

ERA Property Company Limited

Directors' Report and Financial Statements  
for the year ended 31 December 2006

Registered Number 4089267



ERA Property Company Limited  
Directors' Report and Financial Statements  
for the year ended 31 December 2006

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# **ERA Property Company Limited**

## **Directors' report for the year ended 31 December 2006**

The directors have pleasure in submitting their report, together with the audited financial statements of the Company, for the year ended 31 December 2006

### **Results and dividends**

The Company did not trade, was dormant throughout the year and consequently made neither a profit nor a loss (2005 £146,000 profit) At 31 December 2006, the company has net assets of £12,660,000 (2005 £12,660,000)

No dividend was paid or proposed during the year (2005 £Nil per share)

### **Principal activities, business review and future developments**

It is expected that the Company will remain dormant for the foreseeable future

### **Principal risks and uncertainties**

The Company has remained dormant in the current and preceding year Thus it is not exposed to financial risks such as the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk The assets of the Company consist solely of an amount receivable from a fellow subsidiary undertaking The directors annually assess the recoverability of the balance having regard to the financial position of the fellow subsidiary

### **Directors**

The following directors held office during the year

F J Cahill

J E Fewtrell

P D Long

### **Statement of Directors' Responsibilities**

The following statement, which should be read in conjunction with the report of the auditors set out on page 3, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements

Company law requires the directors to prepare financial statements for each financial period 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 the financial period The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business

The directors confirm that suitable accounting policies have been used and applied consistently They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2006 and that applicable accounting standards have been followed

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements 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

### **Auditors and disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

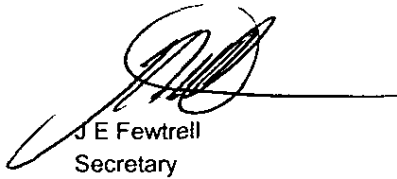
## ERA Property Company Limited

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985

### Auditors

BDO Stoy Hayward LLP resigned as auditors during the year and PricewaterhouseCoopers LLP were appointed in their place. A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

By order of the board



J E Fewtrell  
Secretary

31 July 2007

# ERA Property Company Limited

## Independent auditors' report to the members of ERA Property Company Limited

We have audited the financial statements of ERA Property Company Limited for the year ended 31 December 2006, which comprise the profit and loss account, the balance sheet, the note of historical cost profits and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

Southampton

6 August 2007

# **ERA Property Company Limited**

## **Statement of accounting policies**

### **Accounting convention**

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK accounting standards. The principal accounting policies are set out below.

### **Taxation and deferred taxation**

The charge for taxation is based on the results for the year. In accordance with FRS19, deferred taxation is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future, based on current tax rates and law. An asset is not recognised to the extent that the economic benefits in future are uncertain. Deferred tax assets and liabilities recognised have not been discounted.

# ERA Property Company Limited

## Profit and loss account for the year ended 31 December 2006

	Notes	2006 £000	2005 £000
Turnover		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Selling and distribution costs		-	-
Administrative expenses		-	-
<b>Operating profit</b>	1	-	-
Interest receivable and similar income		-	-
<b>Profit on ordinary activities before taxation</b>		-	-
Tax on profit on ordinary activities	2	-	146
<b>Profit for the financial year</b>	6	-	146

All the Company's activities are classed as discontinued in the current and comparative year

The profit on ordinary activities before taxation and the retained profit for the financial year have been computed on the historical cost basis

The Company has no recognised gains or losses other than the amounts above and therefore no separate statement of total recognised gains and losses has been prepared

# ERA Property Company Limited

## Balance sheet as at 31 December 2006

		2006		2005	
	Notes	£000	£000	£000	£000
<b>Current assets</b>					
Debtors Amounts falling due within one year	4	12,660		12,660	
		12,660		12,660	
Creditors Amounts falling due within one year		-		-	
<b>Net current assets</b>			12,660		12,660
<b>Net assets</b>			12,660		12,660
<b>Capital and reserves</b>					
Called up share capital	5		1,705		1,705
Share premium account	6		6,012		6,012
Profit and loss account	6		4,943		4,943
<b>Equity shareholders' funds</b>			12,660		12,660

The financial statements on pages 4 to 9 were approved by the board on 31 July 2007 and were signed on its behalf by

F J Cahill  
Director





# ERA Property Company Limited

## Note of historical cost profits and losses for the year ended 31 December 2006

	Notes	2006 £000	2005 £000
Reported profit on ordinary activities before taxation		-	-
Revaluation surpluses realised on disposal of freehold land & buildings		-	3,707
Historical cost profit on ordinary activities before taxation		-	3,707
Historical cost profit for the year retained after taxation		-	3,853

# ERA Property Company Limited

## Notes to the financial statements for the year ended 31 December 2006

### 1. Operating profit

Audit fees for the year are borne by a fellow group subsidiary and amounted to £1,000 (2005 £Nil). Fees paid to the Company's auditor, PricewaterhouseCoopers LLP and its associates for services other than the statutory audit of the Company are not disclosed in these accounts since the consolidated group financial statements of the ultimate parent undertaking, Cobham plc, disclose the non-audit fees on a consolidated basis.

### 2. Taxation

	2006 £000	2005 £000
Deferred tax		
Movement in deferred tax provision	-	(146)
Tax on profit on ordinary activities	-	(146)

### 3. Directors

#### Directors' emoluments

All directors in office at the year end are employed by, and receive their emoluments from, another group undertaking. No other amounts have been paid or are owed at 31 December 2006 (2005 £nil) in respect of services supplied by the directors to the Company, since their services are incidental to their services to the group as a whole.

### 4. Debtors

	2006 £000	2005 £000
Amounts owed by fellow subsidiary undertakings	12,660	12,660

Amounts owed by fellow subsidiary undertakings are unsecured, interest free and have no fixed date of repayment.

The directors consider that the carrying value of debtors equates to their fair value.

# ERA Property Company Limited

## 5. Share capital

	2006 £000	2005 £000
<b>Authorised</b>		
1,801,000 Ordinary shares of £1 each	1,801	1,801
<b>Allotted, called up and fully paid</b>		
1,705,000 Ordinary shares of £1 each	1,705	1,705

## 6. Reserves

	Share premium account £000	Profit and loss account £000
As at 1 January and 31 December 2006	6,012	4,943

## 7. Ultimate parent undertaking

The Company's immediate parent undertaking is Lockman Electronic Holdings Limited (formerly known as Chelton Limited)

The ultimate parent undertaking and controlling party is Cobham plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Cobham plc consolidated financial statements can be obtained from the Company Secretary at Cobham plc, Brook Road, Wimborne, Dorset BH21 2BJ

## 8. Cash flow statement

As noted above, the Company is a wholly owned subsidiary of Lockman Electronic Holdings Limited and is included in the consolidated financial statements of Cobham plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cashflow statement under the terms of Financial Reporting Standard 1 (revised 1996)