

Company Registration No. 3423036 (England and Wales)

AERIAL SUPPORT SERVICES LIMITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 31 JULY 1998



AERIAL SUPPORT SERVICES LIMITED

COMPANY INFORMATION

Directors	A Hancock	(Appointed 19 September 1997)
	T Hancock	(Appointed 19 September 1997)

Secretary	T Hancock
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Company number	3423036
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Registered office	Worthy House 14 Winchester Road Basingstoke Hampshire
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Auditors	BKR Haines Watts Worthy House 14 Winchester Road Basingstoke Hampshire
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Business address	South Warnborough Manor South Warnborough Odiham Hampshire RG29 1RR
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Bankers	National Westminster Bank plc PO Box 299 Guildford Surrey GU1 3ZU
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AERIAL SUPPORT SERVICES LIMITED

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AERIAL SUPPORT SERVICES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 JULY 1998

The directors present their report and financial statements for the period ended 31 July 1998.

Principal activities

The company was incorporated on 21 August 1997 and began trading on 1 May 1998. During the period, on 17 April 1998, the company changed its name to Aerial Support Services Limited from Owenlars Limited.

The principal activity of the company is the provision of helicopter hire services.

Directors

The following directors have held office since 21 August 1997:

A Hancock	(Appointed 19 September 1997)
T Hancock	(Appointed 19 September 1997)
Combined Secretarial Services	(Resigned 19 September 1997)
Combined Nominees Limited	(Resigned 19 September 1997)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 July 1998	21 August 1997
A Hancock	-	-
T Hancock	-	-
Combined Secretarial Services	-	1
Combined Nominees Limited	-	1

The directors interests in the parent undertaking can be found disclosed in those accounts.

Auditors

BKR Haines Watts were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

AERIAL SUPPORT SERVICES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 JULY 1998

Directors' responsibilities

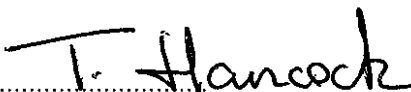
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

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

By order of the board



T Hancock

Secretary

Dated.....22/6/99

AERIAL SUPPORT SERVICES LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF AERIAL SUPPORT SERVICES LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

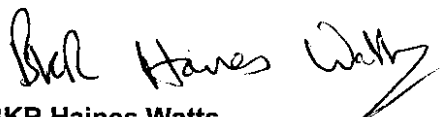
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 1998 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BKR Haines Watts

16 July 1999

**Registered Auditors and
Chartered Accountants**

Worthy House
14 Winchester Road
Basingstoke
Hampshire

AERIAL SUPPORT SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 JULY 1998

	Notes	Period ended 31 July 1998 £
Turnover		26,083
Cost of sales		(21,079)
Gross profit		<u>5,004</u>
Administrative expenses		(7,790)
Operating loss	2	<u>(2,786)</u>
Interest payable and similar charges		(9,638)
Loss on ordinary activities before taxation		<u>(12,424)</u>
Tax on loss on ordinary activities	3	-
Loss on ordinary activities after taxation	9	<u><u>(12,424)</u></u>

AERIAL SUPPORT SERVICES LIMITED

BALANCE SHEET AS AT 31 JULY 1998

	Notes	1998 £	£
Fixed assets			
Tangible assets	4		354,541
Current assets			
Debtors	5	15,658	
Cash at bank and in hand		2,636	
		<u>18,294</u>	
Creditors: amounts falling due within one year	6	(86,090)	
		<u></u>	
Net current liabilities			(67,796)
Total assets less current liabilities			<u>286,745</u>
Creditors: amounts falling due after more than one year	7		(299,167)
			<u>(12,422)</u>
Capital and reserves			
Called up share capital	8		2
Profit and loss account	9		(12,424)
			<u>(12,422)</u>
Shareholders' funds			<u>(12,422)</u>

These financial statements 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.

The financial statements were approved by the Board on 22/6/99 and signed on its behalf by :


A Hancock
Director

AERIAL SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

The company has taken advantage of the exemption from the requirement to produce a cashflow statement.

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	7.5% Straight line
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1.4 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 directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating loss

1998

£

Operating loss is stated after charging:

Depreciation of tangible assets

13,813

Auditors' remuneration

1,500

3 Taxation

There is no tax charge arising during the period.

AERIAL SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 1998

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 21 August 1997	-
Additions	368,354
At 31 July 1998	368,354
Depreciation	
At 21 August 1997	-
Charge for the period	13,813
At 31 July 1998	13,813
Net book value	
At 31 July 1998	354,541

5 Debtors

	1998 £
Trade debtors	4,700
Other debtors	10,958
	15,658

6 Creditors: amounts falling due within one year

	1998 £
Bank loans and overdrafts	50,000
Trade creditors	2,681
Taxation and social security	1,825
Other creditors	31,584
	86,090

AERIAL SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 1998

7	Creditors: amounts falling due after more than one year	1998
		£
	Bank loans	179,167
	Other creditors	120,000
		<u>299,167</u>

Analysis of loans

Not wholly repayable within five years other than by instalments	120,000
Wholly repayable within five years	179,167
	<u>299,167</u>

The aggregate amount of creditors for which security has been given amounted to £229,167.

8	Share capital	1998
		£
	Authorised	
	1,000 Ordinary shares of £1 each	1,000
		<u> </u>
	Allotted, called up and fully paid	
	2 Ordinary shares of £1 each	2
		<u> </u>

During the period two Ordinary shares of £1 each were issued at par.

9	Statement of movements on profit and loss account	Profit and loss account
		£
	Retained loss for the period	(12,424)
		<u> </u>

10 Control

The ultimate controlling party is Mr A Hancock, as the majority shareholder of Blubeckers Limited, the parent company of Aerial Support Services Limited. Blubeckers Limited is registered in England and Wales.

AERIAL SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 1998

11 Related party transactions

The company received a loan during the period of £120,000 from Blubeckers Limited, the parent company, which remains outstanding at the period end.

Included in sales is £7,375 in respect of a director, A Hancock, of which £2,400 is accrued at the period end. During the period A Hancock also loaned an amount of £30,086 to the company which was still outstanding at the period end.

Director A Hancock has provided a personal guarantee in respect of the loan taken to finance the acquisition of fixed assets.

During the period Mr D Bridgewater, A Hancock's stepfather, loaned the company £100,000. This loan has been repaid in full by the period end, together with £1,000 of interest.