

AIRWORK SERVICES LIMITED

Report and Accounts
for the year ended
31st December, 1974

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 May, 1975 at 10.00 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

8th May, 1975

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.

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AIRWORK SERVICES LIMITED

Report of the Directors

The Directors have pleasure in submitting their Report and the audited Accounts for the year ended 31st December, 1974, 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 May, 1975 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	Not trading
Exeter Aero Club Limited	Not trading
Airwork Services (Pty.) Limited	Not trading
Dishley Engineering Limited	Not trading

<u>Accounts</u>	£	£	£
The trading profit after charging all expenses amounted to:			3,452,442
The surplus on the sale of fixed assets was:			8,068
			<hr/>
Leaving a profit before taxation of:			3,460,510
 Taxation:			
Amount payable to fellow subsidiaries in respect of group relief:		1,587,715	
Corporation tax at 52% amounted to:	20,000		
Less double taxation relief:	<u>20,000</u>	-	
Foreign tax amounted to:		20,000	
		<hr/>	
		1,607,715	
Transfer to Tax Equalisation Account:		104,000	
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		1,711,715	
Adjustment in respect of prior years:		6,951	1,704,764
		<hr/>	
Leaving a profit after taxation of:			1,755,746

	£	£
	B/fwd	1,755,746
Transfer from Capital Reserve		<u>7,919</u>
		1,763,665
Proposed dividend @ 1500%		<u>300,000</u>
		1,463,665
The balance brought forward from 1973 was:	3,526,240	
Group relief adjustments in respect of prior years:	<u>6,129</u>	<u>3,520,111</u>
Leaving a balance to be carried forward to 1975 of:		<u><u>£4,983,776</u></u>

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.

Dividend

The Directors recommend the payment of a dividend of 1500% in respect of the year ended 31st December, 1974.

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
K.R. Henshaw
D.R. Palmer
J.A. Thomson
E.R. Town

Mr. J. McDowall, Secretary of the Company, was appointed a Director on 29th January, 1974 and served continuously until the end of the financial year.

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

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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, 1974. 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, 1974 are shown below:

	<u>Ordinary Stock Units of 50p each</u>	
	<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

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

8th May, 1975

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REPORT OF THE AUDITORS

to the

MEMBERS OF AIRWORK SERVICES LIMITED

In our opinion the accounts set out on pages six to twelve give a true and fair view of the state of the Company's affairs at 31st December, 1974 and of the profit for the year ended on that date and comply with the Companies Acts 1948 and 1967.

LONDON
8th May, 1975

Deloitte & Co.
Chartered Accountants

BALANCE SHEET AT 31ST DECEMBER, 1974

	<u>1974</u>		<u>1973</u>	
	£	£	£	£
FIXED ASSETS (Note 3)				
Aircraft	163,332		68,654	
Land and Buildings	659,624		685,898	
Plant, Vehicles and Equipment	<u>199,916</u>	1,022,872	<u>148,808</u>	903,360
GROUP COMPANIES (Note 4)				
Shares in subsidiaries	125,314		124,983	
Amounts due from subsidiaries	<u>24,965</u>	150,279	<u>34,882</u>	159,865
Amounts due from fellow subsidiaries	6,848,217		7,265,649	
Amounts due to holding Company and fellow subsidiaries	<u>2,602,356</u>	4,245,861	<u>1,581,714</u>	5,683,935
CURRENT ASSETS				
Stock and Work in Progress (Note 1)	123,761		75,084	
Debtors	3,721,382		6,221,457	
Bank and Cash Balances	<u>1,956,295</u>		<u>1,989,710</u>	
		5,801,438		8,286,251
		11,220,450		15,033,411
DEDUCT:				
CURRENT LIABILITIES				
Creditors	2,241,393		4,388,892	
Contract receipts less expenditure and after taking account of profits and losses	3,516,515		6,705,295	
United Kingdom taxation	5,400		8,739	
Overseas Taxation	9,250		86,210	
Proposed Dividend	<u>300,000</u>		<u>-</u>	
	6,072,558		11,189,136	
PROVISIONS				
Building Maintenance	28,150		28,150	
Self Insured Risks	<u>11,966</u>	6,112,674	<u>261,966</u>	11,479,252
		<u>£5,107,776</u>		<u>£3,554,159</u>
<u>SOURCE OF FUNDS</u>				
DEFERRED TAXATION (Note 1)	104,000		-	
SHAREHOLDERS FUNDS				
Issued Capital (Note 7)	20,000		20,000	
Capital Reserve (Note 8)	-		7,919	
Revenue Reserve	<u>4,983,776</u>	<u>£5,107,776</u>	<u>3,526,240</u>	<u>£3,554,159</u>

... K. R. HENSHAW

... J. H. HOPKINS

THIS IS THE COPY REFERRED TO
IN THE ANNEXED CERTIFICATE "B"

[Signature]
Directors

[Signature]
SECRETARY

The attached notes form
part of these accounts

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AIRWORK SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1974

