

**ABELA AIRLINE CATERING LIMITED**

Report and Accounts

31 December 2002



# Abela Airline Catering Limited

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Registered No. 2647224

## **DIRECTORS**

C Rami (resigned 26 March 2003)  
A J M Abela (resigned 2 June 2003)  
A H Harrold (appointed 2 June 2003)  
R K Jeha (resigned 2 June 2003)  
D Gebbie (appointed 1 September 2003)

## **SECRETARY**

D Gebbie (appointed 1 September 2003)  
Hancock Green & Associates Limited (appointed 3 July 2002, resigned 1 September 2003)  
K Gold (resigned 3 July 2002)

## **AUDITORS**

Ernst & Young LLP  
Apex Plaza  
Forbury Road  
Reading  
Berkshire RG1 1YE

## **BANKERS**

Barclays Bank plc  
50 Pall Mall  
London SW1A 1QA

## **SOLICITORS**

Michelmores  
18 Cathedral Yard  
Exeter EX1 1HE

## **REGISTERED OFFICE**

18 Cathedral Yard  
Exeter EX1 1HE

# Abela Airline Catering Limited

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2002.

### PRINCIPAL ACTIVITY

The company's principal activity during the year continued to be the supply of in-flight catering to airlines.

### RESULTS AND DIVIDENDS

The loss for the year amounted to £3,326k (2001 - profit £354k) and is dealt with as shown in the profit and loss account.

The directors are unable to recommend the payment of a dividend due to the accumulated losses of the company.

### REVIEW OF THE BUSINESS AND POST BALANCE SHEET EVENTS

Trading conditions were difficult for the Airline Catering industry worldwide throughout 2002, with the impact of reduced demand from its airline customers leading to a reduction in turnover and a net loss for the year. However, the company's cash flows were strong and the cash position at the end of 2002 showed an improvement of £348k compared to December 2001.

During the first four months of 2003, trading conditions have remained disappointing with consumer demand for airline travel depressed by concerns over conflict in Iraq and health warnings from SARS. In addition the company has lost three of its major contracts which lead to further unexpected costs from redundancies and restructuring.

In view of the likely requirement for further capital, the Directors decided that the interests of the company's employees, customers and suppliers, as well as its shareholders, would be protected by securing a sale of the company's business and assets. Accordingly, on 4 September 2003 the Company concluded the sale of its business and assets to LSG Lufthansa Service Europa/Afrika GmbH; and on 31 October, the Company concluded the sale of its freehold land and buildings. As a result the Company ceased trading with effect from 4 September 2003.

The company has retained the responsibility for the recovery of trade debtors, and the settlement of trade creditors, at agreed terms, as at the date of the sale.

In the opinion of the directors' there are sufficient amounts to settle all remaining trade creditors, at agreed terms.

The parent undertaking and other group undertakings, who are owed monies, have agreed to waive collection of the remaining debts until such time as the Company's non-group liabilities have been settled or are covered by remaining amounts receivable, or the company is the subject of a Winding Up application (whichever is the earlier).

In the light of the above, the going concern presumption in FRS18 is not appropriate and the accounts have been prepared on a basis which reflects the directors' intention to divest the business in an orderly manner. Remaining assets have been written down to realisable value, where appropriate, and provision has been made for the directors' estimate of meeting obligations existing at the balance sheet date. Expected gains on the disposal of remaining assets have not been taken into account.

### DIRECTORS AND THEIR INTERESTS

The directors who served during the year were those shown on page 1.

None of the directors had any interest in the shares of the company at the beginning or end of the year.

DIRECTORS' REPORT

**EMPLOYEE INVOLVEMENT AND DISABLED EMPLOYEES**

The company is committed to involve all employees in the performance and development of the company. Employees are encouraged to discuss with management matters of interest to the employee and subjects affecting day to day operations of the company.

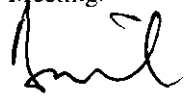
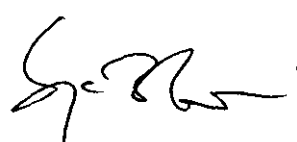
It is the company's policy to give full consideration to suitable applications for employment by disabled persons. Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the company who become disabled to continue in their employment or to be trained for other positions in the company.

