

**EXECUTIVE AIRCRAFT SERVICES LIMITED**

**FINANCIAL STATEMENTS**

**30 SEPTEMBER 2002**



Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

**DIRECTORS AND OFFICERS**

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**DIRECTORS**

G P Foster  
G N Grosso  
D C Hewitson  
A K Niven

**SECRETARY**

A P Munson

**REGISTERED OFFICE**

Sutton Park House  
15 Carshalton Road  
Sutton  
Surrey SM1 4LD

**AUDITORS**

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

**DIRECTORS' REPORT**

The directors submit their report and the financial statements of Executive Aircraft Services Limited for the year ended 30 September 2002.

**PRINCIPAL ACTIVITIES**

The company's principal activity is the provision of ground handling services for non-commercial flights for private and corporate aircraft owners.

**REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The results for year are set out on page 6.

**DIRECTORS**

The following directors have held office since 1 October 2001:

F A Argenbright	(resigned 8 November 2001)
N P Buckles	(resigned 26 February 2002)
T L Dighton	(resigned 26 February 2002)
G P Foster	(appointed 1 October 2002)
N E Griffiths	(resigned 26 February 2002)
G N Grosso	(appointed 11 November 2002)
D C Hewitson	
A K Niven	(appointed 26 February 2002)

**DIRECTORS' INTEREST IN SHARES**

None of the directors had an interest in the shares of the company.

The following directors, who are not also holding company directors, have interests, including family interests, in the share capital of the parent company, Securicor plc.

	At 30.9.02	At 01.10.01
D C Hewitson	12,580	12,580
A K Niven	11,260	11,260

The following options were granted during the period to the directors, who are not also holding company directors:

	Number of options granted
D C Hewitson	159,134
A K Niven	339,134

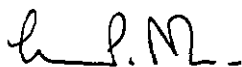
**DIRECTORS' REPORT**

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**AUDITORS**

In accordance with section 386, Companies Act 1985, the company has elected to dispense with the obligation to appoint auditors annually. Accordingly, Baker Tilly, Chartered Accountants, are deemed to be reappointed for succeeding financial years.

By order of the board

A handwritten signature in black ink, appearing to read 'A P Munson'.

A P Munson  
Secretary

10 December 2002

**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF  
FINANCIAL STATEMENTS**

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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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 requirements of 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXECUTIVE AIRCRAFT SERVICES LIMITED**

We have audited the financial statements on pages 6 to 14.

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 DIRECTORS AND AUDITORS**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

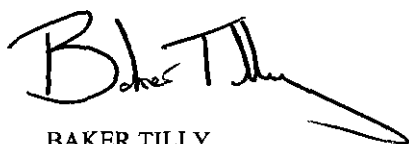
### **BASIS OF OPINION**

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 at 30 September 2002, and of the company's result for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

10 December 2002

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 30 September 2002**

	Notes	Year ended 30 September 2002 £'000	9 months ended 30 September 2001 £'000
<b>TURNOVER</b>	1	2,035	1,345
Cost of sales		(1,053)	(577)
<b>GROSS PROFIT</b>		<u>982</u>	<u>768</u>
Other operating expenses (net)		(518)	(636)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	<u>464</u>	<u>132</u>
Tax on profit on ordinary activities	4	160	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION, RETAINED</b>	10	<u><u>304</u></u>	<u><u>132</u></u>

The operating result for the year arises from the company's continuing operations.

The results stated above represent the company's historical cost result for the year.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

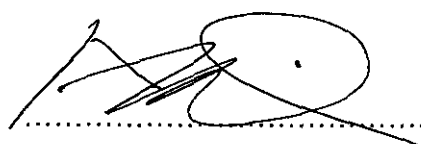
**BALANCE SHEET**

30 September 2002

	Notes	2002 £'000	2001 £'000
<b>FIXED ASSETS</b>			
Intangible fixed assets	5	1,717	1,835
Tangible fixed assets	6	120	73
		<u>1,837</u>	<u>1,908</u>
<b>CURRENT ASSETS</b>			
Debtors	7	1,361	986
Cash at bank and in hand		169	169
		<u>1,530</u>	<u>1,155</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	1,181	1,181
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>349</u>	<u>(26)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,186</u>	<u>1,882</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1,750	1,750
Profit and loss account	10	436	132
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>2,186</u>	<u>1,882</u>

Approved by the board on 10 December 2002.

