

CAPITAL AVIATION SERVICES LIMITED
FINANCIAL STATEMENTS
FOR
31 MARCH 2012



COVENEY NICHOLLS
Chartered Accountants & Statutory Auditor
The Old Wheel House
31/37 Church Street
Reigate
Surrey RH2 0AD

CAPITAL AVIATION SERVICES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

CONTENTS	PAGE
The directors' report	1
Independent auditor's report to the shareholders	3
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7
The following pages do not form part of the financial statements	
Detailed profit and loss account	13
Notes to the detailed profit and loss account	14

CAPITAL AVIATION SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2012

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the supply of labour to the aviation, engineering, and petrochemical industries

DIRECTORS

The directors who served the company during the year were as follows

P J Dunckley

Ms L Sheridan

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Coveny Nicholls are deemed to be re-appointed under section 487(2) of the Companies Act 2006

CAPITAL AVIATION SERVICES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office
The Old Wheel House
31-37 Church Street
Reigate
Surrey
RH2 0AD

Signed by order of the directors



MR P J DUNCKLEY
Company Secretary

Approved by the directors on

5/4/12

CAPITAL AVIATION SERVICES LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
CAPITAL AVIATION SERVICES LIMITED
YEAR ENDED 31 MARCH 2012

We have audited the financial statements of Capital Aviation Services Limited for the year ended 31 March 2012 on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CAPITAL AVIATION SERVICES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
CAPITAL AVIATION SERVICES LIMITED (continued)**

YEAR ENDED 31 MARCH 2012

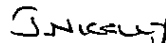
MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

The Old Wheel House
31/37 Church Street
Reigate
Surrey RH2 0AD

S-11-12


J N KELLY (Senior Statutory
Auditor)
For and on behalf of
COVENEY NICHOLLS
Chartered Accountants
& Statutory Auditor

CAPITAL AVIATION SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2012

	Note	2012 £	2011 £
TURNOVER	2	2,468,296	2,976,172
Cost of sales		2,233,925	2,508,686
GROSS PROFIT		234,371	467,486
Administrative expenses		183,839	590,877
Other operating income		—	(91,767)
OPERATING PROFIT/(LOSS)	3	50,532	(31,624)
Interest receivable		70	61
Interest payable and similar charges		—	(19,772)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		50,602	(51,335)
Tax on profit/(loss) on ordinary activities	5	12,943	(13,389)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		37,659	(37,946)
Balance brought forward		(15,317)	22,629
Balance carried forward		22,342	(15,317)

CAPITAL AVIATION SERVICES LIMITED

BALANCE SHEET

31 MARCH 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	6	11,163	22,318
CURRENT ASSETS			
Debtors	7	423,039	607,415
Cash at bank		157,144	125,809
		<u>580,183</u>	<u>733,224</u>
CREDITORS: Amounts falling due within one year	8	<u>568,904</u>	<u>770,759</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>11,279</u>	<u>(37,535)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,442</u>	<u>(15,217)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	100	100
Profit and loss account		22,342	(15,317)
SHAREHOLDERS' FUNDS/(DEFICIT)		<u>22,442</u>	<u>(15,217)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 5/4/12, and are signed on their behalf by



MS L SHERIDAN

Company Registration Number 01518689

CAPITAL AVIATION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

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 April 2008)

Turnover

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

Fixed assets

All fixed assets are initially recorded at cost

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 Improvements - Reducing balance over 40 months

Fixtures and Fittings - 25% straight line

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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.

CAPITAL AVIATION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The ordinary share capital of the company is the only financial instrument with the attributes of an equity instrument. No changes to the presentation of the company's financial instruments have occurred in the current or previous year.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below.

	2012	2011
	£	£
EU	<u>2,468,296</u>	<u>2,976,172</u>

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging

	2012	2011
	£	£
Depreciation of owned fixed assets	7,822	27,963
Auditor's fees	4,760	4,622
Net loss on foreign currency translation	<u>15,487</u>	<u>34,560</u>

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Aggregate remuneration	<u>31,007</u>	<u>91,618</u>

CAPITAL AVIATION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

5. TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2012 £	2011 £
Current tax		
Compensation for group utilisation of losses	12,943	(13,389)
Total current tax	<u>12,943</u>	<u>(13,389)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26% (2011 - 28%)

	2012 £	2011 £
Profit/(loss) on ordinary activities before taxation	<u>50,602</u>	<u>(51,335)</u>
Profit/(loss) on ordinary activities by rate of tax	13,157	(14,374)
Excess of depreciation over capital allowances	(828)	655
Disallowable expenditure	438	330
Adjustments in respect of previous periods	176	-
Total current tax (note 5(a))	<u>12,943</u>	<u>(13,389)</u>

6. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures & Fittings £	Total £
COST			
At 1 April 2011 and 31 March 2012	<u>58,604</u>	<u>258,316</u>	<u>316,920</u>
DEPRECIATION			
At 1 April 2011	55,236	239,366	294,602
Charge for the year	3,368	7,787	11,155
At 31 March 2012	<u>58,604</u>	<u>247,153</u>	<u>305,757</u>
NET BOOK VALUE			
At 31 March 2012	—	11,163	11,163
At 31 March 2011	<u>3,368</u>	<u>18,950</u>	<u>22,318</u>

CAPITAL AVIATION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

7. DEBTORS

	2012	2011
	£	£
Trade debtors	389,897	434,987
VAT recoverable	15,394	48,534
Other debtors	2,076	10,960
Prepayments and accrued income	15,672	112,934
	<u>423,039</u>	<u>607,415</u>

8. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	214,401	277,529
Amounts owed to group undertakings	295,531	450,939
Other creditors including taxation and social security		
PAYE and social security	16,635	6,103
Accruals and deferred income	42,337	36,188
	<u>568,904</u>	<u>770,759</u>

9. PENSIONS

The company made payments of £1,800 (2011 - £30,757) to defined contribution schemes on behalf of its employees. No contributions remained outstanding at the year end.

10. DEFERRED TAXATION

The deferred tax liability arising on accelerated capital allowances has not been provided in the financial statements owing to the immateriality of the balance.

11. RELATED PARTY TRANSACTIONS

The company is ultimately controlled by Mr D Galway, a director.

The company is a wholly owned subsidiary of Capital Engineering Personnel Limited and the results of the company are included in the consolidated financial statements of the ultimate parent undertaking, Capital Engineering Group Holdings Limited and accordingly no related party transactions with other group companies are required to be disclosed under the Financial Reporting Standards for Smaller Entities (effective January 2008).

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

	2012	2011
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

CAPITAL AVIATION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

12. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

13. ULTIMATE PARENT COMPANY

The immediate parent company is Capital Engineering Personnel Limited, a company incorporated in England and Wales under registration number 1005235

The ultimate parent company is Capital Engineering Group Holdings Limited, a company incorporated in England and Wales under registration number 05402689. Group accounts are available from Companies House, Cardiff

CAPITAL AVIATION SERVICES LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 MARCH 2012

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 3 to 4**

CAPITAL AVIATION SERVICES LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2012

	2012	2011
	£	£
TURNOVER	2,468,296	2,976,172
COST OF SALES		
Wages and subcontractors	2,184,961	2,461,260
European support services	48,964	47,426
	<u>2,233,925</u>	<u>2,508,686</u>
GROSS PROFIT	234,371	467,486
OVERHEADS		
Administrative expenses	183,839	590,877
	<u>50,532</u>	<u>(123,391)</u>
OTHER OPERATING INCOME		
Management charges receivable	—	91,767
OPERATING PROFIT/(LOSS)	<u>50,532</u>	<u>(31,624)</u>
Bank interest receivable	70	61
	<u>50,602</u>	<u>(31,563)</u>
Interest on other loans	—	(19,772)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES	<u>50,602</u>	<u>(51,335)</u>

CAPITAL AVIATION SERVICES LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2012

	2012		2011	
	£	£	£	£
ADMINISTRATIVE EXPENSES				
Personnel costs				
Directors salaries	41,522		91,618	
Wages and salaries (including pension contributions)	22,627		245,801	
Staff national insurance contributions	9,994		38,154	
		74,143		375,573
Establishment expenses				
Rent, rates and water	19,800		19,883	
Light and heat	7,359		10,580	
Insurance	5,416		10,351	
Service charges payable	6,808		26,512	
		39,383		67,326
General expenses				
Motor expenses	108		265	
Overseas travel costs	3,141		3,304	
Telephone	5,320		8,586	
Computer costs	3,531		13,850	
Repairs and renewals	-		784	
Printing, stationery and postage	3,189		4,671	
Staff welfare	200		4,594	
Sundry expenses	1,123		3,297	
Office cleaning	-		7,084	
Advertising	3,510		4,940	
Entertaining	1,037		1,809	
Legal and professional fees	638		3,076	
Auditors remuneration	1,734		4,622	
Depreciation	7,822		27,963	
		31,353		88,845
Financial costs				
Factoring charges	17,917		19,687	
Bank charges	5,556		4,886	
Foreign currency gains/losses	15,487		34,560	
		38,960		59,133
		183,839		590,877
INTEREST RECEIVABLE				
Bank interest receivable		70		61