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annexed Certificate "B".

[Handwritten Signature]
..... Director

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..... Secretary

AIRWORK SERVICES LIMITED

Report and Accounts
for the year ended
31st December 1973

AIRWORK SERVICES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the Company will be held at Bournemouth (Hurn) Airport, Christchurch, Dorset on Friday, 30th August 1974 at 10 a.m. for the purpose of transacting the ordinary business of an Annual General Meeting.

BY ORDER OF THE BOARD
AIRWORK SERVICES LIMITED

J. McDowall
Secretary

Bournemouth (Hurn) Airport
Christchurch, Dorset

18th July 1974

NOTE: Any member of the Company entitled to attend and vote at the above General Meeting is entitled to appoint a proxy to attend and on a poll to vote instead of him. A proxy need not be a member of the Company.

Report of the Directors

The Directors have pleasure in submitting their Report and the audited accounts for the year ended 31st December 1973 which are to be presented to the Annual General Meeting of Shareholders to be held at the Registered Office of the Company, Bournemouth (Hurn) Airport, Christchurch, Dorset, on Friday 30th August 1974 at 10.00 a.m.

Business

The principal activity of the Company during the year continued to be that of an aviation contractor. The principal activities of its subsidiaries continued to be as follows:

Exeter Airport Limited	Airport Operating
Plymouth Airport Limited	Airport & Aircraft Operating
Plymouth Aero Club Limited	Aircrew Training
Exeter Aero Club Limited	Not trading
Airwork Services (Pty) Limited	Not trading

Accounts

	£	£	£
The trading profit after charging all expenses amounted to:			1,890,168
The surplus on the sale of fixed assets was:			12,034
			1,902,202
Less: Amount payable to a fellow subsidiary in respect of Group Relief at 100%:			21,000
Leaving a profit before taxation of:			1,881,202
Taxation:			
Amount payable to fellow subsidiaries in respect of group relief:		893,853	
Corporation tax at 47.5% amounted to:	9,750		
Less: Double taxation relief:	9,750	-	
Foreign tax amounted to:		9,750	
		903,603	
Adjustment in respect of prior years:		78,413	825,190
Leaving a profit after taxation of:			1,056,012
The balance brought forward from 1972 was:		2,545,026	
Group relief adjustments in respect of prior years:		74,798	2,470,228
Leaving a balance to be carried forward to 1974 of:			£3,526,240

Fixed Assets

The changes in the fixed assets of the Company during the year under review related mainly to the acquisition of plant, motor vehicles and equipment.

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Dividend

The Directors do not recommend the payment of any dividend in respect of the year ended 31st December 1973.

Directors

The following served as Directors continuously throughout the year under review:

Sir Nicholas Cayzer
Hon. Anthony Cayzer
J.H. Hopkins
T.P. Aldous
R.W. Cantello
R.L. Cumming
E.N. Jennings
D.R. Palmer
J.A. Thomson
E.R. Town

Messrs. C.E.F. Gough and L.A. Lafone resigned from the Board on 31st March 1973.

Mr. R.W. Cantello resigned as Managing Director on 31st October 1973, whilst retaining his position as a Director. Mr. J.H. Hopkins was appointed Managing Director on 1st November 1973.

Mr. K.R. Henshaw was appointed a Director, and Executive Deputy Chairman of the Company, on 1st November 1973.

Mr. J. McDowall, Secretary of the Company, was appointed a Director on 29th January 1974.

Capt. E.N. Jennings resigned from the Board on 18th March 1974.

In accordance with the provisions of the Articles of Association of the Company, the following retire from office and, being eligible, offer themselves for re-election:

Sir Nicholas Cayzer
Hon. Anthony Cayzer
K.R. Henshaw
T.P. Aldous
R.W. Cantello
R.L. Cumming
J. McDowall
D.R. Palmer
J.A. Thomson
E.R. Town

Directors' Interests

None of the Directors or their families had, according to the register, any interest, either beneficial or as trustees, in the share and loan capitals of the Company or its subsidiaries as at 31st December 1973. However, the interests of the Directors and their families in the share and loan capital of the ultimate holding company, i.e. The British and Commonwealth Shipping Company Limited, at 31st December 1973 are shown overleaf:

Ordinary Stock Units of 50p each

	<u>Beneficial and Family Interests</u>	<u>As Trustees</u>
Sir W. Nicholas Cayzer Bt.	44,940	37,617
Hon. Anthony Cayzer	9,331	2,000
J.A. Thomson	1,889	3,500

10 $\frac{1}{2}$ % Unsecured Loan Stock 1974

Sir W. Nicholas Cayzer Bt.	-	24,486
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Auditors

Messrs. Deloitte & Co. are re-appointed Auditors in accordance with the provisions of Section 159 of the Companies Act 1948.

