

THE ATP ACADEMY LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 1999**

REGISTERED NUMBER: 2997841



THE ATP ACADEMY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999**

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THE ATP ACADEMY LIMITED

**COMPANY INFORMATION
AT 30 JUNE 1999**

DIRECTORS

C K Clarke
C L Clarke
S N Billett

SECRETARY

J D Lambert

REGISTERED OFFICE

420 Silbury Boulevard
Central Milton Keynes
Bucks
MK9 2AF

BUSINESS ADDRESS

Dibden Manor
Dibden
Hants
SO45 5TD

AUDITORS

Mercer & Hole
Chartered Accountants
420 Silbury Boulevard
Central Milton Keynes
Bucks
MK9 2AF

PRINCIPAL BANKERS

HSBC
12 Allhallows
Bedford
MK40 1LJ

THE ATP ACADEMY LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 30 June 1999.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 maintaining 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 and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were aviation skills training. No significant change in the nature of these activities occurred during the year.

REVIEW OF THE BUSINESS

The net profit after providing for taxation amounted to £31,410.

On 31st December 1998 the trade of the company was taken over by the parent company. At this time the assets and liabilities were transferred to the parent company.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors have paid an interim dividend during the year amounting to £207,496.

It is proposed that the retained loss for the year of £157,101 be transferred to reserves.

POST BALANCE SHEET EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in financial years subsequent to the financial year ended 30 June 1999.

FUTURE DEVELOPMENTS

The directors do not anticipate that there will be any fundamental change in the development of the company's business in the forthcoming year.

THE ATP ACADEMY LIMITED

DIRECTORS' REPORT

INTRODUCTION OF THE SINGLE EUROPEAN CURRENCY

The directors have considered the introduction of the Euro on the business. They do not anticipate that the company will incur material costs as the result of the introduction of any modifications which are necessary as a result of the introduction of Euro.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the ultimate parent company at the balance sheet date and the beginning of the year were as follows:

		Number of Shares	
		1999	1998
C K Clarke	Ordinary shares	157,000	170,000
C L Clarke	Ordinary shares	176,667	176,667
S N Billett	Ordinary shares	44,444	44,444

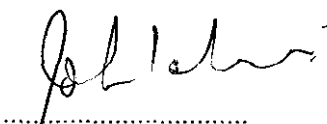
YEAR 2000 ISSUES

The directors have undertaken a review of the likely impact of the Year 2000 on the company's computer systems and business. Where necessary, action will be taken to ensure that all systems that will not be replaced by 2000, can continue to function after that date. The incremental cost of modification specifically related to the Year 2000 compliance are not anticipated to be significant.

AUDITORS

The auditors, Mercer & Hole, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

By order of the board:


.....
J D Lambert
Secretary

Date: 11 October 1999

THE ATP ACADEMY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, the company's directors are responsible for the preparation of 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 as to whether 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 affairs of the company as at 30 June 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


.....
Mercer & Hole
Chartered Accountants
Registered Auditors
Milton Keynes

Date: 12.10.99

THE ATP ACADEMY LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1999**

	Notes	1999 £ Discontinued operations	1998 £
TURNOVER	2	1,506,291	2,978,247
Cost of sales		1,141,710	2,006,013
GROSS PROFIT		364,581	972,234
Administrative expenses		317,870	773,538
OPERATING PROFIT	3	46,711	198,696
Investment income and interest receivable	5	-	3,200
Interest payable and similar charges	6	(20)	(530)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		46,691	201,366
Tax on profit on ordinary activities	8	(15,281)	(65,109)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		31,410	136,257
Dividends	9	(207,496)	(30,000)
Transfers to and from reserves		18,985	6,328
(ACCUMULATED LOSS) / RETAINED PROFIT FOR THE FINANCIAL YEAR		(157,101)	112,585
RETAINED PROFIT BROUGHT FORWARD		157,101	44,516
RETAINED PROFIT CARRIED FORWARD		-	157,101

Continuing operations

All of the company's activities were discontinued during the financial year ended 30th June 1999.

The notes on pages 8 to 17 form part of these financial statements.

THE ATP ACADEMY LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 1999**

	1999	1998
	£	£
Profit for the financial year after taxation	31,410	136,257
TOTAL RECOGNISED GAINS RELATING TO THE YEAR	31,410	136,257

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 1999**

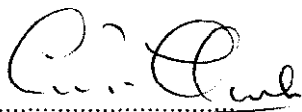
	1999	1998
	£	£
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	46,691	201,366
Realisation of property revaluation gains in previous years	18,985	-
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	-	6,328
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	65,676	207,694
Historical cost profit for the year retained after taxation, minority interests, dividends and transfers from reserves	(157,101)	112,585

The notes on pages 8 to 17 form part of these financial statements.

