

LONDON FLIGHT CENTRE (STANSTED) LIMITED

COMPANY REGISTRATION NO: 01744955

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996



AUDITORS' REPORT TO THE DIRECTORS OF

LONDON FLIGHT CENTRE (STANSTED) LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 7, together with the full financial statements of London Flight Centre (Stansted) Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 March 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion, the company is entitled, under Sections 246 and 247 of the Companies Act 1985, to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31 March 1996 and the abbreviated accounts on pages 3 to 7 have been properly prepared in accordance with that Schedule.

Other information

As of today's date, we reported, as auditors of London Flight Centre (Stansted) Limited, to members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 March 1996 and our audit report was as follows:

"We have audited the financial statements on pages 4 to 13, which have been prepared under the historical cost convention and the accounting policies as set out in Note 1.

Respective responsibilities of directors and auditors

As described in the directors' report, 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.

AUDITORS' REPORT TO THE DIRECTORS OF

LONDON FLIGHT CENTRE (STANSTED) LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

(CONTINUED)

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 any 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 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 the company's affairs as at 31 March 1996 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

**CAUSEWAY HOUSE
1 DANE STREET
BISHOP'S STORTFORD
HERTFORDSHIRE**



**PRICE BAILEY
REGISTERED AUDITORS
13 SEPTEMBER 1996**

LONDON FLIGHT CENTRE (STANSTED) LIMITED

ABBREVIATED BALANCE SHEET AT 31 MARCH 1996

	Notes		1995
FIXED ASSETS:			
Tangible assets	2	466,560	538,098
CURRENT ASSETS:			
Stock		33,750	771
Debtors		52,925	207,077
Cash at bank and in hand		<u>3,101</u>	<u>8,797</u>
		89,776	216,645
CREDITORS - Amounts falling due within one year		<u>382,110</u>	<u>464,554</u>
EXCESS OF CURRENT LIABILITIES OVER CURRENT ASSETS		(292,334)	(247,909)
TOTAL ASSETS LESS CURRENT LIABILITIES		174,226	290,189
CREDITORS - Amounts falling due after more than one year		103,784	22,433
PROVISION FOR LIABILITIES AND CHARGES:			
Deferred taxation		<u>-</u>	<u>53,360</u>
		<u>103,784</u>	<u>75,793</u>
		£ 70,442	£ 214,396
		<u> </u>	<u> </u>
CAPITAL AND RESERVES:			
Called up share capital	3	100	100
Revaluation reserve		108,574	115,813
Profit and loss account		<u>(38,232)</u>	<u>98,483</u>
		<u>70,342</u>	<u>214,296</u>
		£ 70,442	£ 214,396
		<u> </u>	<u> </u>

DIRECTORS' STATEMENT

- (a) Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8.
- (b) In the opinion of the directors, the company is entitled to those exemptions on the basis that it qualifies as a small company.

Approved by the board on

N J HARRIS
DIRECTOR

The notes on pages 4 to 7 form part of these financial statements.

LONDON FLIGHT CENTRE (STANSTED) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Accounting convention and standards

The financial statements are prepared under the historical cost convention, modified by the revaluation of certain fixed assets, and in accordance with applicable statements of standard accounting practice and financial reporting standards.

Basis of preparing financial statements

The company meets its day to day working capital requirements through an overdraft facility, which is repayable on demand, and through informal borrowing. The directors consider that these facilities will continue to be available to the company, both up to and beyond the forthcoming annual review of bank facilities, and will be sufficient for the company's needs. Accordingly, the financial statements have been prepared on a going concern basis and do not include any adjustments that would result from a withdrawal of facilities.

Turnover

Turnover represents the invoiced amount of goods sold and services provided (stated net of value added tax).

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Aircraft	5% per annum straight line
Motor vehicles	25% per annum on the reducing balance
Aircraft equipment	15% per annum on the reducing balance
Fixtures and fittings	15% per annum on the reducing balance
Aircraft simulator	5% per annum straight line
Office equipment	15% per annum on the reducing balance
Plant and machinery	15% per annum on the reducing balance
Small tools	20% per annum on the reducing balance

Deferred taxation

Deferred taxation is calculated using the liability method on timing differences between amounts as computed for taxation purposes and amounts as stated in these financial statements, in conjunction with losses carried forward.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

LONDON FLIGHT CENTRE (STANSTED) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES (continued)

Leasing and hire purchase commitments (continued)

Rentals paid under operating agreements are charged to income as incurred.

Defined contribution pension scheme

Contributions are charged to the profit and loss account as they become payable, in accordance with the rules of the scheme.

Maintenance costs and consumable stores

Maintenance costs are charged to the profit and loss account as incurred and the stock of consumable stores (note 9) are valued at cost.

2 TANGIBLE FIXED ASSETS

	Aircraft Simulator	Office Equipment	Aircraft & Aircraft Equipment	Fixtures & Fittings	Plant, Machinery & Small Tools	Motor Vehicles	Total
Cost or valuation:							
At 1 April 1995	27,000	1,110	574,783	11,483	-	20,650	635,026
Additions	-	-	-	1,598	11,861	-	13,459
Disposals	-	-	(50,000)	-	-	(17,950)	(67,950)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1996	27,000	1,110	524,783	13,081	11,861	2,700	580,535
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:							
At 1 April 1995	1,500	166	81,871	6,221	-	7,170	96,928
Charge for the year	1,500	142	28,024	1,036	2,046	380	33,128
Eliminated on disposals	-	-	(10,000)	-	-	(6,081)	(16,081)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1996	3,000	308	99,895	7,257	2,046	1,469	113,975
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:							
At 31 March 1996	£ 24,000	£ 802	£ 424,888	£ 5,824	£ 9,815	£ 1,231	£ 466,560
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1995	£ 25,500	£ 944	£ 492,912	£ 5,262	£ -	£ 13,480	£ 538,098
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Leased assets and assets acquired under hire purchase contracts

The net book value of tangible assets includes the following amounts relating to assets held under finance leases and hire purchase contracts:

		1995
Aircraft	£ 74,091	£ 78,721
	<hr/>	<hr/>

LONDON FLIGHT CENTRE (STANSTED) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

2 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation charged for the year on tangible assets includes the following amounts relating to assets held under finance leases and hire purchase contracts:

		1995
Aircraft	£ 4,630	£ 4,630
	<u> </u>	<u> </u>

The historical cost of revalued assets included in aircraft and aircraft equipment was £120,548.

3 SHARE CAPITAL

Authorised	Number	1995 Number
Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	£ 100	£ 100
	<u> </u>	<u> </u>

4 TRANSACTIONS WITH DIRECTORS

During the year, the company traded with the following concerns (on an arm's length basis), in which the directors had a material interest:

London Flight Centre (Engineering) Limited - Purchases of £126,226 (1995 £272,140)

The company also made a specific provision of £105,915 against an amount due from Island Charter Holdings Limited; Mr Harris is a director of that company.

5 ULTIMATE HOLDING COMPANY

The ultimate holding company is Stansted Aviation Centre Limited, incorporated in Great Britain.

6 SECURED LIABILITIES

The bank overdraft is guaranteed by a fixed charge over a Piper Chieftain Aircraft, number G-HVRD.

LONDON FLIGHT CENTRE (STANSTED) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

7 LIABILITIES REPAYABLE IN MORE THAN FIVE YEARS

Included in creditors due after more than one year is a bank loan repayable by instalments over seven years at $3\frac{1}{4}$ % above Barclays Bank base rate.