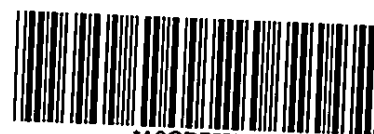


Company No: 04384188

BOTANY AVIATION LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 JANUARY 2008

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BOTANY AVIATION LIMITED

ACCOUNTS

YEAR ENDED 31 JANUARY 2008

Contents	Page
Company information	1
The directors' report	2
Independent auditor's report to the shareholder	4
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8

BOTANY AVIATION LIMITED

COMPANY INFORMATION

The board of directors

TJP Knowles
TD Hopkinson
CC Sharp
GJ Wood

Company secretary

CC Sharp

Registered office

Canal Mill
Botany Brow
Chorley
Lancashire
PR6 9AF

Auditor

Moore and Smalley LLP
Chartered Accountants
& Registered Auditors
Richard House
Winckley Square
Preston
PR1 3HP

BOTANY AVIATION LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 2008

The directors present their report and the accounts of the company for the year ended 31 January 2008.

Principal activities

The principal activity of the company during the year was the hiring of air transport equipment.

Directors

The directors who served the company during the year were as follows:

TJP Knowles
TD Hopkinson
CC Sharp
JE Jenkinson

TD Hopkinson was appointed as a director on 7 September 2007.

CC Sharp was appointed as a director on 12 September 2007.

JE Jenkinson was appointed as a director on 21 January 2008.

GJ Wood was appointed as a director on 10 October 2008.

JE Jenkinson resigned as a director on 10 October 2008.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

BOTANY AVIATION LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2008

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- 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 auditor is aware of that information.

Auditor

A resolution to re-appoint Moore and Smalley LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors



CC Sharp
Company Secretary

Approved by the directors on 27 November 2008

BOTANY AVIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BOTANY AVIATION LIMITED

YEAR ENDED 31 JANUARY 2008

We have audited the accounts of Botany Aviation Limited for the year ended 31 January 2008 on pages 6 to 14, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

BOTANY AVIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BOTANY AVIATION LIMITED (continued)

YEAR ENDED 31 JANUARY 2008

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 accounts 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 accounts.

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 January 2008 and of its loss for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

Emphasis of matter - Going concern

In forming our opinion on the accounts, which is not qualified, we have considered the adequacy of the disclosure made in note 12 to the accounts concerning the company's ability to continue as a going concern. The company incurred a net loss of £214,494 during the year ended 31 January 2008 and, at that date, the company's total liabilities exceeded its total assets by £507,886. These conditions, along with the other matters explained in note 12 to the accounts, indicate the existence of a possible uncertainty which may cast doubt about the company's ability to continue as a going concern. The accounts do not include the adjustments that would result if the company was unable to continue as a going concern.

Moore and Smalley LLP

**Moore and Smalley LLP
Chartered Accountants
& Registered Auditors
Richard House
Winckley Square
Preston
PR1 3HP**

27 November 2008

BOTANY AVIATION LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JANUARY 2008

	Note	2008 £	2007 £
Turnover		309,089	264,718
Administrative expenses		<u>(475,090)</u>	<u>(355,650)</u>
Operating loss	2	<u>(166,001)</u>	<u>(90,932)</u>
Interest receivable		189	642
Interest payable and similar charges		<u>(48,682)</u>	<u>(40,048)</u>
Loss on ordinary activities before taxation		<u>(214,494)</u>	<u>(130,338)</u>
Tax on loss on ordinary activities	3	—	—
Loss for the financial year		<u><u>(214,494)</u></u>	<u><u>(130,338)</u></u>

BOTANY AVIATION LIMITED

BALANCE SHEET

31 JANUARY 2008

	Note	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	4		514,629		568,457
Current assets					
Debtors	5	116,815		244,181	
Cash at bank		—		3,790	
		<u>116,815</u>		<u>247,971</u>	
Creditors: amounts falling due within one year	6	<u>568,867</u>		<u>493,248</u>	
Net current liabilities			<u>(452,052)</u>		<u>(245,277)</u>
Total assets less current liabilities			<u>62,577</u>		<u>323,180</u>
Creditors: amounts falling due after more than one year	7		<u>570,463</u>		<u>616,572</u>
			<u>(507,886)</u>		<u>(293,392)</u>
Capital and reserves					
Called-up equity share capital	9		1		1
Profit and loss account	10		<u>(507,887)</u>		<u>(293,393)</u>
Deficit			<u>(507,886)</u>		<u>(293,392)</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These accounts were approved by the directors and authorised for issue on 27 November 2008, and are signed on their behalf by:



TD Hopkinson

BOTANY AVIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2008

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Turnover

Turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	10% reducing balance
Plant & Machinery	-	15% on wdv & 20% on cost less residual value

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

BOTANY AVIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2008

1 Accounting policies (continued)

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

2 Operating loss

Operating loss is stated after charging:

	2008 £	2007 £
Directors' emoluments	—	—
Depreciation of owned fixed assets	61,596	60,709
Auditor's fees	1,575	1,852

3 Taxation on ordinary activities

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2007 - 19%).