THE ATP ACADEMY LIMITED**BALANCE SHEET
AT 30 JUNE 1999**

	Notes	£	1999 £	£	1998 £
FIXED ASSETS					
Intangible assets	10		-		140,000
Tangible assets	11		-		182,126
			-		322,126
CURRENT ASSETS					
Debtors	12	200,000		1,148,318	
Cash at bank and in hand		-		16,154	
		200,000		1,164,472	
CREDITORS: amounts falling due within one year					
	13	-		(1,101,939)	
NET CURRENT ASSETS			200,000		62,533
TOTAL ASSETS LESS CURRENT LIABILITIES					
			200,000		384,659
PROVISIONS FOR LIABILITIES AND CHARGES					
	14		-		(8,573)
NET ASSETS			200,000		376,086
CAPITAL AND RESERVES					
Called up share capital	15		200,000		200,000
Revaluation reserve	16		-		18,985
Profit and loss account			-		157,101
TOTAL SHAREHOLDERS' FUNDS	17		200,000		376,086

Approved by the board of directors on 11 October 1999 and signed on its behalf by:



C K Clarke
Director

The notes on pages 8 to 17 form part of these financial statements.

THE ATP ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1999

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention modified to include the revaluation of equipment and are in accordance with applicable accounting standards.

Turnover

Turnover represents the total invoice value, excluding value added tax, of services rendered during the year.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separate net assets. Goodwill is amortised through the profit and loss account over the directors' estimate of its estimated economic life of 10 years.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Property improvements	10% Straight line
Training equipment	15% or 25% reducing balance
Office furniture and equipment	15% reducing balance
Motor vehicles	25% reducing balance

Operating lease commitments

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Pension costs

The pension scheme is a small self administered scheme which is administered externally. The scheme is a money purchase scheme, with contributions being charged to the profit and loss account when incurred. There are no prepayments or accruals relating to the pension scheme.

2. TURNOVER

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom.

THE ATP ACADEMY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999****3. OPERATING PROFIT**

Operating profit	1999	1998
	£	£
After charging:		
Depreciation of fixed assets	18,160	35,188
Amortisation of intangible assets	10,000	20,000
Auditors' remuneration	3,750	2,932
Hire of equipment	3,907	10,323
Loss on foreign currencies	7	-
Operating lease rentals		
Land and buildings	29,119	44,550

4. ANALYSIS OF OPERATIONS

	1999		
	Continuing	Discontinued	Total
	£	£	£
Gross profit	-	364,581	364,581
Cost of sales	-	(1,141,710)	(1,141,710)
Administration expenses	-	(317,870)	(317,870)

	1998		
	Continuing	Discontinued	Total
	£	£	£
Gross profit	-	972,234	972,234
Cost of sales	-	(2,006,013)	(2,006,013)
Administration expenses	-	(773,538)	(773,538)

THE ATP ACADEMY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999****5. INVESTMENT INCOME AND INTEREST RECEIVABLE**

	1999	1998
	£	£
Interest received and receivable		
Bank interest	-	3,200

6. INTEREST PAYABLE AND SIMILAR CHARGES

	1999	1998
	£	£
On bank loans and overdrafts	20	-
Lease finance charges and hire purchase interest	-	530
	<u>20</u>	<u>530</u>

7. INFORMATION ON DIRECTORS AND EMPLOYEES

	1999	1998
	£	£
Staff costs		
Wages and salaries	188,974	341,027
Social security costs	17,792	33,922
Other pension costs	750	23,590
Other costs	2,073	8,015
	<u>209,589</u>	<u>406,554</u>

	1999	1998
	No.	No.
The average number of employees during the six months were made up as follows:		
Administration	5	5
Training	3	3
Domestic	12	11
Maintenance	3	3
	<u>23</u>	<u>22</u>

THE ATP ACADEMY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999****7. INFORMATION ON DIRECTORS AND EMPLOYEES - (continued)**

	1999	1998
	£	£
Directors' emoluments		
Remuneration for management services	42,364	94,605
Pension contributions to money purchase schemes	-	21,000
	<u>42,364</u>	<u>115,605</u>

	1999	1998
	No.	No.
The number of directors to whom retirement benefits are accruing under the following types of pension schemes in respect of qualifying services:		
Money purchase	<u>2</u>	<u>2</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999	1998
	£	£
The taxation charge comprises:		
Corporation tax at 31% (1998 - 28%)	15,281	60,072
Transfer(from) / to deferred tax	-	2,142
Adjustment in respect of prior years	-	2,895
	<u>15,281</u>	<u>65,109</u>

9. DIVIDENDS PAID OR PROPOSED

	1999	1998
	£	£
On ordinary shares:		
Dividend paid	207,496	30,000
	<u>207,496</u>	<u>30,000</u>