BY ORDER OF THE BOARD

J. McDowall
Secretary.

18th July 1974

REPORT OF THE AUDITORS

to the

MEMBERS OF AIRWORK SERVICES LIMITED

In our opinion the accounts set out on Pages 6 to 10 give a true and fair view of the state of the Company's affairs at 31st December, 1973 and of the profit for the year ended on that date and comply with the Companies Acts 1948 and 1967.

18th July, 1974
LONDON

DELOITTE & CO.
Chartered Accountants.

BALANCE SHEET AT 31ST DECEMBER 1973

	1973	1972	
	£	£	£
FIXED ASSETS (Note 3)			
Aircraft	68,654		85,611
Land and Buildings	685,898		712,419
Plant, Vehicles and Equipment	<u>148,808</u>	903,360	<u>142,658</u> 940,688
GROUP COMPANIES (Note 4)			
Shares in subsidiaries	124,983		124,983
Amounts due from subsidiaries	<u>34,882</u>	159,865	<u>64,192</u> 189,175
Amounts due from fellow subsidiaries	7,265,649		2,440,458
Amounts due to holding Company and fellow subsidiaries	<u>1,581,714</u>	5,683,935	<u>386,075</u> 2,054,383
CURRENT ASSETS			
Stock and Work in Progress (Note 1)	75,084		83,598
Debtors	6,221,457		6,762,367
Bank and Cash Balances	<u>1,989,710</u>	<u>8,286,251</u>	<u>1,702,902</u> 8,548,867
		15,033,411	11,733,113
DEDUCT:			
CURRENT LIABILITIES			
Creditors	4,388,892		3,529,019
Contract receipts less expenditure and after taking account of profits and losses	6,705,295		5,095,309
United Kingdom taxation	8,739		8,739
Overseas Taxation	<u>86,210</u>		<u>152,534</u>
	11,189,136		8,785,601
CORPORATION TAX			
Payable on or after 1st October 1974	-		84,451
PROVISIONS			
Building Maintenance	28,150		28,150
RESERVES			
Self Insured Risks	<u>261,966</u>		<u>261,966</u>
		<u>11,479,252</u>	<u>9,160,168</u>
		£ 3,554,159	£2,572,945
<u>FUNDS EMPLOYED</u>			
SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS			
Issued Capital (Note 7)	20,000		20,000
Capital Reserve	7,919		7,919
Revenue Reserve	<u>3,526,240</u>	£ 3,554,159	<u>2,545,026</u> £2,572,945

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Directors

The attached notes form
part of these accounts

AIRWORK SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1973.

	<u>1973</u>		<u>1972</u>	
	£	£	£	£
TURNOVER (Note 8)		<u>£18,573,099</u>		<u>£18,587,991</u>
TRADING PROFIT (Note 9)		1,852,075		797,570
DEPRECIATION (Note 1)				
Aircraft	28,534		33,339	
Land and Buildings	26,275		33,459	
Plant, Vehicles and Equipment	<u>56,951</u>		<u>72,995</u>	
		<u>111,760</u>		<u>139,773</u>
		<u>1,740,315</u>		<u>657,797</u>
OTHER INCOME				
Interest Received	149,853		263,621	
Profit on sale of Fixed Assets	<u>12,034</u>		<u>1,713</u>	
		<u>161,887</u>		<u>265,334</u>
		1,902,202		923,131
GROUP RELIEF @ 100%		21,000		-
		<u>1,881,202</u>		<u>923,131</u>
TAXATION (Note 10)		825,190		306,720
		<u>1,056,012</u>		<u>616,411</u>
PROFIT AFTER TAXATION				
Balance at 1st January 1973	2,545,026		1,643,991	
Group Relief adjustment in respect of prior year	<u>74,798</u>		<u>284,624</u>	
		<u>2,470,228</u>		<u>1,928,615</u>
BALANCE at 31st December, 1973		<u>£3,526,240</u>		<u>£2,545,026</u>

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1. Accounting Policies

The significant accounting policies adopted in the preparation of these accounts are as follows :

(a) Contract Revenue and losses

Where the contract period exceeds twelve months the proportion of the total contract revenue included in the accounts is calculated on the basis of the proportion costs incurred to date bears to estimated total costs to completion.