**AUDITORS**

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the members at the forthcoming Annual General Meeting.

By order of the board

Date

   
20 January 2014

## Abela Airline Catering Limited

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### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year 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 that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company 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 to enable them to ensure that the accounts 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.

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 **ERNST & YOUNG**  
**INDEPENDENT AUDITORS' REPORT**  
to the members of Abela Airline Catering Limited

We have audited the company's financial statements for the year ended 31 December 2002 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, and the related notes 1 to 23. These financial statements have been prepared on the basis of the accounting policies set out therein. The financial statements have been prepared on a basis which reflects the directors' intention to divest the business and assets.

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 and 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 legal and regulatory requirements and United Kingdom 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 to you 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 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.

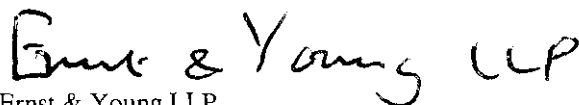
**Basis of audit opinion**

We conducted our audit in accordance with 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 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Reading

Date: 20 January 2004

# Abela Airline Catering Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2002

	Notes	2002 £'000	2001 £'000
<b>TURNOVER</b>	2	25,931	28,659
Cost of sales		20,275	21,742
Gross profit		5,656	6,917
Write-down of fixed assets	6	3,168	-
Other administrative expenses		5,558	6,136
Total administrative expenses		8,726	6,136
<b>OPERATING (LOSS) / PROFIT</b>	3	(3,070)	781
Interest receivable		44	37
Interest payable	6	(300)	(464)
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(3,326)	354
Tax on (loss) / profit on ordinary activities	7	-	-
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION, BEING RETAINED (LOSS) / PROFIT FOR THE YEAR</b>	18	(3,326)	354

There were no recognised gains or losses other than those included in the profit and loss account above.

# Abela Airline Catering Limited

## BALANCE SHEET at 31 December 2002

	Notes	2002 £'000	2001 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	6,418	10,574
<b>CURRENT ASSETS</b>			
Stocks	9	300	269
Debtors	10	4,659	5,186
Cash at bank and in hand	16	1,769	1,421
		6,728	6,876
<b>CREDITORS: amounts falling due within one year</b>	11	17,038	17,745
<b>NET CURRENT LIABILITIES</b>		(10,310)	(10,869)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(3,892)	(295)
<b>CREDITORS: amounts falling due after more than one year</b>	12	1,153	1,424
		(5,045)	(1,719)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	6,000	6,000
Profit and loss account	18	(11,045)	(7,719)
<b>EQUITY SHAREHOLDERS' DEFICIT</b>	18	(5,045)	(1,719)

Approved by the board

Director

Date:

*Paul Gellor*  
20 January 2004

# Abela Airline Catering Limited

## STATEMENT OF CASH FLOWS for the year ended 31 December 2002

	Notes	2002 £'000	2001 £'000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	3(b)	1,469	1,978
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest paid		-	(202)
Interest element of finance lease rental payments		(300)	(281)
Interest received		44	37
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(256)	(446)
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire tangible fixed assets		(317)	(160)
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		(317)	(160)
<b>NET CASH INFLOW BEFORE FINANCING</b>		896	1,372
<b>FINANCING</b>			
Repayment of bank loan		-	(3,967)
Capital element of finance leases		(356)	(253)
Intercompany loan		(192)	5,616
<b>NET CASH (OUTFLOW) / INFLOW FROM FINANCING</b>		(548)	1,396
<b>INCREASE IN CASH</b>	15	348	2,768

# Abela Airline Catering Limited

## NOTES TO THE ACCOUNTS

at 31 December 2002

### 1. ACCOUNTING POLICIES

#### *Basis of preparation*

As noted in note 23 to the accounts, subsequent to the year-end the company secured the sale of its assets and undertaking, whilst retaining the responsibility for the recovery of trade debtors, and the settlement of trade creditors, at agreed terms.

In the light of the above, the going concern presumption in FRS 18 is not appropriate and the accounts have been prepared on a basis which reflects the directors' intention to divest the business in an orderly manner. Remaining assets have been written down to realisable value, where appropriate, and provision has been made for the directors' estimate of meeting obligations existing at the balance sheet date.

