

CFS AEROPRODUCTS LIMITED

REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31ST DECEMBER 2000**



**BIR
COMPANIES HOUSE**

35F085CY

**0786
30/10/01**

CFS AEROPRODUCTS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000

DIRECTORS: Mr W J Foden
Mr M Slater

SECRETARY: Mr S Guynan

REGISTERED OFFICE: Hangar 5
Coventry Airport
Baginton
Warwickshire CV8 3AZ

COMPANY NUMBER: 2822576 (England & Wales)

INDEX TO FINANCIAL STATEMENTS:

Pages 1 & 2	Directors' report
Page 3	Auditors' report to the members
Page 4	Profit and loss account
Page 5	Balance sheet
Pages 6 - 9	Notes to the financial statements

CFS AEROPRODUCTS LIMITED

Page 1

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2000

The directors present their annual report and the audited financial statements of the company for the year ended 31st December 2000.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the 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 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was the overhaul and repair of aircraft engines and components.

REVIEW OF BUSINESS

A summary of the results of the year's trading is given on page 4.

The retained profit for the year is transferred to reserves.

DIVIDENDS

The directors do not recommend the payment of a dividend.

CFS AEROPRODUCTS LIMITED

Page 2

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2000

DIRECTORS

The directors, all of whom held office throughout the year, were

Mr W J Foden
Mr M Slater

The company's articles of association do not require directors to retire by rotation.

None of the directors had any interests in the shares of the company or in the shares of the holding company.

COMPANY SECRETARY

The Company Secretary throughout the year was Mr R A K Crabtree OBE.

Mr R A K Crabtree OBE resigned as company secretary on 27th March 2001 and was replaced by Mr S Guynan on the same date.

AUDITORS

The auditors, D A Owen & Co., have indicated their willingness to accept re-appointment under section 385(2) of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

A handwritten signature in black ink, appearing to be 'S Guynan', with a long horizontal line extending to the right.

Mr S Guynan
Company Secretary

Approved by the board on 25th October 2001

**REPORT OF THE AUDITORS TO THE MEMBERS
FOR THE YEAR ENDED 31ST DECEMBER 2000**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the 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 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 as at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



D A OWEN & CO.
Chartered Accountants
Registered Auditors

Alexandra House
58 Clarendon Avenue
Leamington Spa
Warwickshire

Dated: 25th October 2001

CFS AEROPRODUCTS LIMITED

Page 4

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2000**

	Note	2000 £	1999 £
TURNOVER	2	1,185,210	798,474
Cost of sales		<u>(908,997)</u>	<u>(560,382)</u>
GROSS PROFIT		276,213	238,092
Administrative expenses		<u>(261,681)</u>	<u>(172,751)</u>
OPERATING PROFIT	3	14,532	65,341
Interest payable	5	<u>(111)</u>	<u>(91)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14,421	65,250
Taxation on profit on ordinary activities	6	<u>1,799</u>	<u>(21,221)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		16,220	44,029
Retained losses brought forward		(34,601)	(78,630)
RETAINED LOSSES CARRIED FORWARD		<u>£ (18,381)</u>	<u>£ (34,601)</u>

The annexed notes form part of these financial statements.

CFS AEROPRODUCTS LIMITED

Page 5

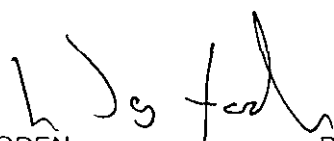
BALANCE SHEET
AS AT 31ST DECEMBER 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	7	<u>46,636</u>	<u>52,855</u>
CURRENT ASSETS			
Stocks & work in progress	8	361,493	261,915
Debtors	9	76,960	43,762
Cash at bank and in hand		<u>3,313</u>	<u>38,650</u>
		441,766	344,327
CREDITORS - Amounts falling due within one year	10	<u>(105,203)</u>	<u>(28,616)</u>
NET CURRENT ASSETS		336,563	315,711
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>383,199</u>	<u>368,566</u>
CREDITORS - Amounts falling due after more than one year	11	<u>(374,917)</u>	<u>(374,705)</u>
		8,282	(6,139)
PROVISIONS FOR LIABILITIES AND CHARGES	12	(6,663)	(8,462)
		<u>£ 1,619</u>	<u>£ (14,601)</u>
CAPITAL AND RESERVES			
Called up share capital	13	20,000	20,000
Profit and loss account		(18,381)	(34,601)
		<u>£ 1,619</u>	<u>£ (14,601)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the Board on 25th October 2001.

On behalf of the Board,



WILLIAM JAMES FODENDirector

The annexed notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2000**

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Depreciation

Depreciation has been computed to write off the tangible fixed assets over their estimated useful lives, in equal instalments on the following basis;

Vehicles	:	20%
Short-term leasehold properties	:	20%
Plant & machinery	:	10%
Office equipment & furniture	:	20%

Stocks and work in progress

Stocks and work in progress have been valued at the lower of cost and net realisable value; in respect of work in progress and finished goods cost includes a relevant proportion of overheads according to the stage of completion.

Foreign Currencies

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances at the year end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date.

Deferred Taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

The company operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge therefore represents contributions paid by the company to the scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2000**

2 TURNOVER

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year. 6% of the company's turnover related to services for overseas customers. (1999 : 5%)

	<u>2000</u>	<u>1999</u>
	£	£
3 OPERATING PROFIT		
Operating profit is stated after charging:		
Auditors remuneration	1,800	1,750
Depreciation of owned fixed assets	11,889	13,634
Hire of other assets - operating leases	<u>61,224</u>	<u>20,639</u>

4 REMUNERATION OF DIRECTORS

Emoluments	47,554	45,664
Pension contributions	1,158	1,128
	<u>48,712</u>	<u>46,792</u>

5 INTEREST PAYABLE

On corporation tax	<u>111</u>	<u>91</u>
--------------------	------------	-----------

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax at 30% (1999 : 30%)		
Charge for the year	-	21,000
Corporation tax - prior period adjustment	-	221
Deferred taxation	(1,799)	-
	<u>(1,799)</u>	<u>21,221</u>

7 TANGIBLE ASSETS

	Vehicles/ office equipment	Plant & machinery	Short-term leasehold properties	Total
	£	£	£	£
Cost:				
At 1st January 2000	17,675	87,157	45,194	150,026
Additions	-	5,670	-	5,670
At 31st December 2000	<u>17,675</u>	<u>92,827</u>	<u>45,194</u>	<u>155,696</u>
Depreciation:				
At 1st January 2000	7,361	44,616	45,194	97,171
Charge for year	2,665	9,224	-	11,889
At 31st December 2000	<u>10,026</u>	<u>53,840</u>	<u>45,194</u>	<u>109,060</u>
Net book value:				
At 31st December 2000	<u>7,649</u>	<u>38,987</u>	<u>-</u>	<u>46,636</u>
At 31st December 1999	<u>10,314</u>	<u>42,541</u>	<u>-</u>	<u>52,855</u>