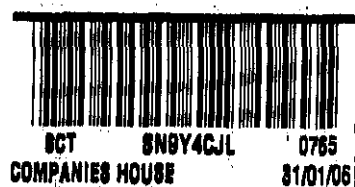


SPECIALIST HELICOPTERS LIMITED
(REGISTERED IN SCOTLAND NUMBER 168246)
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2005



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 5, together with the full accounts of the company for the year ended 31st March 2005 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

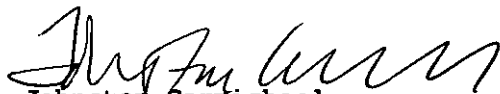
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6)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



Johnston Carmichael
Chartered Accountants,
Registered Auditors,
Nevis House
Beechwood Park
Inverness.

27 Jan 2006

SPECIALIST HELICOPTERS LIMITED

BALANCE SHEET

AT 31ST MARCH 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible fixed assets	3	1,899,780	891,912
CURRENT ASSETS			
Stock		14,689	18,241
Debtors		267,468	149,516
Cash at bank and in hand		1,231	1,226
		<hr/> 283,388	<hr/> 163,693
CREDITORS			
Amounts falling due within one year	4	2,413,393	931,358
		<hr/> (2,130,005)	<hr/> (767,665)
NET CURRENT LIABILITIES			
		<hr/> (230,225)	<hr/> 124,247
CREDITORS			
Amounts falling due after more than one year	5	302,010	406,817
		<hr/> (532,235)	<hr/> (282,570)
NET (LIABILITIES)			
CAPITAL AND RESERVES			
Share capital	6	100,000	100,000
Profit and loss account		(632,235)	(382,570)
		<hr/> (535,235)	<hr/> (282,570)

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 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements on pages 2 to 5 were approved by the Board of Directors on 25 January 2006, and were signed on its behalf by:



DIRECTOR

SPECIALIST HELICOPTERS LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2005

1. FUNDAMENTAL ACCOUNTING CONCEPT

Notwithstanding the deficiency of net assets these accounts have been prepared on a going concern basis, as: (1) the directors of the holding company have undertaken to defer settlement of sums due to that company in order that the interests of third party creditors are protected; (2) the directors of the holding company have undertaken that the holding company will continue to support the company for the foreseeable future to meet third party creditors as they fall due; (3) post year end management accounts show that the company continues to incur losses, however, management are concentrating on taking steps towards putting the company onto a profitable footing for the year ended 31 March 2007.

2. ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Depreciation

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

Helicopters	- 5% straight line
Equipment	- 10% straight line
Motor Vehicles	- 25% reducing balance

c) Stock

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

d) Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

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.

f) Hire purchase

Assets acquired under hire purchase agreements are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of hire purchase repayments are charged to the profit and loss account over the period of the agreement and represent a constant proportion of the balance of capital repayments outstanding.

SPECIALIST HELICOPTERS LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2005

3. TANGIBLE FIXED ASSETS

	Freehold Property £	Helicopters £	Equipment £	Motor Vehicles £	Total £
COST					
At 31st March 2004	51,525	1,200,525	171,582	69,697	1,493,329
Additions	183,236	881,102	21,233	12,741	1,098,312
Disposals	-	-	-	(13,387)	(13,387)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2005	234,761	2,081,627	192,815	69,051	2,578,254
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
ACCUMULATED DEPRECIATION					
At 31st March 2004	-	481,311	78,585	41,521	601,577
Charge for the year	-	60,026	19,282	8,902	88,210
Disposals	-	-	-	(11,153)	(11,153)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2005	-	541,337	97,867	39,270	678,474
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
At 31st March 2005	234,761	1,540,290	94,948	29,781	1,899,780
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2004	51,525	719,214	92,997	28,176	891,912
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included in motor vehicles are vehicles financed under hire purchase agreements, at cost £12,741 (2004: £12,029), accumulated depreciation £1,858 (2004: £4,413) and net book value of £10,883 (2004: £7,616).

Freehold property represents land acquired and the costs of construction of a helicopter base.

4. CREDITORS - amounts falling due within one year

Creditors, amounts falling due within one year include a bank overdraft of £32,933 (2004: £8,908) and a bank loan of £104,557 (2004: £97,751) 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 are hire purchase creditors of £4,247 (2004: £2,083) which are secured over certain motor vehicles.

SPECIALIST HELICOPTERS LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2005

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

Creditors, amounts falling due after more than one year include a bank loan of £295,640 (2004: £406,817) which is 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 are hire purchase creditors of £6,370 (2004: £nil) which are secured over certain motor vehicles.

6. SHARE CAPITAL

	Authorised £	Allotted, Called up and fully paid £
At 31 March 2005		
Ordinary shares of £1 each	500,000	100,000
	<hr/>	<hr/>
At 31 March 2004		
Ordinary shares of £1 each	500,000	100,000
	<hr/>	<hr/>

7. HOLDING COMPANY

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