

ML Aircraft Services Limited

Directors' report and financial statements

31 March 1995

Registered number 1170007



ML Aircraft Services Limited

Directors' report and financial statements

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ML Aircraft Services Limited

Directors' report

The Directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 31 March 1995.

Principal activities

The principal activity of the company during the year has been to provide management, technical and related services to the aerospace industry.

Review of business and future developments

The results of the company for the year are given in the profit and loss account on page 5 and in the accompanying notes.

Dividends

The Directors do not recommend the payment of a dividend (1994: £nil).

Transfer to reserves

Movements in reserves are set out in note 11 to the financial statements.

Directors and directors' interests

The members of the Board during the year and their interests, including family interests, in the issued share capital of the company's ultimate holding company are as detailed below:

	Beneficial interest in shares of 5p each		* Options for shares of 5p each	
	31 March 1995	1 April 1994	31 March 1995	1 April 1994
J D Loveridge	1,500	1,500	154,984	68,963
F McHattie	-	-	50,000	-
J M Bryson	**	**	**	**

* Options were granted in May 1992 and March 1993, July 1993 and December 1994 under the Executive Share Option Scheme and Employees' Savings Related Share Option Scheme.

** J M Bryson is a Director of ML Holdings PLC, the company's ultimate holding company and his interests, including family interests, in the issued share capital of the company's ultimate holding company are disclosed in the financial statements of that company.

No director has had any interest in the issued share capital of the company during the year.

ML Aircraft Services Limited

Directors' report continued

Insurance for officers

The Group maintains Directors' and Officers' insurance on behalf of the company.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, they have signed their Report in their new name.

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



J D Loveridge
Secretary

644 Ajax Avenue
SLOUGH
Berkshire
SL1 4BQ

30 August 1995

ML Aircraft Services Limited

Directors' responsibilities in respect of the preparation of financial statements

Company law requires the Directors to prepare financial statements 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 for that period. In preparing those financial statements, the Directors:

- 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 financial statements; and
- prepare the financial statements 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



PO Box 695
8 Salisbury Square
London EC4Y 8BB

Report of the auditors to the members of ML Aircraft Services Limited

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

As described on page 3, the company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 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 mis-statement, 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 the company's affairs as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

London

30 August 1995

ML Aircraft Services Limited

Profit and loss account

for the year ended 31 March 1995

	<i>Note</i>	1995 £	1994 £
Turnover from continuing operations	2	69,500	56,146
Other operating income	3	3,577	98
Raw materials and consumables		(154)	(198)
Staff costs	4	(55,867)	(39,446)
Other external charges		(9,641)	(11,004)
Depreciation and other amounts written off tangible fixed assets		(239)	-
Operating profit from continuing operations		7,176	5,596
Profit on continuing ordinary activities before interest		7,176	5,596
Interest receivable and similar income	5	289	26
Profit on continuing ordinary activities before taxation		7,465	5,622
Taxation on profit on continuing ordinary activities	6	(1,807)	(1,463)
Retained profit for the year	11	5,658	4,159

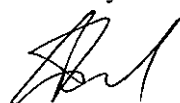
The company has no recognised gains or losses other than those shown within the profit for either year. No adjustment is required to restate the profit for either year to the historical cost profit for that year.

ML Aircraft Services Limited

Balance sheet at 31 March 1995

	<i>Note</i>	1995 £	1994 £
Fixed assets			
Tangible assets	7	1,673	-
Current assets			
Debtors	8	8,906	10,017
Cash at bank and in hand		894	48,374
		<u>9,800</u>	<u>58,391</u>
Creditors: amounts falling due within one year	9	(189,694)	(242,270)
Net current liabilities		<u>(179,894)</u>	<u>(183,879)</u>
Total assets less current liabilities		<u>(178,221)</u>	<u>(183,879)</u>
Net liabilities		<u>(178,221)</u>	<u>(183,879)</u>
Capital and Reserves			
Called up share capital	10	1,000	1,000
Profit and loss account	11	(179,221)	(184,879)
		<u>(178,221)</u>	<u>(183,879)</u>

These financial statements were approved by the directors on 30 August 1995 and were signed on their behalf by:



J D Loveridge
Director

ML Aircraft Services Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents the value of services rendered during the year.

