

REGISTERED OFFICE: 2595357 (England and Wales)

Company Registration No. 2595357 (England and Wales)

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FITZROY AVIATION LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 1999



FITZROY AVIATION LIMITED

COMPANY INFORMATION

Directors	H.A.P Parry H.J. Parry
Secretary	H.A.P Parry
Company number	2595357
Registered office	Acre House 11-15 William Road London NW1 3ER
Business address	Bookham Lodge Stoke D'Abernon Surrey KT11 3QJ
Auditors	H. W. Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	Lloyds Bank Plc 83 High Street Walton on Thames Surrey KT12 1DU

FITZROY AVIATION LIMITED

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FITZROY AVIATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 1999

The directors present their report and accounts for the year ended 31 October 1999.

Principal activities

The principal activity of the company continues to be that of:

- *Providing high quality advisory service to either existing airlines or start ups including the raising of finance.
- *Arranging the financing of aircraft and associated spare engines for carriers around the world
- *Trading aircraft on its own account
- *Establishment of an airline

Review of business

Both the level of business and the year end financial position were as expected in the light of current trading conditions and the directors do not anticipate any material changes in the present level of activity.

Results and dividends

The profit for the year after taxation amounted to £8,861.

The directors do not recommend payment of an ordinary dividend.

Year 2000 compliance

The company's operations have not been significantly affected by malfunctions in computer or other equipment arising from errors in processing dates in the year 2000. The directors have considered whether there remains a risk that such problems may still arise. No part of the company's current operations are critically dependent on computer or other equipment which could be affected by year 2000 problems.

Directors and their interests

The directors at 31 October 1999 and their beneficial interests in the shares of the company were:

	Ordinary shares of £1 each	
	31 October 1999	1 November 1998
H.A.P Parry	2	2
H.J. Parry	-	-

Auditors

A resolution proposing the reappointment of H. W. Fisher & Company as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board



H.A.P Parry

Director

Dated: 16 October 2000

FITZROY AVIATION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 of the company for that period.

In preparing those accounts, 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 accounts 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 accounts 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.

FITZROY AVIATION LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 October 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

H W Fisher

H. W. Fisher & Company

Chartered Accountants

Registered Auditor

Acre House

11-15 William Road

London

NW1 3ER

Dated: *16 October 2000*

FITZROY AVIATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 1999

	Notes	1999 £	1998 £
Turnover	2	132,450	80,921
Administrative expenses		(118,657)	(55,210)
Operating profit	3	13,793	25,711
Other income	6	-	94
Interest payable and similar charges	7	(1,772)	(1,109)
Profit on ordinary activities before taxation		12,021	24,696
Tax on profit on ordinary activities	8	(3,160)	(5,859)
Profit on ordinary activities after taxation		8,861	18,837
Dividends	9	-	(60,000)
Retained profit/(net deficit) for the financial year		8,861	(41,163)
Retained profit brought forward		11,940	53,103
Retained profit carried forward		20,801	11,940

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

FITZROY AVIATION LIMITED

BALANCE SHEET AS AT 31 OCTOBER 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	10		4,902		9,340
Current assets					
Debtors	11	48,558		97,147	
		<u>48,558</u>		<u>97,147</u>	
Creditors: amounts falling due within one year	12	(32,657)		(92,314)	
Net current assets			<u>15,901</u>		<u>4,833</u>
Total assets less current liabilities			<u>20,803</u>		<u>14,173</u>
Creditors: amounts falling due after more than one year	13		-		(2,231)
			<u>20,803</u>		<u>11,942</u>
Capital and reserves					
Called up share capital	14		2		2
Profit and loss account			<u>20,801</u>		<u>11,940</u>
Shareholders' funds - all equity interests	15		<u>20,803</u>		<u>11,942</u>

The accounts were approved by the Board on 16 October 2000



H.A.P Parry
Director

FITZROY AVIATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1999

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	25% Straight line
Computer equipment	33.33% Straight line
Motor vehicles	25% Straight line