Other than as above, the accounts have been prepared under the historical cost convention.

#### *Depreciation*

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

Freehold buildings	-	over 10 to 25 years
Plant and equipment	-	over 3 to 8 years
Motor vehicles	-	over 5 years
Leased motor vehicles	-	over 10 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying values may not be recoverable.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion.

#### *Foreign currencies*

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

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

#### *Leasing and hire purchase commitments*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over the relevant lease term.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

# Abela Airline Catering Limited

## NOTES TO THE ACCOUNTS

at 31 December 2002

### 1. ACCOUNTING POLICIES (continued)

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- Deferred taxation assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the underlying future reversal of the timing differences can be deducted.

Deferred taxation is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

### 2. TURNOVER

Turnover, which is stated net of valued added tax and other levies, is attributable to one continuing activity, the supply of in-flight catering to airlines. All turnover originates in the United Kingdom.

### 3. OPERATING (LOSS) / PROFIT

(a) This is stated after charging:

	2002 £'000	2001 £'000
Auditors' remuneration - audit services	20	20
- non audit services	5	12
Depreciation of owned fixed assets	738	838
Depreciation of assets held under finance leases	256	322
Loss on disposal of fixed assets	92	33
Operating lease rentals - plant and machinery	49	60
- land and buildings	385	385

(b) Reconciliation of operating (loss) / profit to net cash inflow from operating activities:

	2002 £'000	2001 £'000
Operating (loss) / profit	(3,070)	781
Depreciation	994	1,160
Write-down of fixed assets	3,168	-
Decrease in debtors	527	2,494
(Increase) / Decrease in stocks	(31)	229
Decrease in creditors	(430)	(2,719)
Transfer of fixed assets to group undertaking	219	-
Loss on sale of fixed assets	92	33
Net cash inflow from operating activities	1,469	1,978

# Abela Airline Catering Limited

## NOTES TO THE ACCOUNTS

at 31 December 2002

### 4. STAFF COSTS

	2002 £'000	2001 £'000
Wages and salaries	8,869	9,893
Social security costs	767	874
Other pension costs	205	35
	<u>9,841</u>	<u>10,802</u>

The average weekly number of employees during the year was as follows:

	2002 No.	2001 No.
Administration	42	50
Operational	468	537
	<u>510</u>	<u>587</u>

### 5. DIRECTORS' EMOLUMENTS

The directors received no emoluments during 2002 (2001: Nil).

### 6. INTEREST PAYABLE

	2002 £'000	2001 £'000
Finance charges payable under finance leases	300	281
Bank loans and overdrafts	-	183
	<u>300</u>	<u>464</u>

### 7. TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

#### (a) Factors affecting current tax charge

The tax assessed on the (loss) / profit on ordinary activities is higher than the standard rate of corporation tax in the UK of 30% (2001: 30%). The differences are reconciled below:

	2002 £'000	2001 £'000
(Loss) / profit on ordinary activities before tax	(3,326)	354
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	(998)	(106)
Disallowed expenses and non-taxable income	829	66
Depreciation in excess of capital allowances	205	(32)
Group relief	-	(10)
Tax losses arising in the year not relieviable against tax	(36)	(130)
Total current tax	<u>-</u>	<u>-</u>

# Abela Airline Catering Limited

## NOTES TO THE ACCOUNTS at 31 December 2002

### 8. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings £'000</i>	<i>Leasehold land and buildings £'000</i>	<i>Plant and equipment £'000</i>	<i>Motor vehicles £'000</i>	<i>Leased motor vehicles £'000</i>	<i>Total £'000</i>
Cost:						
At 1 January 2002	6,358	3,101	5,033	76	3,011	17,579
Additions	8	50	255	4	-	317
Disposals	-	-	-	(40)	(719)	(759)
At 31 December 2002	6,366	3,151	5,288	40	2,292	17,137
Depreciation:						
At 1 January 2002	1,796	366	3,380	54	1,409	7,005
Charge for the year	209	137	384	8	256	994
Disposals	-	-	-	(28)	(420)	(448)
Write down in carrying value	-	2,572	596	-	-	3,168
At 31 December 2002	2,005	3,075	4,360	34	1,245	10,719
Net book value:						
At 31 December 2002	4,361	76	928	6	1,047	6,418
At 1 January 2002	4,562	2,735	1,653	22	1,602	10,574

Fixed assets were sold after the balance sheet date at a loss of £3,168k against their book value. This write-down in value has been reflected at 31 December 2002.

