

COMPANY REGISTRATION NO. 05219784

**EUROPA AIRCRAFT (2004)
LIMITED**

Financial Statements

31 March 2006



DIRECTORS' REPORT

31 March 2006

The directors submit their report and the financial statements for the year ended 31 March 2006

PRINCIPAL ACTIVITIES

The company's principal activities are the design and supply of kit aircraft

DIRECTORS

The directors who have served during the year together with their beneficial interests in the £1 ordinary shares of the company are as follows -

	At 31 March 2006	At 31 March 2005
R C Bull	1,200	1,200
J S Tucker (deceased 18 December 2006)	1,500	1,500
K H Ward	1,100	1,100
J L Wheeler	1,200	1,200

AUDITORS

So far as each of the directors serving at the time this report is approved are aware

- (i) there is no relevant audit information of which the company's auditors, Clemmence & Co are unaware, and
- (ii) the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The reappointment as auditors of Clemmence & Co, Chartered Accountants and Registered Auditor, will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985

SMALL COMPANIES EXEMPTION

The above 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



S A COOPER
Secretary

15 June 2007

STATEMENT OF 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 these financial statements the directors are required to -

- (i) Select suitable accounting policies and apply them consistently.
- (ii) Make judgements and estimates that are reasonable and prudent
- (iii) Prepare financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business
- (iv) State whether the Financial Reporting Standard for Smaller Entities has been followed, subject to any material departures disclosed and explained in the accounts

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and 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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EUROPA AIRCRAFT
(2004) LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out on page 6

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' 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 on page 2.

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 misstatements, 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 31 March 2006 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

CLEMMENCE & CO
Chartered Accountants
and Registered Auditor

Linton
Rawdon Hall Drive
Rawdon
Leeds
LS19 6HD



15 June 2007

PROFIT AND LOSS ACCOUNT

31 March 2006

2 September 2004
to 31 March 2005

		2006	
	note	£	£
TURNOVER	2	431,202	366,029
Cost of sales		280,654	225,313
		-----	-----
GROSS PROFIT		150,548	140,716
Administrative expenses		(184,863)	(102,124)
		-----	-----
		(34,315)	38,592
Interest received		539	347
Interest payable		(10,103)	(4,678)
		-----	-----
LOSS ON ORDINARY ACTIVITIES BEFORE TAX	3	(43,879)	34,261
Tax on loss on ordinary activities	4	5,211	(6,539)
		-----	-----
DEFICIT FOR THE YEAR	10	(38,668)	27,722
		=====	=====

BALANCE SHEET

31 March 2006

2006

2005

	note	£	£	£	£
FIXED ASSETS					
Tangible assets	5		1,892		2,264
CURRENT ASSETS					
Stock		109,568		93,288	
Debtors	6	33,723		47,449	
Cash at bank and in hand		23,696		56,980	
		-----		-----	
		166,987		197,717	
CREDITORS amounts falling due within one year					
	7	174,825		117,259	
		-----		-----	
NET CURRENT LIABILITIES			(7,838)		80,458
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITES			(5,946)		82,722
CREDITORS amounts falling due after more than one year					
	8		-		50,000
			-----		-----
			(5,946)		32,722
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	9		5,000		5,000
Profit and loss account	10		(10,946)		27,722
			-----		-----
			(5,946)		32,722
			=====		=====

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the Board on 15 June 2007

K.H. Ward
K H WARD
Director

NOTES ON THE FINANCIAL STATEMENTS

31 March 2006

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The accounts have been prepared on a going concern basis which assumes the continued support of the company's loan creditors

FIXED ASSETS AND DEPRECIATION

Tangible assets are depreciated on a straight line basis over their estimated useful lives as follows -

	Annual rate
Plant and machinery	15%

A full years charge is made in the year of purchase whilst no charge is made in the year of disposal

STOCK

Stock is stated at the lower of cost and net realisable value

Cost has been calculated by reference to invoiced amounts. Net realisable value comprises anticipated proceeds of sale less anticipated costs relating thereto