In respect of annual contracts the revenue included is the amount laid down by the contracts together with appropriate estimates in respect of claims for additional revenue permitted by the terms of such contracts.

(b) Depreciation

Depreciation is computed by use of the straight line method usually based on the estimated useful lives of the assets. However, in the case of certain overseas contracts it is based on the duration of the relevant contract.

(c) Translation of Foreign Currencies.

Transactions arising during the year in foreign currencies have been stated in pounds sterling at approximate rates of exchange at the time they arose. Assets and liabilities in foreign currencies at 31st December, 1973, have been stated in pounds sterling at approximate rates of exchange ruling at that date.

(d) Stocks and Work in Progress

Stocks and work in progress have been valued at the lower of cost and net realisable value with cost being determined either on the average cost or the first in - first out basis.

2. Holding Company

The Company's ultimate holding company is the British and Commonwealth Shipping Company Limited which is incorporated in Great Britain.

3. Fixed Assets

	<u>Aircraft</u>	<u>Land and Buildings</u>	<u>Plant, Vehicles and Equipment</u>
	£	£	£
COST			
Balance 1st January, 1973	296,464	986,180	397,488
Additions- Inter Group	-	-	2,696
Other	13,018	(246)	66,039
Disposals- Inter Group	-	-	(186)
Other	(8,578)	-	(60,890)
Balance 31st December, 1973	<u>£300,904</u>	<u>£985,934</u>	<u>£405,147</u>
DEPRECIATION			
Balance 1st January, 1973	210,853	273,761	254,830
Additions- Inter Group	-	-	931
Disposals - Inter Group	-	-	(106)
Other	(7,137)	-	(56,267)
Charge for Year	28,534	26,275	56,951
Balance 31st December, 1973	<u>£ 232,250</u>	<u>£300,036</u>	<u>£256,339</u>
BOOK VALUE 31st December, 1973	<u>£ 68,654</u>	<u>£685,898</u>	<u>£148,808</u>

The book value of Land and Buildings comprises

	<u>1973</u>	<u>1972</u>
	£	£
Freehold	621,591	642,611
Short-Lease	64,307	69,808
	<u>£685,898</u>	<u>£712,419</u>

4. Group Accounts

The Company itself is a wholly owned subsidiary of a Company incorporated in Great Britain and under Section 150 (2) of the Companies Act 1948 is not required to submit group accounts.

In the opinion of the Directors, the aggregate value of shares in and amounts due from the Company's subsidiaries is not less than the aggregate of the amounts at which those assets are stated in the balance sheet.

Investment in subsidiaries.

The shares held by Airwork Services Limited are investments in the following companies:

<u>Name</u>	<u>Country of Incorporation</u>	<u>Shares held</u>	
		<u>Class</u>	<u>% of Issue</u>
Exeter Airport Ltd.	Great Britain	Ordinary	100
Plymouth Airport Ltd.	" "	"	100
Airwork Services (Pty) Ltd.	South Africa	"	100

The shares held by Exeter Airport Ltd. are investments in the following Company:

Exeter Aero Club Ltd.	Great Britain	Ordinary	100
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The shares held by Plymouth Airport Ltd. are investments in the following Company:

Plymouth Aero Club Ltd.	Great Britain	Ordinary	100
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5. Contingent Liability

The Company and two major British manufacturing companies in the aerospace industry, in consort, have each entered into contracts with a foreign government

The consortium has entered into a further contract with the government which specifies that each company will be jointly and severally liable up to a maximum amount of £10,000,000 if and when that government should have a valid claim which remains unsatisfied arising from a breach by any of the companies of the consortium of their individual contracts.

6. Capital Commitments

Contracted capital expenditure not provided for in these accounts amounted to approximately £8,000 (1972 £11,000)

Capital expenditure authorised by the Directors but not contracted amounted to approximately £21,000 (1972 £30,000)

7 Share Capital

	<u>1973</u>	<u>1972</u>
Authorised		
20,000 Ordinary Shares of £1. each	<u>£20,000</u>	<u>£20,000</u>
Issued and fully paid		
20,000 Ordinary Shares of £1. each	<u>£20,000</u>	<u>£20,000</u>