

BURMAN AVIATION LIMITED

REGISTERED NUMBER: 2672115

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

KING LOOSE & CO  
REGISTERED AUDITORS

St John's House  
5 South Parade  
Summertown  
Oxford OX2 7JL



BURMAN AVIATION LIMITEDCOMPANY INFORMATIONFOR THE YEAR ENDED 31ST DECEMBER 1999

INCORPORATED	In England and Wales on 17th December 1991
NUMBER	2672115
DIRECTORS	The Hon J. S. G. Catto Lord S. G. Catto S. G. Bailey Esq.
SECRETARY	Mrs S. A. Cakebread
REGISTERED OFFICE	Cranfield Airport Cranfield Beds MK43 0JR
BANKERS	Barclays Bank plc Ouse Valley Business Centre PO Box 82 41 High Street St Neots Cambs PE19 1LY  Lombard Business Finance Lombard North Central Lombard House 3 Princess Way Redhill Surrey RH1 1NP
AUDITORS	King Loose & Co Registered Auditors St John's House 5 South Parade Summertown Oxford OX2 7JL

**BURMAN AVIATION LIMITED**

**AUDITORS' REPORT TO BURMAN AVIATION LIMITED**  
**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on the following pages together with the financial statements of Burman Aviation Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31st December 1999.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 to 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 the Sections 246(5) and 246(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 to 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 have been 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 246(6) of the Companies Act 1985, and the abbreviated accounts on the following pages are properly prepared in accordance with those provisions.

*2nd October 2000*

St John's House  
5 South Parade  
Summertown  
Oxford OX2 7JL

*King, Loose & Co*

King Loose & Co  
Registered Auditors

**BURMAN AVIATION LIMITED**  
**BALANCE SHEET**  
**AS AT 31ST DECEMBER 1999**

	Note	£	1999 £	£	1998 £
<b>Fixed assets</b>					
Tangible assets	7		986,808		920,917
<b>Current assets</b>					
Stocks	8	83,653		57,129	
Debtors	9	155,869		97,148	
Cash at bank and in hand		7,703		677	
			247,225	154,954	
<b>Creditors: amounts falling due within one year</b>	10	(481,168)		(392,517)	
<b>Net current liabilities</b>			(233,943)		(237,563)
<b>Total assets less current liabilities</b>			752,865		683,354
<b>Creditors: amounts falling due after more than one year</b>	11		1,020,287		877,678
<b>Capital and reserves</b>					
Called up share capital	13	253,293		253,293	
Profit and loss account	14	(520,715)		(447,617)	
<b>Total shareholders' funds</b>	12		(267,422)		(194,324)
			752,865		683,354

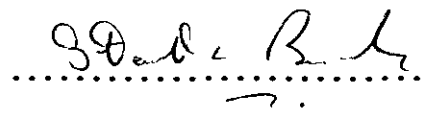
These abbreviated financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements were approved by the board of directors and signed on its behalf on

..... 29/9/... 2000

.....  The Hon J. S. G. Catto  
Director

.....  Lord S. G. Catto  
Director

.....  S. G. Bailey Esq.  
Director

**BURMAN AVIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 1999****1 Accounting policies****Basis of accounting**

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

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

The company has amended its accounting disclosure in respect of creditors on the face of the balance sheet. The balance sheet total is now drawn before creditors falling due after more than one year, thereby aggregating these creditors together with the capital and reserves. The directors feel that this more accurately reflects the nature of these creditors. This treatment is permitted by the Companies Act 1985.

**Depreciation**

Depreciation of fixed assets is calculated to write off their cost or valuation less any estimated residual value over their expected useful lives as follows:

Leasehold improvements	- over the period of the lease
Aircraft	- on the basis of flying hours
Tools and technical equipment	- 15% reducing balance basis
Motor vehicles	- 25% reducing balance basis
Fixtures, fittings and office equipment	- 25-33% reducing balance basis

**Operating leases**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the profit and loss account as incurred.

**Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**Deferred taxation**

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability will crystallise in the foreseeable future.