In addition to leased motor vehicles shown separately, plant and equipment includes the following amounts relating to leased assets:

	<i>£'000</i>
Cost:	
At 1 January 2002	48
Additions	-
31 December 2002	48
Depreciation:	
At 1 January 2002	48
Charge for the year	-
At 31 December 2002	48
Net book value:	
At 31 December 2002	-
At 1 January 2002	-

# Abela Airline Catering Limited

## NOTES TO THE ACCOUNTS

at 31 December 2002

### 9. STOCKS

	2002 £'000	2001 £'000
Food and drink	300	269
	<u>300</u>	<u>269</u>

### 10. DEBTORS

	2002 £'000	2001 £'000
Trade debtors	2,932	4,011
Other debtors	861	536
Prepayments	415	496
Due from fellow subsidiary undertakings	451	143
	<u>4,659</u>	<u>5,186</u>

### 11. CREDITORS: amounts falling due within one year

	2002 £'000	2001 £'000
Obligations under finance leases (note 13)	154	239
Trade creditors	2,191	2,287
Other taxes and social security costs	266	243
Other creditors	31	231
Accruals	1,498	1,655
Amounts due to parent undertaking	9,957	10,149
Amounts due to fellow subsidiary undertakings	2,941	2,941
	<u>17,038</u>	<u>17,745</u>

### 12. CREDITORS: amounts falling due after more than one year

	2002 £'000	2001 £'000
Obligations under finance leases (note 13)	1,153	1,424
	<u>1,153</u>	<u>1,424</u>

# Abela Airline Catering Limited

## NOTES TO THE ACCOUNTS

at 31 December 2002

### 13. OBLIGATIONS UNDER FINANCE LEASES

The maturity of these amounts is as follows:

	2002 £'000	2001 £'000
Amounts payable:		
within one year	511	464
within two to five years	1,797	1,412
over five years	158	585
	<u>2,466</u>	<u>2,461</u>
Less finance charges allocated to future periods	(1,159)	(798)
	<u>1,307</u>	<u>1,663</u>

	2002 £'000	2001 £'000
Finance leases are analysed as follows:		
Current obligations (note 11)	154	239
Non-current obligations (note 12)	1,153	1,424
	<u>1,307</u>	<u>1,663</u>

### 14. PROVISIONS FOR LIABILITIES AND CHARGES

	2002 £'000	2001 £'000
<i>Deferred taxation</i>		
Capital allowances in advance of depreciation	146	354
Short term timing differences	(584)	(590)
Losses	(1,844)	(1,885)
	<u>(2,282)</u>	<u>(2,121)</u>

# Abela Airline Catering Limited

## NOTES TO THE ACCOUNTS

at 31 December 2002

### 15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2002 £'000	2001 £'000
Increase in cash in the period	348	2,768
Capital element of finance leases	356	279
Cash inflow from movement in loans	192	(1,649)
Change in net debt resulting from cash flow	896	1,398
New finance leases	-	(26)
<b>MOVEMENT IN NET DEBT IN THE PERIOD</b>	<b>896</b>	<b>1,372</b>
<b>NET DEBT AT 1 JANUARY</b>	<b>(10,391)</b>	<b>(11,763)</b>
<b>NET DEBT AT 31 DECEMBER</b>	<b>(9,495)</b>	<b>(10,391)</b>

### 16. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2002 £'000	Cash flow £'000	Other changes £'000	At 31 December 2001 £'000
Cash at bank and in hand	1,421	348	-	1,769
Debt due within one year	-	-	-	-
Intercompany loan	(10,149)	192	-	(9,957)
Debt due after one year	-	-	-	-
Finance lease obligations	(1,663)	356	-	(1,307)
	(10,391)	896	-	(9,495)

Cash at bank and in hand includes a rent deposit of £290k (2001: £298k), and also a customs blocked deposit of £200k (2001: £Nil).

