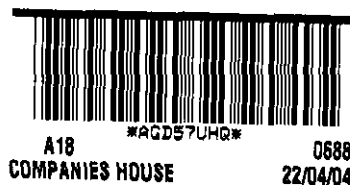


Company Registration No. 4524973 (England and Wales)

**AIRLINE RECRUITMENT LIMITED**  
**(FORMERLY CTC MCALPINE RECRUITMENT LIMITED)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 JUNE 2003**



## AIRLINE RECRUITMENT LIMITED

### COMPANY INFORMATION

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<b>Directors</b>	C K Clarke (Chairman)	(Appointed 12 September 2002)
	S N Billett	(Appointed 12 September 2002)
	D M McRobert	(Appointed 12 September 2002)
	R J Wren	(Appointed 12 September 2002)

<b>Secretary</b>	J D Lambert
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<b>Company number</b>	4524973
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<b>Registered office</b>	Dibden Manor Dibden Southampton Hampshire SO45 5TD
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<b>Auditors</b>	Mercer & Hole Silbury Court 420 Silbury Boulevard Central Milton Keynes MK9 2AF
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<b>Business address</b>	Dibden Manor Dibden Southampton Hampshire SO45 5TD
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# AIRLINE RECRUITMENT LIMITED

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## **AIRLINE RECRUITMENT LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2003**

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The directors present their report and financial statements for the period ended 30 June 2003.

#### **Principal activities**

The principal activity of the company is that of services to the aviation industry.

The company was incorporated on 12 September 2002. The company began to trade on 1 February 2003.

#### **Directors**

The following directors have held office since 3 September 2002:

C K Clarke (Chairman)	(Appointed 12 September 2002)
S N Billett	(Appointed 12 September 2002)
D M McRobert	(Appointed 12 September 2002)
R J Wren	(Appointed 12 September 2002)
Huntsmoor Limited	(Appointed 3 September 2002 and resigned 12 September 2002)
Huntsmoor Nominees Limited	(Appointed 3 September 2002 and resigned 12 September 2002)

#### **Directors' interests**

As explained in note 7, the company is owned by CTC McAlpine Limited, which is in turn owned by CTC Aviation Group Plc and McAlpine Aviation Training Limited (the ultimate parent company of which is Newarthill Plc). C K Clarke & S N Billett are directors of CTC Aviation Group Plc and D M McRobert & R J Wren are directors of McAlpine Aviation Training Limited. Please refer to the financial statements of these companies for the directors' interests.

**AIRLINE RECRUITMENT LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 JUNE 2003**

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**Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Mercer & Hole be reappointed as auditors of the company will be put to the Annual General Meeting.

**Directors' responsibilities**

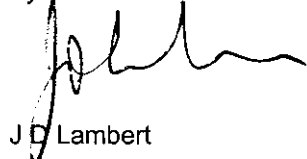
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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 and detection of fraud and other irregularities.

This 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



J D Lambert  
**Secretary**

26 January 2004

## **AIRLINE RECRUITMENT LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AIRLINE RECRUITMENT LIMITED**

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We have audited the financial statements of Airline Recruitment Limited on pages 5 to 8 for the period ended 30 June 2003. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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.

**AIRLINE RECRUITMENT LIMITED**

**INDEPENDENT AUDITORS' REPORT (CONTINUED)  
TO THE SHAREHOLDERS OF AIRLINE RECRUITMENT LIMITED**

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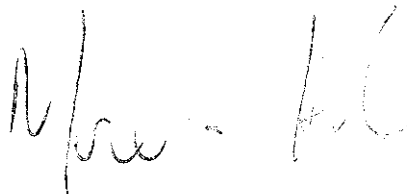
**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**Mercer & Hole**

Chartered Accountants

**Registered Auditor**



26 January 2004

Silbury Court  
420 Silbury Boulevard  
Central Milton Keynes  
MK9 2AF

**AIRLINE RECRUITMENT LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 30 JUNE 2003**

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	Notes	Period ended 30 June 2003 £
Turnover		243,800
Cost of sales		(243,800)
Gross loss		-
Administrative expenses		(696)
Loss on ordinary activities before taxation		(696)
Tax on loss on ordinary activities	2	-
Loss on ordinary activities after taxation	6	(696)

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**AIRLINE RECRUITMENT LIMITED**


**BALANCE SHEET  
AS AT 30 JUNE 2003**

	Notes	2003 £	£
<b>Current assets</b>			
Stocks		374,726	
Debtors	3	1,149,634	
Cash at bank and in hand		905,188	
		<u>2,429,548</u>	
<b>Creditors: amounts falling due within one year</b>	4	(2,430,243)	
		<u></u>	
<b>Total assets less current liabilities</b>			(695)
<b>Capital and reserves</b>			
Called up share capital	5		1
Profit and loss account	6		(696)
			<u></u>
<b>Shareholders' funds</b>			(695)
			<u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 26 January 2004

C K Clarke  
Chairman



D M McRobert  
Director



## AIRLINE RECRUITMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2003

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#### 1 Accounting policies

##### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements have been prepared on a going concern basis, notwithstanding the net liabilities reported on the balance sheet, in of the support provided by the ultimate parent companies. The appropriateness of this basis depends upon the continuation of this support, which the directors of the ultimate parent companies confirm will not be withdrawn for at least 12 months from the date the accounts are signed.

##### 1.2 Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts.

##### 1.3 Stock and work in progress

Stock represents costs of training in progress. These are the costs of training pilots that have not been sold on to the airlines.

##### 1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its parent undertaking comprise a small-sized group. The group has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts. The company and its parent are accounted for by the ultimate controlling interests as a joint venture.

#### 2 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

#### 3 Debtors

2003

£

Trade debtors 602,818

Other debtors 546,816

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1,149,634

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#### 4 Creditors: amounts falling due within one year

2003

£

Trade creditors 706,352

Other creditors 1,723,891

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2,430,243

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# AIRLINE RECRUITMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2003

<b>5 Share capital</b>	<b>2003</b>
	<b>£</b>
<b>Authorised</b>	
1,000 Ordinary shares of £ 1 each	1,000
	<hr/>
<b>Allotted, called up and fully paid</b>	
1 Ordinary shares of £ 1 each	1
	<hr/>

One share was allotted during the period.

<b>6 Statement of movements on profit and loss account</b>	<b>Profit and loss account £</b>
Retained loss for the period	(696)
	<hr/>

### 7 Control

The company is owned by CTC McAlpine Limited, which is in turn owned by CTC Aviation Group Plc and McAlpine Aviation Training Limited (the ultimate parent company of which is Newarthill Plc). These companies own 60% and 40% of the share capital respectively. The company is accounted for on a joint venture basis in these companies as profits and control are split equally. Both parent companies are incorporated in England.

### 8 Related party transactions

During the year the company had transactions with the following related parties :

#### CTC McAlpine Limited

CTC McAlpine Limited owns 100% of the share capital of the company.

The company made purchases of £513,500 from CTC McAlpine Limited for aviation training services.

The balance owed to CTC McAlpine Limited at the year end was £57,869.

#### CTC Aviation Group Plc

CTC Aviation Group Plc owns 60% of CTC McAlpine Limited as explained in note 7.

The company made purchases of £630,950 from CTC Aviation Group Plc for training services.

The balance owed to CTC Aviation Group Plc at the year end was £646,191.

#### Organizare Limited

The company received public relations advice and consultancy services from Organizare Limited, a company under the control of a close family member of C K Clarke. The company purchased services of £667. The balance owed to Organizare Limited at the year end was £783.

All of the transactions above were carried out on a commercial basis.