

M L Aircraft Services Limited
Annual report
for the year ended 31 December 2001

Registered Number 1170007



M L Aircraft Services Limited
Annual report
for the year ended 31 December 2001
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M L Aircraft Services Limited

Directors' report for the year ended 31 December 2001

The directors present their report and the audited financial statements of the company for the year ended 31 December 2001.

Principal activities

The principal business of the company is to provide management, technical and related services to the aerospace industry.

A decision by USAF to cease training pilots in the T3A programme, resulted in the cessation of this business in October 2000.

Results for the year

The company's result for the year is set out in the profit and loss account on page 4 showing a loss for the year of £53 (2000 profit of £6,526). The directors do not propose the payment of a dividend and the retained loss for the year has been transferred to reserves.

Directors

The table below shows the persons who were directors of the company at 31 December 2001 and their interests in the shares of Cobham plc, the company's ultimate parent undertaking, including those of their families at that date.

	Shares		Number of options			
	2001	2000	31/12/00	Granted	Exercised	31/12/01
G C Cooper	-	-	-	-	-	-
L J Marshall	-	-	-	-	-	-

Apart from the interests stated above and in the directors' report of Cobham plc, neither of the directors or their families had interests in the shares of any companies in the group.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that 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 year ended 31 December 2001 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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.

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Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to be 'G C Cooper', written over a horizontal line.

G C Cooper
Director

11 April 2002

M L Aircraft Services Limited

Independent auditors' report to the members of M L Aircraft Services Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the accounting policies and related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit 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 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 of the state of the company's affairs at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Leeds
11 April 2002

M L Aircraft Services Limited

Profit and loss account for the year ended 31 December 2001

	Note	2001 £	2000 £
Turnover - discontinued operations		-	46,062
Cost of sales		-	(34,462)
Gross profit		-	11,600
Administrative expenses		(53)	(1,000)
Operating (loss)/profit - discontinued operations	1	(53)	10,600
Net interest payable	2	-	(1,317)
(Loss)/profit on ordinary activities before taxation		(53)	9,283
Tax on profit on ordinary activities	3	-	(2,757)
(Loss)/profit for the financial year	9	(53)	6,526

The company had no recognised gains or losses other than the loss for the year reported above.

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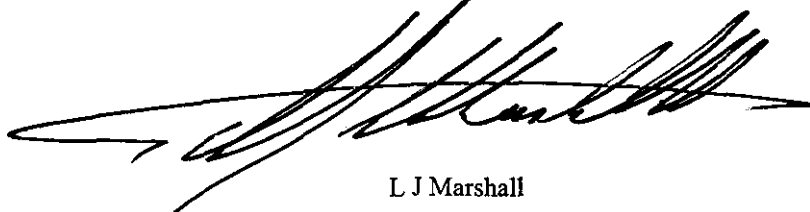
Balance sheet as at 31 December 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible assets	5		-		-
Current assets					
Debtors	6	20,282		-	
Cash at bank		-		29,409	
		20,282		29,409	
Creditors: amounts falling due within one year	7	(182,619)		(191,693)	
Net current liabilities			(162,337)		(162,284)
Total assets less current liabilities			(162,337)		(162,284)
Capital and reserves					
Called up share capital	8		1,000		1,000
Profit and loss account	9		(163,337)		(163,284)
Total shareholders' funds - deficit	10		(162,337)		(162,284)

The financial statements on pages 4 to 10 were approved by the board of directors on 11 April 2002 and were signed on its behalf by:



G C Cooper
Director



L J Marshall
Director

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Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

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

Turnover

Turnover is based on sales value exclusive of value added tax.

Tangible fixed assets

Fixed assets are depreciated on a straight line basis over their estimated useful lives, as follows:

Plant, machinery and equipment	10-25% per annum
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Foreign currencies

Transactions denominated in foreign currencies are translated at the rate of exchange on the day the transaction occurs, or at the contracted rate if the transaction is covered by a forward exchange contract.

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with in the profit and loss account.

Deferred taxation

Deferred taxation is provided on the liability basis to take account of the difference between the incidence of income and expenditure for accounting and taxation purposes to the extent that it is likely that a liability will crystallise in the foreseeable future.

Cash flow

The company's ultimate parent undertaking has produced a cash flow statement in accordance with FRS 1. The company, a wholly owned subsidiary, has therefore taken advantage of the exemption conferred by FRS 1 and has not prepared a cash flow statement.

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Notes to the financial statements for the year ended 31 December 2001

1 Operating profit

	2001	2000
	£	£
<hr/>		
Operating profit is stated after charging/(crediting)		
Auditors' remuneration	-	1,000
Exchange losses	-	(3,543)
<hr/>		

Auditors' remuneration has been borne by another group company.

2 Net interest payable

	2001	2000
	£	£
<hr/>		
Bank interest payable	-	1,317
<hr/>		

3 Taxation

	2001	2000
	£	£
<hr/>		
UK corporation tax	-	2,757
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4 Directors and employees

	2001	2000
	Number	Number
Average number of employees (including directors)		
Management and technical	2	3

	2001	2000
	£	£
Employment costs		
Wages and salaries	-	28,249
Social security costs	-	2,332
	-	30,581

None of the directors received any remuneration during the current or preceding financial periods.

5 Tangible fixed assets

	Plant, machinery and equipment
	£
Cost	
31 December 2000 and 31 December 2001	1,912
Depreciation	
31 December 2000 and 31 December 2001	1,912
Net book amount	
31 December 2000 and 31 December 2001	-

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6 Debtors

	2001	2000
	£	£
Other debtors	20,282	-

7 Creditors - Amounts falling due within one year

	2001	2000
	£	£
Corporation tax	2,757	2,757
Accruals and deferred income	-	2,880
Other creditors	-	6,194
Loan from parent undertaking	179,862	179,862
	182,619	191,693

The loan from the company's parent undertaking is interest free and repayable on demand. However, the parent company has confirmed that full payment of amounts owed to group undertakings will not be demanded in priority to third party creditors.

8 Called up share capital

	2001	2000
	£	£
Authorised, allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

9 Profit and loss account

	£
31 December 2000 - adverse balance	(163,284)
Loss for the year	(53)
31 December 2001 - adverse balance	(163,337)

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10 Reconciliation of movements in shareholders' funds

	2001	2000
	£	£
(Loss)/profit for the year	(53)	6,526
Opening shareholders' funds - deficit	(162,284)	(168,810)
Closing shareholders' funds - deficit	(162,337)	(162,284)

11 Parent undertakings

The company's parent undertaking is Chelton (Electrostatics) Limited. The directors regard Cobham plc, the company's ultimate parent undertaking, as the ultimate controlling party. Copies of Cobham plc's consolidated financial statements are available from the Company Secretary, Cobham plc, Brook Road, Wimborne, Dorset BH21 2BJ.

The company has taken advantage of the exemption conferred by FRS 8 not to disclose transactions with entities that are part of the Cobham plc group.