

Company Registration No. 1503853 (England and Wales)

ABRAXAS AVIATION LTD.
ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2004



ABRAXAS AVIATION LTD.

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ABRAXAS AVIATION LTD.

INDEPENDENT AUDITORS' REPORT TO ABRAXAS AVIATION LTD. UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the period ended 31 March 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B 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 the director and auditors

The director is 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 sections 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 audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, 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 financial statements.

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.



Cunningham & Co

Chartered Certified Accountants
Registered Auditor

27 April 2004

Eardley House
182 - 184 Campden Hill Road
London
W8 7AS

ABRAXAS AVIATION LTD.

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	2		472,983		497,616
Current assets					
Debtors		19,652		129,138	
Investments		28,000		42,000	
Cash at bank and in hand		47,297		199,960	
		<u>94,949</u>		<u>371,098</u>	
Creditors: amounts falling due within one year		<u>(49,597)</u>		<u>(302,284)</u>	
Net current assets			<u>45,352</u>		<u>68,814</u>
Total assets less current liabilities			<u>518,335</u>		<u>566,430</u>
Creditors: amounts falling due after more than one year			<u>(463,465)</u>		<u>(500,000)</u>
			<u>54,870</u>		<u>66,430</u>
Capital and reserves					
Called up share capital	3		100		100
Profit and loss account			54,770		66,330
Shareholders' funds - equity interests			<u>54,870</u>		<u>66,430</u>

These abbreviated 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 were approved by the Board on 27 April 2004

S Read
Director



ABRAXAS AVIATION LTD.

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	10% per annum on written down value, apportioned on a monthly basis where acquired during the year
Fixtures, fittings & equipment	25% per annum on written down value
Motor vehicles	25% per annum on written down value

1.4 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

ABRAXAS AVIATION LTD.

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2004

2 Fixed assets

	Tangible assets £
Cost	
At 1 April 2003	640,111
Additions	39,954
Disposals	(30,000)
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At 31 March 2004	650,065
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Depreciation	
At 1 April 2003	142,495
On disposals	(20,508)
Charge for the period	55,095
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At 31 March 2004	177,082
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Net book value	
At 31 March 2004	472,983
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At 31 March 2003	497,616
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3 Share capital

	2004 £	2003 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
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Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
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4 Transactions with directors

A significant proportion of the company's turnover was made to companies where the director exercised a controlling interest. Similarly, the purchase and disposal of some of the aircraft was to companies where the director exercised a controlling interest.