THE ATP ACADEMY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999**

10. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost:	
At 1 July 1998	200,000
Disposals	(200,000)
	<hr/>
At 30 June 1999	-
	<hr/>
Amortisation:	
At 1 July 1998	60,000
Charge for year	10,000
On disposals	(70,000)
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At 30 June 1999	-
	<hr/>
Net book value:	
At 30 June 1999	-
	<hr/>
At 30 June 1998	140,000
	<hr/>

THE ATP ACADEMY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999**

11. TANGIBLE FIXED ASSETS

	Property improvement	Training equipment	Office furniture and equipment	Motor vehicles	Total
	£	£	£	£	£
(a) Cost or valuation:					
At 1 Jul. 98	13,523	169,162	46,282	40,088	269,055
Additions	-	4,391	5,580	-	9,971
Disposals	(13,523)	(173,553)	(51,862)	(40,088)	(279,026)
At 30 Jun. 99	-	-	-	-	-
Depreciation:					
At 1 Jul. 98	1,478	60,448	11,959	13,044	86,929
Charge for year	618	11,140	2,779	3,623	18,160
On disposals	(2,096)	(71,588)	(14,738)	(16,667)	(105,089)
At 30 Jun. 99	-	-	-	-	-
Net book value:					
At 30 Jun. 99	-	-	-	-	-
At 30 Jun. 98	12,045	108,714	34,323	27,044	182,126
				1999	1998
				£	£

(b) Analysis of net book value of land and buildings:

Short leasehold	-	12,045
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THE ATP ACADEMY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999**

12. DEBTORS

	1999	1998
	£	£
Trade debtors	-	530,864
Director's current account	-	9,770
Amounts owed by group undertakings	200,000	584,364
Other debtors	-	23,320
	<u>200,000</u>	<u>1,148,318</u>

The maximum amount outstanding on the director's loan account was at the year end date.

13. CREDITORS: amounts falling due within one year

	1999	1998
	£	£
Trade creditors	-	55,696
Amounts owed to other group undertakings	-	498,735
Corporation tax	-	60,072
Other taxes and social security costs	-	24,275
Other creditors	-	405,453
Accruals and deferred income	-	57,708
	<u>-</u>	<u>1,101,939</u>

14. DEFERRED TAXATION

	Fully provided	
	1999	1998
	£	£
Deferred tax is calculated at 27.7% (1998 - 28%) analysed over the following timing differences:		
On the excess of capital allowances over depreciation	-	8,573

THE ATP ACADEMY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999**

14. DEFERRED TAXATION - (continued)

	1999 £
The movements in deferred taxation are as follows:	
At 1 July 1998	8,573
Transferred upon disposals	(8,573)
At 30 June 1999	-

15. SHARE CAPITAL

	1999 £	1998 £
Authorised:		
Equity interests:		
Ordinary shares of £1	300,000	300,000
Allotted, called up and fully paid:		
Equity interests:		
Ordinary shares of £1	200,000	200,000

16. REVALUATION RESERVE

	1999 £	1998 £
Balance at 1 July 1998	18,985	25,313
Released during the year	(18,985)	(6,328)
Balance at 30 June 1999	-	18,985

THE ATP ACADEMY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999****17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1999	1998
	£	£
Profit for the year	31,410	136,257
Dividends	(207,496)	(30,000)
Net (reduction) / addition to shareholders' funds	(176,086)	106,257
Opening shareholders' funds	376,086	269,829
Closing shareholders' funds	200,000	376,086
Represented by:-		
Equity interests	200,000	376,086

18. CONTINGENT LIABILITIES

There is a multilateral guarantee with the HSBC between the company, CTC Aviation Services Ltd and CTC Aviation Group plc.

19. REVENUE COMMITMENTS

At year end the company was committed to making the following payments during the next year in respect of operating leases with expiry dates as follows:

	Land and buildings		Other	
	1999	1998	1999	1998
	£	£	£	£
Within one year	-	-	-	1,819
More than one year and less than five years	-	7,050	-	-
More than five years	-	50,000	-	-
	-	57,050	-	1,819

THE ATP ACADEMY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999**

20. RELATED PARTY DISCLOSURES

During the year the following consultancy and training services were provided by businesses with which the Group's directors are associated:

Directors associated		£
Midlands Aero Surveys Ltd	ET Wild	2,740
MFK Aviation Ltd	M Knowles	45,705
Penn Aviation Services Ltd	N Pennington	13,506

The company also paid rent of £25,000 to CTC Aviation Group plc Retirement Death Benefit Scheme.

Transactions with the parent company and fellow subsidiaries are not disclosed as the details are included in the consolidated financial statements.

21. ULTIMATE PARENT COMPANY

The ultimate parent company is CTC Aviation Group plc, a company incorporated in England.