

SPECIALIST HELICOPTERS LIMITED
(REGISTERED IN SCOTLAND NUMBER 168246)
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000

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COMPANIES HOUSE 31/01/01

AUDITORS' REPORT TO SPECIALIST HELICOPTERS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the full accounts of the company for the year ended 31st March 2000 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

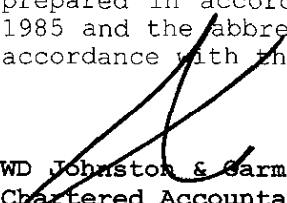
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the full accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.


WD Johnston & Garmichael
Chartered Accountants,
Registered Auditors,
Nevis House
Beechwood Park
Inverness.

30 January 2001

SPECIALIST HELICOPTERS LIMITED

BALANCE SHEET

AT 31ST MARCH 2000


| | Note | 2000 £ | 1999 £ |
|--|------|----------------------|-----------------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 4 | 649,966 | 667,936 |
| CURRENT ASSETS | | | |
| Stock | | 14,633 | 10,949 |
| Debtors | | 177,831 | 123,307 |
| Cash at bank and in hand | | 51,741 | - |
| | | <hr/> 244,205 <hr/> | <hr/> 134,256 <hr/> |
| CREDITORS | | | |
| Amounts falling due within one year | 2 | 341,361 | 304,293 |
| NET CURRENT LIABILITIES | | | |
| | | <hr/> (97,156) <hr/> | <hr/> (170,037) <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | |
| | | 552,810 | 497,899 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 3 | 286,251 | 355,592 |
| NET ASSETS | | | |
| | | <hr/> 266,559 <hr/> | <hr/> 142,307 <hr/> |
| CAPITAL AND RESERVES | | | |
| Share capital | 5 | 100,000 | 100,000 |
| Profit and loss account | | 166,559 | 42,307 |
| | | <hr/> 266,559 <hr/> | <hr/> 142,307 <hr/> |

We have relied on the exemptions for individual accounts on the grounds that the Company is entitled to the benefit of those exemptions as a Small Company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 2 to 4 were approved by the Board of Directors on 16 January 2000, and were signed on its behalf by:

DIRECTOR



SPECIALIST HELICOPTERS LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2000

1. ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared under the historical cost convention.

b) Depreciation

The cost of fixed assets is written off over their expected useful lives as follows:-

| | |
|---------------|------------------------|
| Helicopter | - 5% straight line |
| Equipment | - 10% straight line |
| Motor Vehicle | - 25% reducing balance |

c) Stock

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

d) Deferred taxation

Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences which are not expected to continue in the future.

e) Pensions

The company operates a defined contribution executive pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. CREDITORS - amounts falling due within one year

Creditors, amounts falling due within one year include a bank overdraft of £38,890 (1999: £26,519) and a bank loan of £71,048 (1999: £76,363) which were secured by an aircraft mortgage and a floating charge over the assets of the company and by a guarantee from the holding company. Also included is a hire purchase creditor of £11,075 (1999: £14,864) which is secured over motor vehicles.

3. CREDITORS - amounts falling due after more than one year

Creditors, amounts falling due after more than one year include a bank loan of £285,370 (1999: £343,636) which was secured by an aircraft mortgage and a floating charge over the assets of the company and by a guarantee from the holding company. Also included is a hire purchase creditor of £881 (1999: £11,956) which is secured over motor vehicles.

SPECIALIST HELICOPTERS LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2000

4. TANGIBLE FIXED ASSETS

| | Helicopter £ | Equipment £ | Motor Vehicles £ | Total £ |
|--------------------------|-----------------|----------------|------------------------|------------|
| COST | | | | |
| At 31st March 1999 | 586,000 | 70,558 | 41,162 | 697,720 |
| Additions | - | 30,323 | - | 30,323 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31st March 2000 | 586,000 | 100,881 | 41,162 | 728,043 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| ACCUMULATED DEPRECIATION | | | | |
| At 31st March 1999 | 19,533 | 4,704 | 5,547 | 29,784 |
| Charge for the year | 29,300 | 10,089 | 8,904 | 48,293 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31st March 2000 | 48,833 | 14,793 | 14,451 | 78,077 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| NET BOOK VALUE | | | | |
| At 31st March 2000 | 537,137 | 86,088 | 26,711 | 649,966 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31st March 1999 | 566,467 | 65,854 | 35,615 | 667,936 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

All the motor vehicles have been financed under hire purchase agreements.

5. SHARE CAPITAL

| | Authorised £ | Allotted, Called up and fully paid £ |
|----------------------------|-----------------|--|
| At 31 March 2000 | | |
| Ordinary shares of £1 each | 500,000 | 100,000 |
| | <hr/> | <hr/> |
| At 31 March 1999 | | |
| Ordinary shares of £1 each | 500,000 | 100,000 |
| | <hr/> | <hr/> |

6. CAPITAL COMMITMENTS

At 31 March 2000 the company had entered into a contract for the manufacture of a helicopter subject to the necessary regulatory approvals for £600,000 of which a deposit of £59,753 had been paid by the balance sheet date.

7. HOLDING COMPANY

The ultimate holding company is Larsen and Ross Limited, a company registered in Scotland.