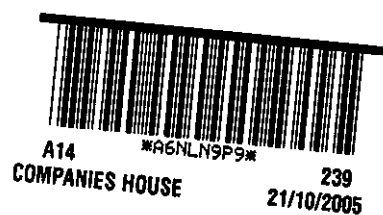


**Airbus UK Pegasus Limited**

## **Report and Accounts**

31 December 2004



## Airbus UK Pegasus Limited

**Directors**  
C N J Sparkes  
I G Gray

**Secretary and registered office**  
K Davies  
New Filton House  
Filton  
Bristol  
BS99 7AR

## Report of the directors

The directors present their report and the audited accounts for the period ended 31 December 2004.

### Review of the business

The company was incorporated on 21 May 2004 and commenced trading on 30 September 2004. The principal activity of the company is property development.

There was no profit or loss for the period ending 31 December 2004. The directors do not recommend the payment of a dividend.

### Directors and their interests

From the date of incorporation until 10 September 2004, the Directors were D J Pudge and M R Layton. The Company Secretary was Clifford Chance Secretaries Limited. I G Gray and C N J Sparkes became Directors on 10 September 2004. K Davies became Company Secretary on 10 September 2004

I Gray is also a director of Airbus UK Limited. His interests in the share capital of EADS NV and BAE SYSTEMS plc, Airbus UK Limited's ultimate parent companies, are shown in the accounts of Airbus UK Limited.

C N J Sparkes had the following interests in the ordinary shares of EADS NV and BAE SYSTEMS plc, the controlling companies, according to the registers of directors' interests:

	Company	Class of share	Interest at end of year	Interest at start of year or date of appointment
C N J Sparkes	EADS NV	Ordinary	-	-
C N J Sparkes	BAE SYSTEMS plc	Ordinary	1,000	1,000

According to the register of directors' interests, no rights to subscribe for shares in or debentures of EADS NV, BAE SYSTEMS plc or any other group company were granted to C N J Sparkes or his immediate family, or exercised by him, during the financial year except as indicated below:

EADS NV	Options at start of year or date of appointment	Options granted during the year	Options exercised during the year	Options at end of year
C N J Sparkes	9,100	2,800	1,800	10,100

## Airbus UK Pegasus Limited

### Directors and their interests (continued)

BAE SYSTEMS plc	Options at start of year or date of appointment	Options granted during the year	Options exercised during the year	Options at end of year
C N J Sparkes	7,555	2,680	-	10,235

### Auditors

During the period, KPMG LLP were appointed as auditors of the company. In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**K Davies**  
*Secretary*

17 October 2005

## **Airbus UK Pegasus Limited**

### **Statement of directors' responsibilities**

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, 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 accounts;
- prepare the accounts on a 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 accounts comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Airbus UK Pegasus Limited**

### **Report of the independent auditors to the members of Airbus UK Pegasus Limited**

We have audited the accounts on pages 5 to 9.

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 auditor's 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 directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

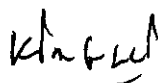
#### **Basis of audit opinion**

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 31 December 2004 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**KPMG LLP**

*Chartered Accountants*

*Registered Auditor*

*17 October 2005*

## **Airbus UK Pegasus Limited**

### **Profit and loss account**

for the seven month period ended 31 December 2004

	Note	2004 £
<b>Turnover</b>	<b>2</b>	<b>10,329</b>
<b>Operating Profit</b>	<b>3</b>	<b>10,329</b>
<b>Interest payable</b>		<b>(10,329)</b>
<b>Result on ordinary activities before taxation</b>		<b>-</b>
<b>Tax on ordinary activities</b>		<b>-</b>
<b>Result for the financial period</b>	<b>8</b>	<b>-</b>

Turnover and operating loss were from continuing activities.

There were no other recognised gains and losses in the period.

## Airbus UK Pegasus Limited

### Balance sheet

at 31 December 2004

	Note	2004 £
<b>Current assets</b>		
Stocks	4	1,755,106
Debtors	5	280,000
		<u>2,035,106</u>
<b>Creditors</b>		
Amounts falling due within one year	6	(2,035,105)
<b>Net assets</b>		<u>1</u>
<b>Capital and reserves</b>		
Called up share capital	7	1
Profit and loss account	8	-
<b>Shareholders' funds</b>	9	<u>1</u>

These financial statements were approved by the board of directors on 17 October 2005 and were signed on its behalf by:



**C Sparkes**

*Director*

# **Airbus UK Pegasus Limited**

## **Notes to the accounts**

### **1. Accounting policies**

#### **Basis of preparation**

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The accounts have been prepared on a going concern basis as the directors have received confirmation from Airbus UK Limited that it will provide financial support as is necessary to meet any outstanding obligations as they fall due.

#### **Cash flow statement**

Under FRS 1 (revised 1996), the company is exempt from the requirement to prepare a cash flow statement as 90% or more of the voting rights of the company are controlled within a group and the company was included in the consolidated accounts of the group, which are publicly available.

#### **Related party transactions**

Under FRS 8, the company is exempt from the requirement to disclose transactions with entities that are part of the group or investees of the group qualifying as related parties as 90% or more of the voting rights of the company are controlled within a group and the company was included in the consolidated accounts of the group, which are publicly available.

#### **Stocks**

The land purchase is included in the balance sheet at the lower of cost and net realisable value. The company intends to sell the land, with or without development to its parent company or to a third party.

### **2. Turnover**

Turnover comprised a fee charged to Airbus UK Limited for the developing of the site in a way that would be best suited to Airbus UK Limited.

All of the turnover was derived from the UK.

### **3. Operating Profit**

No emoluments were receivable by the directors from the company during the period.

The audit costs of the company are borne by its parent company.



## Airbus UK Pegasus Limited

### Notes to the accounts

continued

#### 4. Stocks

	2004 £
<i>Land –Cost and valuation</i>	
Opening balance	-
Additions	1,755,106
Closing balance	1,755,106

This amount represents the purchase value of the land and subsequent, directly attributable costs.

#### 5. Debtors

	2004 £
Other tax and social security	280,000
	280,000

#### 6. Creditors: amounts falling due within one year

	2004 £
Accruals and deferred income	2,035,105
	2,035,105

#### 7. Share capital

	2004 £
<i>Authorised</i>	
100 ordinary shares of £1 each	100
<i>Allotted, issued and fully paid</i>	
1 ordinary share of £1 each	1

## Airbus UK Pegasus Limited

### Notes to the accounts

continued

#### 8. Reserves

	Profit and loss account 2004 £
Result for the year	-
Closing balance	-

#### 9. Reconciliation of shareholders' funds

	2004 £
Issued share capital	1
Result for the financial year	-
Closing balance of shareholders' funds	1

#### 10. Parent undertaking

The company is a subsidiary undertaking of Airbus UK Limited. However the ultimate parent undertaking and controlling party as defined by FRS 8 is EADS NV, a company incorporated and registered in the Netherlands.

Copies of the group accounts of EADS NV may be obtained from Drentestraat 24, 1083 HK, Amsterdam.