Foreign currencies

Assets and liabilities held in foreign currencies have been translated at the rates ruling at the balance sheet date. Transactions during the year have been translated at the rate ruling at the time of the transaction. Exchange differences from transactions arising in the normal course of trading are taken to the profit and loss account.

Financial reporting statement 1

In accordance with Financial Reporting Standard 1, the company, being a wholly owned subsidiary of ML Holdings PLC, has not included a cash flow statement as part of these financial statements.

Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful economic lives on the straight line basis as follows:

Plant, machinery and equipment 10 - 25% per annum

2 Turnover from continuing operations

All turnover is with a fellow subsidiary undertaking.

3 Other operating income

	1995 £	1994 £
Exchange gains	3,577	98

ML Aircraft Services Limited

Notes

(continued)

4 Directors and employees

Directors

No director received any emoluments from the company during the year (1994: £nil)

Employees

Average number of persons employed by the company
(including Directors):

	No.	No.
Directors	3	2
Management and technical	2	2
	<u>5</u>	<u>4</u>

	1995 £	1994 £
Their total remuneration was:		
Wages and salaries	51,326	27,369
Social security costs	4,541	12,077
Other pension costs	-	-
	<u>55,867</u>	<u>39,446</u>

5 Interest receivable and similar income

	1995 £	1994 £
Bank interest	<u>289</u>	<u>26</u>

ML Aircraft Services Limited

Notes

(continued)

6 Taxation

	1995 £	1994 £
UK corporation tax charge at 25%	1,807	1,463
Double taxation relief	(1,073)	(1,059)
	<hr/>	<hr/>
UK Corporation tax	734	404
Overseas tax	1,073	1,059
	<hr/>	<hr/>
	1,807	1,463
	<hr/>	<hr/>

7 Tangible fixed assets

	Plant, machinery and equipment £
Cost at 1 April 1994	-
Additions at cost	1,912
	<hr/>
Cost at 31 March 1995	1,912
	<hr/>
Accumulated depreciation at 1 April 1994	-
Charge for year	239
	<hr/>
Accumulated depreciation at 31 March 1995	239
	<hr/>
Net book value at 31 March 1995	1,673
	<hr/>
Net book value at 31 March 1994	-
	<hr/>
Comparable amounts determined according to the historical cost convention are as follows:	
Cost	1,912
	<hr/>
Accumulated depreciation	239
	<hr/>
Net book value at 31 March 1995	1,673
	<hr/>
Net book value at 31 March 1994	-
	<hr/>

ML Aircraft Services Limited

Notes

(continued)

8 Debtors: amount falling due within one year

	1995 £	1994 £
Amounts owed by parent undertaking	5,279	-
Amounts owed by fellow subsidiary undertakings	3,627	8,046
Other debtors	-	1,971
	<u>8,906</u>	<u>10,017</u>

9 Creditors: amounts falling due within one year

	1995 £	1994 £
Amounts due to parent undertaking	189,540	240,167
Corporation tax	29	310
Accruals and deferred income	125	1,793
	<u>189,694</u>	<u>242,270</u>

10 Share capital

	Authorised		Allotted, called up and fully paid	
	1995 £	1994 £	1995 £	1994 £
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

11 Reserves

	Profit and loss account £
At 1 April 1994	(184,879)
Retained profit for the year	5,658
At 31 March 1995	<u>(179,221)</u>

ML Aircraft Services Limited

Notes

(continued)

12 Reconciliation of movements in shareholders' funds

	1995	1994
	£	£
Profit for the financial year	5,658	4,159
New share capital subscribed	-	900
Opening shareholders' funds	(183,879)	(188,938)
Closing shareholders' funds	<u>(178,221)</u>	<u>(183,879)</u>

13 Financial Support

The ultimate holding company, ML Holdings PLC, has confirmed its intentions to provide such financial support as is necessary to maintain the company as a going concern. The financial statements have accordingly been prepared on a going concern basis.

14 Ultimate holding company

The company is a wholly owned subsidiary of ML Holdings PLC, a company registered in England and Wales. A copy of the Group's financial statements may be obtained from:

ML Holdings PLC
644 Ajax Avenue
Slough
Berkshire
SL1 4BQ