

REDHILL AERODROME PROPERTIES LIMITED

ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 1997

Registered Number: 03002772

**Critchleys
Chartered Accountants
Oxford**

**MACFARLANES
10, NORWICH ST.
LONDON EC4A 1BD**



REDHILL AERODROME PROPERTIES LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

CONTENTS	Page
Auditors' report	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3-4

**AUDITORS' REPORT TO
REDHILL AERODROME PROPERTIES LIMITED
UNDER SECTION 247B TO THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements set out on pages 2 to 4, together with the financial statements of the company for the year ended 31 December 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. 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 to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 4 are properly prepared in accordance with those provisions.

Oxford
12 May 1998

A handwritten signature in dark ink, appearing to read 'Critchleys', with a horizontal line drawn through the middle of the signature.

Critchleys
Chartered Accountants
Registered Auditors

REDHILL AERODROME PROPERTIES LIMITED

ABBREVIATED BALANCE SHEET

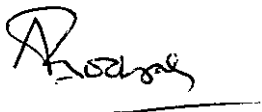
AT 31 DECEMBER 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible assets	2	4,166,919	4,158,249
CURRENT ASSETS			
Debtors		1,090,743	771,933
CREDITORS: amounts falling due within one year		(347,074)	(304,606)
NET CURRENT ASSETS		743,669	467,327
TOTAL ASSETS LESS CURRENT LIABILITIES		4,910,588	4,625,576
CREDITORS: amounts falling due after more than one year	3	(4,109,326)	(4,090,765)
PROVISIONS FOR LIABILITIES AND CHARGES		(52,567)	(52,567)
		748,695	482,244
CAPITAL AND RESERVES			
Called up share capital	4	1	1
Profit and loss account		748,694	482,243
TOTAL SHAREHOLDERS' FUNDS		748,695	482,244

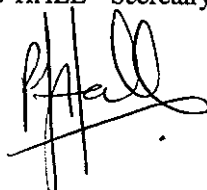
Advantage has been taken in the preparation of these accounts of the special exemptions applicable to small companies under Part VII of Schedule 8 of the Companies Act 1985. In the opinion of the directors, the company is entitled to these exemptions on the grounds that it has met the qualifications for a small company specified in Sections 246 and 247 of the Companies Act 1985.

These financial statements were approved by the Board of Directors on 22 April 1998 and signed on its behalf.

A A C GODSAL - Director



P J HALL - Secretary



REDHILL AERODROME PROPERTIES LIMITED
NOTES ON ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting Convention

The financial statements are prepared under the historical cost convention.

Tangible Fixed Assets

Depreciation is not provided on freehold land or on other assets held as investment properties. On other assets, depreciation is provided on cost in equal annual instalments over the estimated lives of the assets as follows:

Freehold buildings	2%	per annum
Fixtures & fittings	20%	per annum

Investment Properties

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred Taxation

Deferred taxation is provided on timing differences arising from different treatment of items of income and expenditure for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

REDHILL AERODROME PROPERTIES LIMITED
NOTES ON ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

2 TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures & Fittings £	Total £
Cost or revaluation:			
At 1 January 1997	4,239,093	1,651	4,240,744
Additions	50,000	-	50,000
	<hr/>	<hr/>	<hr/>
At 31 December 1997	4,289,093	1,651	4,290,744
	<hr/>	<hr/>	<hr/>
Accumulated depreciation:			
At 1 January 1997	82,000	495	82,495
Charge for the year	41,000	330	41,330
	<hr/>	<hr/>	<hr/>
At 31 December 1997	123,000	825	123,825
	<hr/>	<hr/>	<hr/>
Net book value:			
At 31 December 1997	4,166,093	826	4,166,919
	<hr/>	<hr/>	<hr/>
At 31 December 1996	4,157,093	1,156	4,158,249
	<hr/>	<hr/>	<hr/>

3 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

These amounts are unsecured and bear no interest.

4 CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted and fully paid:		
1,000 ordinary shares of £1 each	1	1
	<hr/>	<hr/>

5 ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY

In the opinion of the directors, the company's ultimate parent company and controlling entity is Redhill Aerodrome Ventures Limited, a company registered in England and Wales. Copies of the ultimate parent company's accounts can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.