	1974	1973		
	£	£	£	£
TURNOVER (Note 9)		<u>£14,489,825</u>		<u>£18,573,099</u>
TRADING PROFIT (Note 10)		3,558,829		1,852,075
DEPRECIATION (Note 1)				
Aircraft	28,075		28,534	
Land and Buildings	26,274		26,275	
Plant, Vehicles and Equipment	<u>52,038</u>		<u>56,951</u>	
		106,387		111,760
		<u>3,452,442</u>		<u>1,740,315</u>
OTHER INCOME				
Interest Received	-		149,853	
Profit on Sale of Fixed Assets	<u>8,068</u>	8,068	<u>12,034</u>	161,887
		<u>3,460,510</u>		<u>1,902,202</u>
GROUP RELIEF @ 100%		-		21,000
		<u>3,460,510</u>		<u>1,881,202</u>
TAXATION (note 11)		<u>1,704,764</u>		<u>825,190</u>
PROFIT AFTER TAXATION		1,755,746		1,056,012
TRANSFER FROM CAPITAL RESERVE (Note 8)		<u>7,919</u>		-
		<u>1,763,665</u>		<u>1,056,012</u>
PROPOSED DIVIDEND @ 1500%		<u>300,000</u>		-
		<u>1,463,665</u>		<u>1,056,012</u>
Balance 1st January, 1974	3,526,240		2,545,026	
Group Relief adjustment in respect of prior year	<u>6,129</u>	3,520,111	<u>74,798</u>	<u>2,470,228</u>
BALANCE 31st December, 1974		<u>£4,983,776</u>		<u>£3,526,240</u>

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AIRWORK SERVICES LIMITED
NOTES TO THE ACCOUNTS AT 31ST DECEMBER, 1974

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.

Provision has been made for all estimated losses and claims which Directors consider may arise from current and completed 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, 1974 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.

(e) Deferred Taxation

Deferred taxation is the estimated deferred liability at the year end rate of corporation tax arising from the net book value of fixed assets being in excess of the tax written down value of such assets.

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>
	£	£	£
<u>COST</u>			
Balance 1st January, 1974	300,904	985,934	405,147
Additions - Inter Group	-	-	-
Other	122,753	-	116,386
Disposals - Inter Group	-	-	(1,382)
Other	(5,855)	-	(51,169)
	<u>300,904</u>	<u>985,934</u>	<u>405,147</u>
Balance 31st December, 1974	<u>£417,802</u>	<u>£985,934</u>	<u>£468,982</u>
<u>DEPRECIATION</u>			
Balance 1st January, 1974	232,250	300,036	256,339
Additions - Inter Group	-	-	-
Disposals - Inter Group	-	-	(1,127)
Other	(5,855)	-	(38,184)
Charge for Year	28,075	26,274	52,038
	<u>232,250</u>	<u>300,036</u>	<u>256,339</u>
Balance 31st December, 1974	<u>£254,470</u>	<u>£326,310</u>	<u>£269,066</u>
BOOK VALUE 31st December, 1974	<u>£163,332</u>	<u>£659,624</u>	<u>£199,916</u>

The book value of Land and Buildings comprises

	<u>1974</u>	<u>1973</u>
	£	£
Freehold	600,818	621,591
Short-lease	58,806	64,307
	<u>£659,624</u>	<u>£685,898</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>Ordinary</u> <u>% of issue</u>
Exeter Airport Ltd.	Great Britain	100

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<u>Name</u>	<u>Country of Incorporation</u>	<u>Shares held</u>	
		<u>Class</u>	<u>% of issue</u>
Plymouth Airport Ltd.	Great Britain	Ordinary	100
Dishley Engineering 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 the 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 £9,000. (1973 £8,000)

Capital expenditure authorised by the Directors but not contracted amounted to approximately £16,000. (1973 £21,000)

7. Share Capital

	<u>1974</u>	<u>1973</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>

8. Capital Reserve

	<u>1974</u>	<u>1973</u>
Balance 1st January 1974	£7,919	£7,919
Transfer to Revenue Reserve	£7,919	-
Balance 31st December, 1974	<u>-</u>	<u>£7,919</u>

9. Turnover

The turnover for the year is represented by the amounts charged for the following :

	<u>1974</u>	<u>1973</u>
	£	£
Contract Revenue and Flying	8,863,072	13,316,561
Sundry Repair Work	887,371	815,487
Sales of Petrol, Oil and Materials	4,460,413	4,245,778
Other	278,969	195,273
	<u>£14,489,825</u>	<u>£18,573,099</u>

10. Trading Profit

	<u>1974</u>	<u>1973</u>
	£	£
(a) The figure is stated after charging:		
Auditors' remuneration and expenses	5,150	4,150
Directors' emoluments (see (b) below)	64,543	65,590
Interest payable	133,560	147,956
(b) Directors' emoluments	£	£
Fees for services as Directors	-	150
Emolument of Chairman	nil	nil
Emolument of Highest paid Director	15,197	14,450
Other Directors in the bracket :		
£ 0 - 2,500	4	5
£ 2,501 - 5,000	nil	1
£ 5,001 - 7,500	2	2
£ 7,501 - 10,000	3	1
£10,001 - 12,500	1	1
£12,500 - 15,000	nil	1

11. Taxation

	<u>1974</u>	<u>1973</u>
	£	£
On profits of the year		
Proposed payments to Group Companies for Group Relief	1,587,715	893,850
Corporation Tax @ 52% (1973 47.5%)	20,000	9,750
Less Double taxation relief	20,000	9,750
Overseas Taxation	20,000	9,750
	<u>c/fwd 1,607,715</u>	<u>903,600</u>