual General Meeting.

By order of the Board



R B Coles  
Secretary

11 March 1998

## **REPORT OF THE AUDITORS TO THE MEMBERS OF CAVIAPEN TRUSTEES LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 7.

### **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.

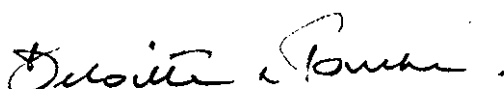
### **Basis of opinion**

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 judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group'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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and group as at 31 December 1997 and of the result of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche  
Chartered Accountants  
and Registered Auditors  
Hill House  
1 Little New Street  
London  
EC4A 3TR

11 March 1998

11 March 1998

**CAVIAPEN TRUSTEES LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 December 1997**

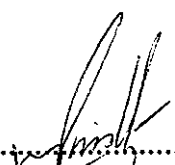
	Note	1997 £	1996 £
<b>Continuing Activities</b>			
Operating Income	2	62,514	59,715
Administrative expenses		(62,514)	(68,756)
		-----	-----
Operating Profit/(Loss) on ordinary activities before and after taxation	3	-	(9,041)
Retained profit at 1 January		-	9,041
		-----	-----
Retained profit carried forward		-	-
		=====	=====

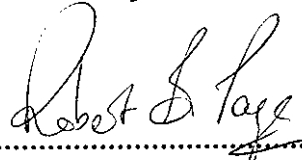
The group has no recognised gains or losses for the current and preceding financial period.

The notes on pages 7 to 9 form part of these accounts.

**CAVIAPEN TRUSTEES LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**31 December 1997**

	Note	1997 £	1996 £
<b>Current assets</b>			
Loan to the Trustees of the Civil Aviation Authority Pension Scheme	7	250,000	250,000
Amount due from the Trustees of the Civil Aviation Authority Pension Scheme		10,935	10,481
		<u>260,935</u>	<u>260,481</u>
<b>Creditors : Amounts falling due within one year</b>			
Value Added Tax		(10,935)	(10,481)
		<u>(10,935)</u>	<u>(10,481)</u>
<b>Total assets less current liabilities</b>		<u>£250,000</u>	<u>£250,000</u>
<b>Capital and Reserves</b>			
Called up share capital	8	250,000	250,000
Profit and loss account		-	-
<b>Equity Shareholders' Funds</b>		<u>£250,000</u>	<u>£250,000</u>

..........L W Priestley (Director)


..........R B Page (Director)

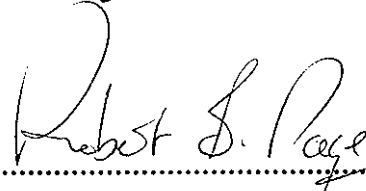
11 March 1998

The notes on pages 7 to 9 form part of these accounts.

**CAVIAPEN TRUSTEES LIMITED**  
**BALANCE SHEET**  
**31 December 1997**

	Note	1997 £	1996 £
<b>Tangible fixed assets</b>			
Investment in group undertaking	6	100 ----	100 ----
<b>Current assets</b>			
Loan to the Trustees of the Civil Aviation Authority Pension Scheme	7	250,000	250,000
<b>Creditors : Amounts falling due within one year</b>			
Due to Caviapen Investments Limited		(100) -----	(100) -----
<b>Net Current Assets</b>		249,900 -----	249,900 -----
<b>Total assets less current liabilities</b>		£250,000 =====	£250,000 =====
<b>Capital and Reserves</b>			
Called up share capital	8	250,000 -----	250,000 -----
<b>Equity Shareholders' Funds</b>		£250,000 =====	£250,000 =====

..........L W Priestley (Director)

..........R B Page (Director)

11 March 1998

The notes on pages 7 to 9 form part of these accounts.

**CAVIAPEN TRUSTEES LIMITED**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 1997**

**1) Accounting Policies**

*(a) Accounting convention*

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

*(b) Basis of consolidation*

The consolidated accounts include the results of the company and its wholly owned subsidiary, Caviapen Investments Limited, made up to 31 December 1997.

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.

*(c) Investments*

Investments are stated at cost less any provision for permanent diminution in value.

**2) Income**

Income represents fees receivable (exclusive of value added tax) for the provision of investment management services to the ultimate parent undertaking Civil Aviation Authority Pension Scheme.

**3) Operating Profit/(Loss) on ordinary activities before and after taxation**

The Profit/(Loss) on ordinary activities before and after taxation is stated after charging/(crediting) the following items.

	1997	1996
	£	£
Staff Costs		
Salaries	54,052	62,146
Social security costs	5,432	6,338
Auditors' remuneration	NIL	(2,750)

The auditors' remuneration has been met by the ultimate parent undertaking. There is no tax charge in the current or preceding year.



**4) Directors and Staff Remuneration**

No remuneration was paid to any Director of the company during the year to 31 December 1997, (or in the prior year), and there were no employees during the year. Staff costs relate to the subsidiary company, Caviapen Investments Limited.

**5) Retained Profit**

All retained profit is dealt with in the accounts of the subsidiary.

**6) Investment in group undertaking**

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

Investment in subsidiary :

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

**7) Loan to the Trustees of the Civil Aviation Authority Pension Scheme**

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

**8) Share Capital**

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

	1997 £	1996 £
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.

**9) Parent Undertaking**

The ultimate parent undertaking is the Civil Aviation Authority Pension Scheme, a scheme established by Trust Deed in England and Wales.