Signed on its behalf by:



..... Director



**Financial statements for the year ended 30 September 2002****ACCOUNTING POLICIES**

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**BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and based upon the continued support of group companies.

**TANGIBLE FIXED ASSETS**

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Motor vehicles	-	over 5 years
Computer equipment	-	over 5 years
Ground technical equipment	-	over 5-10 years
Office equipment	-	over 5 years

**GOODWILL**

Goodwill, which arises on the purchase by the company of the trade and assets of businesses, is amortised over its useful economic life, which is taken to be 20 years.

**DEFERRED TAXATION**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**PENSION CONTRIBUTIONS**

The company is included in the group defined benefit pension schemes.

The costs of providing pensions for employees are charged to the profit and loss account over the average working life of employees in accordance with the recommendations of qualified actuaries. Any funding surplus or deficit which may arise from time to time is amortised over the remaining average working life of employees.

**Financial statements for the year ended 30 September 2002****ACCOUNTING POLICIES**

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**FOREIGN CURRENCIES**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

**LEASED ASSETS AND OBLIGATIONS**

All leases are "operating leases" and the annual rentals are charged to the profit and loss on a straight-line basis over the lease term.

**TURNOVER**

Turnover comprises the value of sales (excluding VAT, similar taxes discounts of goods and services) in the normal course of business.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2002

**1. TURNOVER**

The company's turnover and profit on ordinary activities before taxation were derived from the provision of ground handling services in the United Kingdom.

<b>2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2002 £'000</b>	<b>2001 £'000</b>
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Profit on ordinary activities before taxation is stated after charging:

Depreciation of tangible fixed assets	25	15
Amortisation of intangible fixed assets	118	89
Auditors' remuneration	8	-
Operating lease rentals:		
land and buildings	62	38
vehicles & equipment	15	1
	<u>      </u>	<u>      </u>

The audit and non-audit fees of the company in 2001 have been borne by fellow group undertaking.

<b>3. EMPLOYEES</b>	<b>2002 No.</b>	<b>2001 No.</b>
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The average monthly number of persons (including directors) employed by the company during the year was:

Group handling services	10	10
Administration	5	6
	<u>      </u>	<u>      </u>
	15	16
	<u>      </u>	<u>      </u>

	<b>2002 £'000</b>	<b>2001 £'000</b>
Staff costs for the above persons:		
Wages and salaries	311	351
Social security costs	37	22
Other pension costs	12	9
	<u>      </u>	<u>      </u>
	360	382
	<u>      </u>	<u>      </u>

**DIRECTORS' REMUNERATION**

The directors did not receive any remuneration from the company during the year.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2002**

4.	<b>TAXATION</b>	<b>2002</b>	<b>2001</b>
		<b>£'000</b>	<b>£'000</b>
	Current tax:		
	UK Corporation tax on profits of the year	160	-
	Total current tax	<u>160</u>	<u>-</u>
	Deferred tax:		
	Origination and reversal of timing differences	-	-
	Total deferred tax	<u>-</u>	<u>-</u>
	Tax on profit on ordinary activities	<u>160</u>	<u>-</u>
	Factors affecting tax charge for the year		
	The tax assessed for the year differs from the standard rate of corporation tax in the UK 30%. The differences are explained below:		
	Profit on ordinary activities before tax	464	132
	Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK 30% (2001: 30%)	139	40
	Effects of:		
	Expenses not deductible for tax purposes	14	(44)
	Depreciation in excess of capital allowances	7	4
	Current tax charge for the year	<u>160</u>	<u>-</u>
5.	<b>INTANGIBLE FIXED ASSETS</b>		
			Goodwill
			£'000
	<b>Cost:</b>		
	At 1 October 2001 and 30 September 2002		2,367
	<b>Amortisation:</b>		
	At 1 October 2001		532
	Charge		118
	At 30 September 2002		<u>650</u>
	<b>Net book value:</b>		
	At 30 September 2002		<u>1,717</u>
	At 30 September 2001		<u>1,835</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2002