	2008 £	2007 £
Loss on ordinary activities before taxation	(214,494)	(130,338)
(Loss)/profit on ordinary activities by rate of tax	(60,059)	24,764
Depreciation in excess of capital allowances	17,247	—
Group relief	42,812	(24,764)
Total current tax	—	—

BOTANY AVIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2008

4 Tangible fixed assets

	Leasehold property £	Plant & machinery £	Total £
Cost			
At 1 February 2007	55,518	698,504	754,022
Additions	7,768	—	7,768
At 31 January 2008	63,286	698,504	761,790
Depreciation			
At 1 February 2007	5,552	180,013	185,565
Charge for the year	5,552	56,044	61,596
At 31 January 2008	11,104	236,057	247,161
Net book value			
At 31 January 2008	52,182	462,447	514,629
At 31 January 2007	49,966	518,491	568,457

5 Debtors

	2008 £	2007 £
Trade debtors	—	19,739
Amounts owed by group undertakings	6,187	—
VAT recoverable	2,203	6,480
Associated debtors	86,505	198,884
Prepayments and accrued income	21,920	19,078
	116,815	244,181

BOTANY AVIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2008

6 Creditors: amounts falling due within one year

	2008	2007
	£	£
Bank loans and overdrafts	54,218	46,928
Trade creditors	65,520	31,246
Amounts owed to group undertakings	347,049	313,882
Other creditors including taxation:		
Associated creditors	70,446	70,446
Other creditors	5,705	—
Accruals and deferred income	25,929	30,746
	<u>568,867</u>	<u>493,248</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2008	2007
	£	£
Bank loans and overdrafts	<u>49,707</u>	<u>46,928</u>

The bank loan from Lombard North Central Plc is secured by a legal mortgage over the company's helicopter asset.

7 Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Bank loans and overdrafts	<u>570,463</u>	<u>616,572</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2008	2007
	£	£
Bank loans and overdrafts	<u>570,463</u>	<u>616,572</u>

The bank loan from Lombard North Central Plc is secured by a legal mortgage over the company's helicopter asset.

BOTANY AVIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2008

8 Related party transactions

The company had the following transactions during the year, and the following balances present in debtors and creditors at the year end, relating to other group companies and companies with the same director:

	Sales & income £	Purchases & expenses £	Debtors £	Creditors £
Group companies:				
Britannic Holdings Limited	—	—	1	—
Fifedale Trading Limited	—	—	6,186	—
Kelvinglen Limited	—	—	—	7,500
USL (Trading) Limited	—	—	—	25,652
Britannic Business Parks Limited	—	—	—	154,635
Bygone Times Trading Limited	—	—	—	15
Bygone Times Rents Limited	—	—	—	159,247
	<u>—</u>	<u>—</u>	<u>6,187</u>	<u>347,049</u>
Companies with common director:				
First Investments Limited	267,566	44,218	55,664	—
First Contractors Limited	22,160	11,935	30,841	—
Transwest Limited	—	—	—	70,446
	<u>289,726</u>	<u>56,153</u>	<u>86,505</u>	<u>70,446</u>

During the year the company made sales to the director, Mr TJP Knowles, totalling £16,720.

The directors have undertaken not to seek repayment in full of the above debts due to the company for a period of not less than 12 months from the date of approval of these accounts. In addition, the directors place reliance on representations made to the company that the above debts owed to connected companies will not become repayable in full within 12 months from the date of approval of the accounts.

Comparatives for the related party balances are disclosed in aggregate within the debtors and creditors notes above.

9 Share capital

Authorised share capital:

	2008 £	2007 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

BOTANY AVIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2008

9 Share capital (continued)

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

10 Reserves

	Profit and loss account £
At 1 February 2007	(293,393)
Loss for the year	<u>(214,494)</u>
At 31 January 2008	<u>(507,887)</u>

11 Ultimate parent company

The ultimate parent company is Britannic Holdings Ltd, a company incorporated in Great Britain and registered in England and Wales. Britannic Holdings Ltd is exempt from the requirement to prepare group accounts. The company was under the control of Mr TJP Knowles throughout the current and previous year.

BOTANY AVIATION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2008

12 Going concern

These accounts have been prepared on the going concern basis, notwithstanding losses of £214,494 in the year and net liabilities of £507,886 at the 31 January 2008, which the directors believe to be appropriate for the following reasons.

The company's ability to continue as a going concern is reliant upon the continued provision of loan finance and continued financial support from certain group companies.

The company has no reason to believe that the external loan finance will not be available for the foreseeable future (being a period of not less than 12 months from the date of signing these accounts).

The company is dependant for its working capital on funds provided by fellow group undertakings under the same ultimate ownership. Group companies and associated companies providing such funding, as disclosed in the related party note to the accounts, have indicated that for at least 12 months from the date of approval of these accounts, they will continue to make available such funds as are needed by the company and in particular will not seek repayment of these amounts. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge there can be no certainty that this support will continue although, at the date of approval of these accounts, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the accounts on the going concern basis.