

SPECIALIST HELICOPTERS LIMITED
(REGISTERED IN SCOTLAND NUMBER 168246)

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2003



SCT SRKD1S6F 0072
COMPANIES HOUSE 30/01/04

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 2003 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

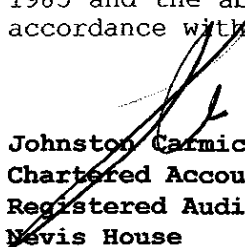
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6)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


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

24 JULY 2003

AT 31ST MARCH 2003

A. Francis K. Key **DIRECTOR**

SPECIALIST HELICOPTERS LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2003

1. 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) Related Party Transactions

The company has taken advantage of the exemption from providing related party information to a subsidiary undertaking where 90% or more of the voting rights are controlled within a group and where the group prepares consolidated financial statements in which the subsidiary is included.

SPECIALIST HELICOPTERS LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2003

2. TANGIBLE FIXED ASSETS

	Freehold Property £	Helicopters £	Equipment £	Motor Vehicles £	Total £
COST					
At 31st March 2002	35,012	1,200,525	162,378	88,169	1,486,084
Additions	16,513	-	9,204	12,028	37,745
Disposals	-	-	-	(30,500)	(30,500)
At 31st March 2003	51,525	1,200,525	171,582	69,697	1,493,329
ACCUMULATED DEPRECIATION					
At 31st March 2002	-	161,204	44,269	28,266	233,739
Charge for the year	-	60,026	17,158	13,791	90,975
Disposals	-	-	-	(9,928)	(9,928)
Provision for Permanent Diminution in value	-	200,054	-	-	200,054
At 31st March 2003	-	221,230	61,427	32,129	514,840
NET BOOK VALUE					
At 31st March 2003	51,525	779,241	110,155	37,568	978,489
At 31st March 2002	35,012	1,039,321	118,109	59,903	1,252,345

Included in motor vehicles are vehicles financed under hire purchase agreements, at cost £21,999 (2002: £65,255), accumulated depreciation £5,649 (2002: £17,643) and net book value of £16,350 (2002: £47,612).

Freehold property represents land acquired for the establishment of a helicopter base.

Following a review of fixed assets the directors have considered it appropriate to make a provision for permanent diminution in the value of the companies helicopters.

3. CREDITORS - amounts falling due within one year

Creditors, amounts falling due within one year include a bank overdraft of £60,627 (2002: £23,125) and a bank loan of £97,751 (2002: £71,048) 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 £15,649 (2002: £114,548) which are secured over certain motor vehicles.

SPECIALIST HELICOPTERS LIMITED

NOTES TO THE ACCOUNTS

31ST MARCH 2003

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

Creditors, amounts falling due after more than one year include a bank loan of £502,949 (2002: £143,274) 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 £2,083 (2002: £242,640) which are secured over certain motor vehicles.

5. SHARE CAPITAL

	Authorised £	Allotted, Called up and fully paid £
At 31 March 2003		
Ordinary shares of £1 each	500,000	100,000
	<hr/>	<hr/>
At 31 March 2002		
Ordinary shares of £1 each	500,000	100,000
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6. HOLDING COMPANY

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

7. TRANSACTIONS WITH DIRECTORS

During the year a motor vehicle was sold to Mr. D. Adams, a director of the company for £20,000. The transaction was at market value and the consideration was settled immediately in cash. At 31 March 2003 Mr. Adams was owed £3,390 (2002: £678) in respect of expenses.