**6. TANGIBLE FIXED ASSETS**

	<i>Office equipment</i> £'000	<i>Commercial and motor vehicles</i> £'000	<i>Ground technical equipment</i> £'000	<i>Total</i> £'000
<b>Cost:</b>				
At 1 October 2001	2	-	138	140
Additions	-	9	63	72
At 30 September 2002	<u>2</u>	<u>9</u>	<u>201</u>	<u>212</u>
<b>Depreciation:</b>				
At 1 October 2001	-	-	67	67
Charge for the year	1	2	22	25
At 30 September 2002	<u>1</u>	<u>2</u>	<u>89</u>	<u>92</u>
<b>Net book value:</b>				
30 September 2002	<u>1</u>	<u>7</u>	<u>112</u>	<u>120</u>
30 September 2001	<u>2</u>	<u>-</u>	<u>71</u>	<u>73</u>

**7. DEBTORS**

	<b>2002</b> £'000	<b>2001</b> £'000
Amounts owed by fellow subsidiary undertaking	<u>1,361</u>	<u>986</u>

**8. CREDITORS**

	<b>2002</b> £'000	<b>2001</b> £'000
Amounts falling due within one year:		
Amounts owed to fellow subsidiary undertakings	<u>1,181</u>	<u>1,181</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2002**

9. SHARE CAPITAL	2002 £	2001 £
Authorised:		
2,999,800 preference shares of £1 each	2,999,800	2,999,800
100 class 'A' ordinary shares of £1 each	100	100
100 class 'B' ordinary shares of £1 each	100	100
	<u>3,000,000</u>	<u>3,000,000</u>
Allotted, called up and fully paid:		
1,750,000 preference shares of £1 each	1,750,000	1,750,000
100 class 'A' ordinary shares of £1 each	100	100
100 class 'B' ordinary shares of £1 each	100	100
	<u>1,750,200</u>	<u>1,750,200</u>

Non equity shareholders' funds relate to the 'A' and 'B' class ordinary shares. Holders of both classes of shares are not entitled to payment of any dividend or other distribution. Holders of both class of shares are entitled to, on winding up, the repayment of the amount paid up on such shares but no further amount based on the company's assets or profits. Holders of 'B' class ordinary shares are entitled to receive notice of, attend, speak and vote at any general meeting of the company.

The equity shareholders' funds relate entirely to the preference shares. On a return of capital on a winding up of the company or otherwise, the holders of such shares shall, subject to prior repayment of all amounts due to the holders of the 'A' ordinary shares and 'B' ordinary shares, be entitled to participate in any surpluses.

**10. RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS  
AND MOVEMENT IN RESERVES**

	Ordinary share capital £'000	Profit and loss account £'000	Shareholders' funds £'000
At 1 October 2001	1,750	132	1,882
Profit for the year	-	304	304
At 30 September 2002	<u>1,750</u>	<u>436</u>	<u>2,186</u>

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 September 2002**

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**11. CAPITAL COMMITMENTS**

There were no capital commitments at 30 September 2002 (2001: £Nil)

**12. COMMITMENTS UNDER OPERATING LEASES**

At 30 September 2002, the company had annual commitments under non-cancellable operating leases as follows:	<b>2002</b> <b>£'000</b>	<b>2001</b> <b>£'000</b>
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Land and Buildings expiry between 2 and 5 years	48	44
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**13. CONTINGENT LIABILITIES**

The company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other participating group undertakings' unpaid debts in this connection.

**14. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption conferred by FRS 8 not to disclose transactions with companies, where 90% or more of the voting rights are controlled within the group.

**15. ULTIMATE PARENT COMPANY**

At 30 September 2002 the ultimate holding company of Executive Aircraft Services Limited was Securicor plc which is registered in England and Wales. Copies of the group accounts of Securicor plc can be obtained from Sutton Park House, 15 Carshalton Road, Sutton, Surrey SM1 4LD.