

REGISTRAR'S COPY

Registered no. 4140620

LONDON ASHFORD AIRPORT LIMITED

**ABBREVIATED FINANCIAL
STATEMENTS**

**YEAR ENDED
31 DECEMBER 2002**



**LUBBOCK FINE
Chartered Accountants
Russell Bedford House
City Forum, 250 City Road
London EC1V 2QQ**

LONDON ASHFORD AIRPORT LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

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LONDON ASHFORD AIRPORT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

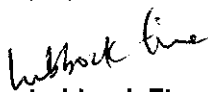
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and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

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



Lubbock Fine
Chartered Accountants
& Registered Auditors

Russell Bedford House
City Forum, 250 City Road
London EC1V 2QQ

Date: 30 APRIL 2004

LONDON ASHFORD AIRPORT LIMITED

ABBREVIATED BALANCE SHEET

31, DECEMBER 2002

	Note	2002 £	£	2001 £	£
FIXED ASSETS	2				
Tangible assets			4,424,168		4,466,506
CURRENT ASSETS					
Stocks		205,606		105,191	
Debtors	3	855,319		90,876	
Cash at bank and in hand		640,181		2,320,516	
		<u>1,701,106</u>		<u>2,516,583</u>	
CREDITORS: Amounts falling due within one year	4	<u>462,929</u>		<u>374,502</u>	
NET CURRENT ASSETS			1,238,177		2,142,081
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,662,345</u>		<u>6,608,587</u>
CREDITORS: Amounts falling due after more than one year	5		493,683		585,791
			<u>5,168,662</u>		<u>6,022,796</u>
CAPITAL AND RESERVES					
Called-up equity share capital	6		6,230,770		6,230,770
Profit and loss account			(1,062,108)		(207,974)
SHAREHOLDERS' FUNDS			<u>5,168,662</u>		<u>6,022,796</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 29/04/04 and are signed on their behalf by:

Robert D. Gahan

The notes on pages 3 to 5 form part of these abbreviated accounts.

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the *Financial Reporting Standard for Smaller Entities (effective June 2002)*.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	Over the term of the lease
Plant & Machinery	-	20% to 33% written down value
Fixtures & Fittings	-	20% to 33% written down value
Motor Vehicles	-	25% written down value

Freehold land is not depreciated in accordance with Financial Reporting Standard for Smaller Entities (effective June 2002) which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of land.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

LONDON ASHFORD AIRPORT LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 2002**

1. ACCOUNTING POLICIES (continued)**Deferred taxation**

Deferred tax 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 exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

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

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

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1 January 2002	4,518,390
Additions	63,448
At 31 December 2002	<u>4,581,838</u>
DEPRECIATION	
At 1 January 2002	51,884
Charge for year	105,786
At 31 December 2002	<u>157,670</u>
NET BOOK VALUE	
At 31 December 2002	<u>4,424,168</u>
At 31 December 2001	<u>4,466,506</u>

Included in freehold and leasehold land and buildings is freehold land of £100,000. This is not depreciated in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

3. DEBTORS

Debtors include amounts of £100,000 (2001 - £Nil) falling due after more than one year.

LONDON ASHFORD AIRPORT LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 2002****4. CREDITORS: Amounts falling due within one year**

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002	2001
	£	£
Bank loans and overdrafts	192,098	219,014
Hire purchase agreements	7,998	-
	<u>200,096</u>	<u>219,014</u>

5. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2002	2001
	£	£
Bank loans and overdrafts	481,686	585,791
Hire purchase agreements	11,997	-
	<u>493,683</u>	<u>585,791</u>

6. SHARE CAPITAL**Authorised share capital:**

	2002	2001
	£	£
10,000,000 Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	<u>6,230,770</u>	<u>6,230,770</u>	<u>6,230,770</u>	<u>6,230,770</u>

7. ULTIMATE PARENT COMPANY

The ultimate parent company is Lydd Holdings Limited which owns 63% of the ordinary share capital and is a company registered in the British Virgin Islands.