**BURMAN AVIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 1999****7 Tangible fixed assets**

Cost	Motor Vehicles £	Tools & Technical Equipment £	Fixtures, Fittings & Office Equipment £	Leasehold Improve- ments £	Aircraft £	Total £
1st January 1999	-	35,189	72,096	53,435	1,390,190	1,550,910
Additions	-	32,127	3,482	7,006	303,063	345,678
Inter-group transfers	19,120	-	-	-	-	19,120
Disposals	-	-	-	-	(84,763)	(84,763)
31st December 1999	19,120	67,316	75,578	60,441	1,608,490	1,830,945

**Depreciation**

1st January 1999	-	15,335	49,187	31,241	534,230	629,993
Inter-group transfers	13,072	-	-	-	-	13,072
Charge for year	1,167	4,376	6,116	11,807	177,606	201,072
31st December 1999	14,239	19,711	55,303	43,048	711,836	844,137

**Net book value**

31st December 1999	4,881	47,605	20,275	17,393	896,654	986,808
31st December 1998	-	19,854	22,909	22,194	855,960	920,917

**10 Creditors**

	1999 £	1998 £
<b>Amounts falling due within one year</b>		
Secured loan - Lombard Business Finance - current element	32,000	27,268
Bank loan - current element	33,000	-
Bank overdrafts (secured)	-	92,889
Trade creditors	279,819	171,590
Amounts owed to group undertakings	58,161	-
Other taxation and social security	13,651	16,168
Other creditors	4,488	1,928
Accruals and deferred income	60,049	82,674
	<u>481,168</u>	<u>392,517</u>

**BURMAN AVIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 1999****11 Creditors**

	1999 £	1998 £
<b>Amounts falling due after more than one year</b>		
Secured loan - Lombard Business Finance - term portion	78,234	113,030
Bank loan (secured) - term portion	267,000	99,211
Amounts due to holding company	675,053	665,437
	<u>1,020,287</u>	<u>877,678</u>

The above secured loans fall due for repayment within 2 to 5 years.

Details of the postponement of the holding company indebtedness are given in note 17 to these financial statements.

**12 Reconciliation of movements in shareholders' funds**

	1999 £	1998 £
(Loss) for the financial year, being net subtraction from shareholders' funds	(73,098)	(55,433)
Opening shareholders' funds	(194,324)	(138,891)
Closing shareholders' funds	<u>(267,422)</u>	<u>(194,324)</u>

**13 Called up share capital**

	1999 £	1998 £
<b>Authorised</b>		
500,000 ordinary shares of £1 each	500,000	500,000
<b>Issued and fully paid</b>		
253,293 ordinary shares of £1 each	<u>253,293</u>	<u>253,293</u>

**14 Profit and loss account**

	1999 £	1998 £
Retained (deficit) brought forward	(447,617)	(392,184)
Retained (loss) for the year	(73,098)	(55,433)
Retained (deficit) carried forward	<u>(520,715)</u>	<u>(447,617)</u>

**BURMAN AVIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 1999****15 Secured liabilities**

- a) The bank loan and overdraft, with Barclays Bank plc, are secured by debentures dated 18th April 1996, 25th September 1997 and 23rd May 1998. These debentures are issued in the bank's standard form and provide fixed and floating charges over the assets of the company plus specific charges over certain of the company's aircraft.
- b) The loan from Lombard Business Finance, part of Lombard North Central plc, is an aircraft mortgage, dated 10th February 1998, secured upon certain of the company's aircraft.

**16 Operating lease commitments**

The company has an ongoing annual commitment in respect of premises rent, on leases which expire within 2 to 5 years, in the sum of approximately £81,099 per annum.

**17 Holding company**

The directors consider the ultimate holding company for Burman Aviation Limited to be Catto Aviation Limited, a company registered in England and Wales.

On 16th December 1999 the holding company formally agreed to subordinate the monies owed to it by Burman Aviation Limited. Repayment of the inter-company loan, shown in creditors falling due after more than one year, value £675,053, will not be sought until the indebtedness to Barclays Bank plc has been repaid in full.

**18 Related party transactions**

The company was controlled throughout the current and previous period by one of its directors, The Hon. J. S. G. Catto, by virtue of his 52.3% holding in the ordinary share capital of the holding company, Catto aviation Limited. Catto Aviation Limited itself holds 90% of the ordinary share capital of Burman Aviation Limited.