DEFERRED TAX

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes

2 TURNOVER

Turnover represents the amount (excluding value added tax) receivable in the ordinary course of business for work done and goods sold

Turnover attributable to markets outside the United Kingdom amounts to 45% (2005 60%)

3	LOSS ON ORDINARY ACTIVITIES BEFORE TAX	2006	2005
	is stated after charging	£	£
	Directors' remuneration	33,083	20,250
	Depreciation	372	217
	Rent	14,428	7,696
	Auditors' remuneration	3,250	3,000
		<u> </u>	<u> </u>

NOTES ON THE FINANCIAL STATEMENTS (continued)
31 March 2006

4	TAXATION	2006 £	2005 £
	Corporation tax recoverable	5,211	(6,539)
		<u> </u>	<u> </u>
5	TANGIBLE FIXED ASSETS		
		Plant and machinery £	
	COST		
	At 1 April 2005 and 31 March 2006	2,481	

	DEPRECIATION		
	At 1 April 2005	217	
	Charge for the year	372	

	At 31 March 2006	589	

	Net book value		
	At 31 March 2006	1,892	
		<u> </u>	
	At 31 March 2005	2,264	
		<u> </u>	
6	DEBTORS		
		2006	2005
		£	£
	Trade debtors	18,706	23,226
	Other debtors	3,567	21,830
	Prepayments	6,239	2,393
	Corporation tax recoverable	5,211	-
		-----	-----
		33,723	47,449
		<u> </u>	<u> </u>
7	CREDITORS		
		2006	2005
		£	£
	Amounts falling due within one year		
	Trade creditors	57,707	43,037
	Accruals	6,971	5,960
	Corporation tax	-	6,539
	Other taxes and social security costs	5,547	7,123
	Other creditors	34,600	34,600
	12% fully subordinated unsecured loan stock 2005 and 2007	70,000	20,000
		-----	-----
		174,825	117,259
		<u> </u>	<u> </u>

NOTES ON THE FINANCIAL STATEMENTS (continued)
31 March 2006

8	CREDITORS	2006 £	2005 £
	Amounts falling due after more than one year. 12% fully subordinated unsecured loan stock 2005 and 2007	- <u> </u>	50,000 <u> </u>
9	CALLED UP SHARE CAPITAL	2006 £	2005 £
	Authorised		
	5,000 ordinary shares of £1 each	5,000 <u> </u>	5,000 <u> </u>
	Allotted, called up and fully paid 5,000 ordinary shares of £1 each	5,000 <u> </u>	5,000 <u> </u>
10	PROFIT AND LOSS ACCOUNT	2006 £	2005 £
	At 1 April 2005	27,722	-
	Deficit for the year	(38,668) -----	27,722 -----
	At 31 March 2006	(10,946) <u> </u>	27,722 <u> </u>
11	FINANCIAL COMMITMENTS		
	Commitments under non-cancellable operating leases are as follows -		
		2006 £	2005 £
	Land and buildings expiring within two to five years	13,500 <u> </u>	13,500 <u> </u>

NOTES ON THE FINANCIAL STATEMENTS (continued)

31 March 2006

12 TRANSACTIONS WITH DIRECTORS

During the year the company purchased goods and services to the value of £72,967 from Aviation and Marine Engineering Limited, a company in which J S Tucker and K H Ward have an interest. Trade creditors at 31 March 2006 includes an amount of £9,699 due to Aviation and Marine Engineering Limited.

The £70,000 12% fully subordinated unsecured loan stock 2005 and 2007 was issued to James Hay Pension Trustees Limited, as trustees of a pension scheme in which J S Tucker has an interest. Loan stock interest of £8,400 was paid during the year. The loan stock has been repaid since the year end and has been replaced by a loan of £70,000 from J S Tucker.

Other creditors at 31 March 2006 represents loans from R C Bull and J L Wheeler of £18,800 and £15,800 respectively. The loans which are unsecured and repayable on demand carry interest at 6% per annum.