1.4 Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are treated as if they had been purchased outright at the present value of the rentals payable, less finance charges, over the primary period of the agreements. The corresponding obligations under these agreements are included in creditors. The finance element of the rentals payable is charged to the profit and loss account so as to produce a constant rate of charge on the outstanding balance in each period.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating profit	1999	1998
		£	£
	Operating profit is stated after charging:		
	Depreciation of owned tangible fixed assets	1,681	1,070
	Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	5,075	5,600
	Auditors' remuneration	1,500	1,500
		<u> </u>	<u> </u>
4	Directors' emoluments	1999	1998
		£	£
	Aggregate emoluments	13,450	3,000
		<u> </u>	<u> </u>

FITZROY AVIATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1999

5 Employees

Number of employees

The average monthly number of employees during the year was:

	1999 Number	1998 Number
Management	2	2

Employment costs

	£	£
Wages and salaries	13,450	3,000
Social security costs	1,575	-
	15,025	3,000

6 Other income

	1999 £	1998 £
Interest receivable and similar income	-	94

7 Interest payable and similar charges

	1999 £	1998 £
Interest payable on:		
Bank loans and overdrafts	408	-
Finance lease and hire purchase contracts	1,017	1,109
Late payment of tax	347	-
	1,772	1,109

8 Tax on profit on ordinary activities

	1999 £	1998 £
U.K. Current year taxation		
U.K. Corporation tax at 20% (1998 - 21%)	3,160	5,859

9 Dividends

	1999 £	1998 £
Ordinary final proposed	-	60,000

FITZROY AVIATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1999

10 Tangible fixed assets

	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 November 1998	-	3,241	22,400	25,641
Additions	553	2,517	-	3,070
Disposals	-	(1,128)	-	(1,128)
At 31 October 1999	553	4,630	22,400	27,583
Depreciation				
At 1 November 1998	-	1,411	14,890	16,301
On disposals	-	(376)	-	(376)
Charge for the year	138	1,543	5,075	6,756
At 31 October 1999	138	2,578	19,965	22,681
Net book value				
At 31 October 1999	415	2,052	2,435	4,902
At 31 October 1998	-	1,830	7,510	9,340

Finance leases and hire purchase contracts

The net book value of tangible fixed assets includes an amount of £2,435 (1998 - £7,510) in respect of assets held under finance leases or hire purchase contracts.

11 Debtors	1999	1998
	£	£
Trade debtors	1,500	-
Other debtors	37,058	97,147
Prepayments and accrued income	10,000	-
	48,558	97,147

Included in Other Debtors is a loan to a director which is analysed in note 16.

FITZROY AVIATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1999

12 Creditors: amounts falling due within one year	1999	1998
	£	£
Bank overdrafts	415	2,474
ACT payable	-	5,000
Net obligations under finance lease and hire purchase contracts	2,550	3,825
Corporation tax	10,829	7,669
Other taxes and social security costs	12,413	4,894
Accruals and deferred income	6,450	8,452
Proposed dividend	-	60,000
	<u>32,657</u>	<u>92,314</u>
13 Creditors: amounts falling due after more than one year	1999	1998
	£	£
Net obligations under finance leases and hire purchase contracts	-	2,231
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	2,550	3,825
Repayable between one and five years	-	2,231
	<u>2,550</u>	<u>6,056</u>
Included in liabilities falling due within one year	(2,550)	(3,825)
	<u>-</u>	<u>2,231</u>
14 Share capital	1999	1998
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

FITZROY AVIATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1999

15 Reconciliation of movements in shareholders' funds	1999	1998
	£	£
Profit for the financial year	8,861	18,837
Dividends	-	(60,000)
	<hr/>	<hr/>
Net addition to/(depletion in) shareholders' funds	8,861	(41,163)
Opening shareholders' funds	11,942	53,105
	<hr/>	<hr/>
Closing shareholders' funds	20,803	11,942
	<hr/>	<hr/>

16 Related party transactions

	Amount outstanding		Maximum liability
	1999	1998	in year
	£	£	£
H.A.P Parry	37,058	97,147	97,147
	<hr/>	<hr/>	<hr/>

Subsequent to the year end, £33,000 was paid into the company which is to be offset against the overdrawn director's loan account.