Major non-cash transactions:

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £Nil (2001 - £26k).

# Abela Airline Catering Limited

## NOTES TO THE ACCOUNTS

at 31 December 2002

### 17. SHARE CAPITAL

	<i>Allotted, called up and fully paid</i>		<i>Allotted, called up and fully paid</i>	
	<i>Authorised 2002 £'000</i>	<i>2002 £'000</i>	<i>Authorised 2001 £'000</i>	<i>2001 £'000</i>
Ordinary shares of £1 each	6,000	6,000	6,000	6,000

### 18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
At 1 January 2001	6,000	(8,073)	(2,073)
Profit for the year	-	354	354
At 31 December 2001	6,000	(7,719)	(1,719)
Loss for the year	-	(3,326)	(3,326)
At 31 December 2002	6,000	(11,045)	(5,045)

### 19. CAPITAL COMMITMENTS

At 31 December 2002 the company had contracted capital commitments of £Nil (2001 - £Nil).

### 20. OTHER FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	<i>Land and buildings</i>		<i>Other</i>	
	<i>2002 £'000</i>	<i>2001 £'000</i>	<i>2002 £'000</i>	<i>2001 £'000</i>
Operating leases which expire:				
within one year	-	-	15	36
in two to five years	-	-	7	17
over five years	385	385	-	-
	385	385	22	53

# Abela Airline Catering Limited

## NOTES TO THE ACCOUNTS at 31 December 2002

### 21. RELATED PARTY TRANSACTIONS

During the year the following transactions were undertaken with group companies of Albert Abela Corporation:

<i>Due from fellow subsidiaries:</i>	2002		2001		<i>Nature of transaction</i>
	<i>Year end balance</i> £'000	<i>Value of transactions</i> £'000	<i>Year end balance</i> £'000	<i>Value of transactions</i> £'000	
Albert Abela & Co. Limited	284	242	42	454	Payroll costs and transfer of vehicles
Athens Air Caterers Limited	7	2	9	44	Movement on exchange rates
Abela Rocas SRL	23	1	24	23	Write-off of balance
Abela Dubai	-	16	16	13	Write-off of balance
Abela Sharjah	5	5	-	-	Share of marketing cost
Abela Baku	-	10	10	4	Write-off of balance
Abela Rome	132	90	42	17	Provision of operational support and recharge of expenses
	<u>451</u>		<u>143</u>		
<i>Due to parent:</i>					
Wakom Holding BV	(9,957)	192	(10,149)	5,616	Repayment of funding to parent undertaking
<i>Due to fellow subsidiaries:</i>					
Regency Ontwerp BV	(1,024)	-	(1,024)	-	
Glavin Netherlands	(1,917)	-	(1,917)	-	
	<u>(2,941)</u>		<u>(2,941)</u>		

NOTES TO THE ACCOUNTS

at 31 December 2002

**22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate parent undertaking is, in the opinion of the directors, Business Development Corporation BDC 4 Limited which is incorporated in Guernsey. Business Development Corporation BDC 4 Limited is controlled by three foundations and one trust registered in Liechtenstein. These are in turn controlled by trustees and protectors.

**23. POST BALANCE SHEET EVENTS**

In view of the likely requirement for further capital, the Directors decided that the interests of the company's employees, customers and suppliers, as well as its shareholders, would be protected by securing a sale of the company's business and assets. Accordingly, on 4 September 2003 the Company concluded the sale of its business and assets to LSG Lufthansa Service Europa/Afrika GmbH; and on 31 October, the Company concluded the sale of its freehold land and buildings. As a result the Company ceased trading with effect from 4 September 2003.

The company has retained the responsibility for the recovery of trade debtors, and the settlement of trade creditors, at agreed terms, as at the date of the sale.

In the opinion of the directors' there are sufficient amounts to settle all remaining trade creditors, at agreed terms.

The parent undertaking and other group undertakings, who are owed monies, have agreed to waive collection of the remaining debts until such time as the Company's non-group liabilities have been settled or are covered by remaining amounts receivable, or the company is the subject of a Winding Up application (whichever is the earlier).