

APA ASSOCIATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2001

The Directors submit their report, together with the financial statements of the company for the year ended 31st December 2001. The Directors' responsibilities for these financial statements are set out on page 2.

Principal Activities

The principal activity of the company is that of providing services to the Air Traffic Control sector.

Results

The profit for the year, after tax, amounted to £50,137, which was transferred to profit and loss reserve.

Directors

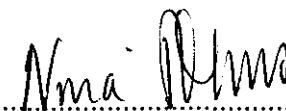
The following were Directors during the year and their interests, as defined by the Companies Act, in the shares of the company at the end of the year were:

	Ordinary Shares of £1 each	
	2000	2001
P.M. Johns	140	140
P.J. Stalpers	15	15

Small Company Provisions

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

By Order of the Board


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Secretary

Company No.: 3419001

Registered Office:

Charter Court,
Third Avenue,
Southampton.
SO15 0AP

Date: 9 September 2002



APA ASSOCIATES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31st DECEMBER 2001

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 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.
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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 and detection of fraud or other irregularities.

APA ASSOCIATES LIMITED

UNAUDITED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 2001

	Note	2001 £	2000 £
Turnover	2	385,313	31,104
Operating Costs	3	323,690	24,797
Profit on Ordinary Activities before Tax	4	61,623	6,307
Tax on Profit on Ordinary Activities	6	11,486	92
Profit on Ordinary Activities after Tax for the Year		50,137	6,215
 Profit Retained to Reserves	 11	 50,137	 6,215

The Profit and Loss Account contains all the gains and losses recognised in the current and preceding years. These have been the only movements in shareholders' funds in those years.

The Notes on pages 5 to 8 form an integral part of these accounts.

APA ASSOCIATES LIMITED

UNAUDITED BALANCE SHEET AS AT 31st DECEMBER 2001

	Note	2001 £	2000 £
Fixed Assets			
Tangible Assets	7	-	1,304
Current Assets			
Debtors	8	118,102	31
Cash at Bank		18,970	26,217
		<hr/>	<hr/>
		137,072	26,248
Current Liabilities			
Creditors - Amounts falling due within one year	9	94,765	35,382
		<hr/>	<hr/>
Net Current Liabilities		42,307	(9,134)
		<hr/>	<hr/>
Total Assets Less Current Liabilities		42,307	(7,830)
		<hr/>	<hr/>
Capital and Reserves			
Called up Share Capital	10	200	200
Profit and Loss Account	11	42,107	(8,030)
		<hr/>	<hr/>
Shareholders' Funds		42,307	(7,830)
		<hr/>	<hr/>

The Notes on pages 5 to 8 form an integral part of these accounts.

The Directors are satisfied that the company was entitled to exemption under Subsection (1) of Section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to Subsection (2) of Section 249B in relation to the accounts for the financial period.

The Directors acknowledge their responsibility for:

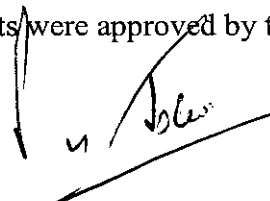
- a) ensuring that the company keeps accounting records which comply with Section 221; and
- b) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts were approved by the Directors on

9. Sep. 02

Director



APA ASSOCIATES LIMITED

NOTES TO THE UNAUDITED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2001

1 Accounting Policies

a) *Basis of Accounting*

The accounts have been prepared under the historic cost accounting rules in accordance with applicable accounting standards, except that the Directors have taken advantage of certain exemptions for small companies available under the Companies Act 1985.

b) *Depreciation*

Depreciation is calculated to write-off the cost of tangible fixed assets by equal instalments over their estimated useful lives as follows:

Office Equipment	4 years
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c) *Pensions*

The company has not contracted out of the state pension scheme in respect of its employees and has no commitment in respect of pensions.

2 Turnover

Turnover represents the amounts, excluding VAT, receivable by the company for goods and services provided.

3 Operating Costs Less Other Income

	2001 £	2000 £
Administrative Expenses	323,690	24,797

APA ASSOCIATES LIMITED

NOTES TO THE UNAUDITED ACCOUNTS - CONTINUED FOR THE YEAR ENDED 31st DECEMBER 2001

**4 Profit on Ordinary Activities before Tax,
after charging:**

	2001 £	2000 £
Directors' Emoluments	5,045	2,550
Depreciation	1,304	1,304
	<u> </u>	<u> </u>

5 Directors and Employees

Aggregate amount of Emoluments:

Remuneration	5,045	2,550
	<u> </u>	<u> </u>

6 Taxation

Tax based on the Result for the Year:

Corporation Tax @ 20%	11,486	92
	<u> </u>	<u> </u>

7 Tangible Assets

	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Office Equipment	5,216	-	-	5,216
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Opening Balance	Provision for Year	Eliminated on Disposals	Closing Balance
Depreciation				
Office Equipment	3,912	1,304	-	5,216
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	31/12/00			31/12/01
Net Book Value				
Office Equipment	1,304			Nil
	<u> </u>			<u> </u>

APA ASSOCIATES LIMITED

NOTES TO THE UNAUDITED ACCOUNTS - CONTINUED FOR THE YEAR ENDED 31st DECEMBER 2001

8 Debtors

	2001 £	2000 £
HM Customs & Excise	11,631	31
Trade Debtors	106,471	-
	<hr/>	<hr/>
	118,102	31
	<hr/>	<hr/>

9 Creditors falling due within one year

Trade Creditors	58,504	26,608
Directors' Current Account	18,930	7,882
Other Creditors	5,845	800
Corporation Tax	11,486	92
	<hr/>	<hr/>
	94,765	35,382
	<hr/>	<hr/>

10 Share Capital (*All Equity*)

	2001	2000
	Allotted, Issued, Called Up & Authorised	Allotted, Issued, Called Up & Authorised
	Fully Paid	Fully Paid
Ordinary Shares of £1 each	200	200
	<hr/>	<hr/>

All the issued shares carry the same rights to receive dividends and distributions and the same full voting rights.

11 Reserves

	Profit and Loss £
At 1 st January 2001	(8,030)
Profit Retained	50,137
	<hr/>
At 31 st December 2001	42,107
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APA ASSOCIATES LIMITED

NOTES TO THE UNAUDITED ACCOUNTS - CONTINUED FOR THE YEAR ENDED 31st DECEMBER 2001

12 Related Parties

Control

Throughout the year the company was controlled by Mr. P.M. Johns, a Director. Details of the Directors' interests in the company's share capital are set out in the Directors' Report.

Transactions

During the year, Mr. P.M. Johns made payments on behalf of the company totalling £11,047 by the company. He was owed £18,930 as at 31st December 2001, which sum is included under creditors in these accounts.