

BALANCE SHEET

As At: December 31, 2005
 Schedule B-1.1 for Group I < 20M

Air Carrier: Victory Air
 Operation : Domestic VCQD

LINE#	DESCRIPTION	AMOUNT

ASSETS		
CURRENT ASSETS		
Line 1	Cash and cash equivalents	1,801,763
Line 2	Notes and accts receivable (net)	113,164
Line 3	Other current assets	0
Line 4	Total current assets	1,914,927
PROPERTY AND EQUIPMENT		
Line 5	Owned property and equipment	0
Line 6	Less: accumulated depreciation	0
Line 7	Prop.& equip. under cap. leases	0
Line 8	Less: accumulated amortization	0
Line 9	Total property & equipment	0
Line 10	OTHER ASSETS	0
Line 11	TOTAL ASSETS	1,914,927
LIABILITIES & STOCKHOLDERS' EQ.		
CURRENT LIABILITIES		
Line 12	Notes and accounts payable	206,095
Line 13	Accrued taxes	0
Line 14	Other current liabilities	0
Line 15	Total current liabilities	206,095
Line 16	LONG-TERM DEBT	0
Line 17	OTHER LIABILITIES	0
Line 18	DEFERRED CREDITS	0
STOCKHOLDERS' EQUITY:		
Line 19	Preferred shares outstanding	0
Line 20	Common shares outstanding	100
Line 21	Other paid in capital	992,445
Line 22	Retained Earnings	716,287
Line 23	Total stockholders' equity	1,708,832
Line 24	Less: Treasury stock	0
Line 25	Net stockholders' equity	1,708,832
Line 26	TOTAL LIAB. & STOCKHOLDERS' EQ.	1,914,927
Line 19A	No. of Preferred shares outstanding	0
Line 20A	No. of Common shares outstanding	0

I, the undersigned, (Title) _____
 of the above-named air carrier certify that the above report and
 the attached Financial Schedules, Statement of Operations, and
 Traffic and Capacity Statistics, including the T-100 report and
 Passenger Origin-Destination Survey, have been examined by me and
 to the best of my knowledge and belief are true, correct and
 complete reports for the period stated.

Signature: _____ Date: _____

Name (Please Type or Print) _____

STATEMENT OF OPERATIONS

Six Months Ended: December 31, 2005
 Schedule P-1.1 Group I < 20M

Air Carrier: Victory Air
 Operation : Domestic VCQD

LINE#	DESCRIPTION	AMOUNT
	OPERATING REVENUE	
	Transport Revenue	
	Scheduled Service	
Line 1	Passenger	0
Line 2	Other	0
Line 3	Nonscheduled Service	3,334,433
	Transport Related Revenue	
Line 4	Public Service Revenue	0
Line 5	Other	48,584
Line 6	Total Operating Revenue	3,383,017
	OPERATING EXPENSE	
Line 7	Flying Operations	1,053,551
Line 8	Maintenance	79,082
Line 9	General Services and Administration	130,865
	Depreciation and Amortization	
Line 10	Owned Property and Equipment	0
Line 11	Leased Property and Equipment	1,317,266
Line 12	Transport Related Expense	0
Line 13	Total Operating Expense	2,580,764
Line 14	OPERATING PROFIT OR LOSS	802,253
	NONOPERATING EXPENSE (INCOME)	
Line 15	Interest Expense	0
Line 16	Other Nonoperating (Net)	96,723
Line 17	Income Tax	0
Line 18	Discontinued operations, extra-ordinary items or Accounting changes	0
Line 19	Net Income	705,530

AIRCRAFT OPERATING EXP. - Sch. P-5.1 GYP I < 20M. R. 19: December 31, 2005
 Air Carrier: Victory Air

Operation: Domestic
 Total Trip B-737-1/2
 Code 9939 Code 6201

ACCT #	DESCRIPTION	Code 9939	Code 6201

	DIRECT EXPENSES:		
	FLYING OPERATIONS (Less Rentals		
3	Pilots and Copilots (S&W &Benef	376,285	376,285
4	Aircraft Fuel and Oil	508,054	508,054
5	Other	169,212	169,212
6	Total Flying Ops. (Less Rentals	1,053,551	1,053,551
7	Maintenance - Flight Equipment	0	0
8	Depr. & Rental - Flight Equipme	1,317,266	1,317,266
9	Total Direct Expenses	2,370,817	2,370,817
	INDIRECT EXPENSES		
11	Flight Attendant Expense	24,720	
12	Traffic Related Expense	80,822	
13	Departure Related Expense	53,511	
14	Capacity Related Expense	50,893	
15	Total Indirect Expense	209,946	
16	Total Operating Expense	2,580,763	
17	Total Aircraft Hours (Airborne)	287	287
18	Aircraft Days Assigned	78	78
19	Aircraft Fuels Issued (gallons)	277,625	277,625