

REGISTRAR'S COPY

Registered no. 4140620

LONDON ASHFORD AIRPORT LIMITED

**ABBREVIATED FINANCIAL
STATEMENTS**

**YEAR ENDED
31 DECEMBER 2003**



**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 2003

CONTENTS	PAGE
Independent auditors' report to the company	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3

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 6, together with the financial statements of the company for the year ended 31 December 2003 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 work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 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 6 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: 13/01/05

LONDON ASHFORD AIRPORT LIMITED

ABBREVIATED BALANCE SHEET

31 DECEMBER 2003

	Note	2003 £	£	2002 £	£
FIXED ASSETS	2				
Tangible assets			5,739,011		4,424,168
CURRENT ASSETS					
Stocks		92,286		205,606	
Debtors		394,602		855,319	
Cash at bank and in hand		1,840,187		640,181	
		2,327,075		1,701,106	
CREDITORS: Amounts falling due within one year	3	<u>254,473</u>		<u>462,929</u>	
NET CURRENT ASSETS			<u>2,072,602</u>		<u>1,238,177</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,811,613		5,662,345
CREDITORS: Amounts falling due after more than one year	4		3,999		493,683
GOVERNMENT GRANTS	5		<u>45,000</u>		<u>-</u>
			<u>7,762,614</u>		<u>5,168,662</u>
CAPITAL AND RESERVES					
Called-up equity share capital	7		7,692,307		6,230,770
Share premium account			1,538,463		-
Profit and loss account			(1,468,156)		(1,062,108)
SHAREHOLDERS' FUNDS			<u>7,762,614</u>		<u>5,168,662</u>

These abbreviated accounts 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 12/1/05 and are signed on their behalf by:


Zaher Deir

The notes on pages 3 to 6 form part of these abbreviated accounts.

LONDON ASHFORD AIRPORT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

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).

The company meets its day to day working capital requirements by support of their investors and the bank. The directors believe it is appropriate to prepare the financial statements on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future on the basis of the company's plans, the continued support of investors and the bank.

If the company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts and provide for further liabilities that might arise.

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).

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 2003**

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.

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1 January 2003	4,581,838
Additions	1,430,841
At 31 December 2003	<u>6,012,679</u>
DEPRECIATION	
At 1 January 2003	157,670
Charge for year	115,998
At 31 December 2003	<u>273,668</u>
NET BOOK VALUE	
At 31 December 2003	<u>5,739,011</u>
At 31 December 2002	<u>4,424,168</u>

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

LONDON ASHFORD AIRPORT LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 DECEMBER 2003****3. CREDITORS: Amounts falling due within one year**

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

	2003	2002
	£	£
Bank loans and overdrafts	-	192,098
Hire purchase agreements	7,998	7,998
	<u>7,998</u>	<u>200,096</u>

4. 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:

	2003	2002
	£	£
Bank loans and overdrafts	-	481,686
Hire purchase agreements	3,999	11,997
	<u>3,999</u>	<u>493,683</u>

5. GOVERNMENT GRANTS

	2003	2002
	£	£
Received and receivable	<u>45,000</u>	<u>-</u>

6. TRANSACTIONS WITH THE DIRECTORS

a) At the 31 December 2003 £nil (2002 - £14,156) was due to Beaufort House Services Limited, a company of which Ian M Winskell is a director.

b) During the year the following transactions took place with Lyddair Limited, a company of which Robin D Gordon, Ian M Winskell and Jonathan M Gordon are directors: the company loaned £nil (2002 - £100,000) to Lyddair Limited; expenses of £nil (2002 - £14,679) were paid on behalf of Lyddair Limited; goods and services were provided to the company with a value of £389,363 (2002 - £83,148); and Lyddair Limited paid expenses of £32,794 (2002 - £6,881) on behalf of the company. The balance due from Lyddair at the balance sheet date was £189,884 (2002 - £214,626) and is repayable after 1 year.

c) During the year the company made sales of £46,383 (2002 - £43,196) to Atlantic Bridge Aviation Limited, a company of which Jonathan M Gordon and Robin D Gordon are directors. During the year the company wrote off £nil (2002 - £43,196) in respect of these transactions. The balance due from Atlantic Bridge Aviation Limited at the balance sheet date was £47,708 (2002 - £nil).

d) During the year the company bought services from FAL Holdings Limited, the ultimate parent company, totalling £24,773 (2002 - £nil). At the balance sheet date the company owed £24,773 (2002 - £nil) to FAL Holdings Limited.

All balances are interest free, unsecured and repayable on demand (other than as stated above).

LONDON ASHFORD AIRPORT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2003

7. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
10,000,000 Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>

Allotted, called up and fully paid:

	2003	2002
	No	No
	£	£
Ordinary shares of £1 each	<u>7,692,307</u>	<u>6,230,770</u>
	<u>7,692,307</u>	<u>6,230,770</u>

On 12 August 2003 the company issued 1,461,537 ordinary shares of £1 each for £3,000,000 of cash consideration.

9. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is Lydd Holdings Limited, a company registered in the British Virgin Islands.

The ultimate parent company is FAL Holdings Limited, a company registered in Saudi Arabia.

The ultimate parent company is controlled by Sheikh Fahadalathel.