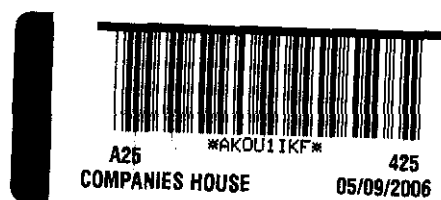


**REPORT OF THE DIRECTOR AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2005
FOR
AIR CONTROLLED ENGINEERING SERVICES
LIMITED**



**AIR CONTROLLED ENGINEERING SERVICES
LIMITED**

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for the Year Ended 31 August 2005**

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**AIR CONTROLLED ENGINEERING SERVICES
LIMITED**

**COMPANY INFORMATION
for the Year Ended 31 August 2005**

DIRECTOR: Mr G R Perry

SECRETARY: Miss S Bryan

REGISTERED OFFICE: 33 The Avenue
Stanwick
Northamptonshire
NN9 6PT

REGISTERED NUMBER: 3090480 (England and Wales)

ACCOUNTANTS: Foxley Kingham Chartered Accountants
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

**AIR CONTROLLED ENGINEERING SERVICES
LIMITED**

**REPORT OF THE DIRECTOR
for the Year Ended 31 August 2005**

The director presents his report with the financial statements of the company for the year ended 31 August 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of air conditioning and thermal insulation contracting.

DIRECTOR

Mr G R Perry was the sole director during the year under review.

His beneficial interest in the shares of the company, according to the register of directors' interests, was as follows:

	31.8.05	1.9.04
Ordinary shares of £1 each	1	1

He did not hold any non-beneficial interests in the shares of the company.

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

ON BEHALF OF THE BOARD:

S. A. Bryan
Miss S Bryan - Secretary

Date: 20-08-06

**AIR CONTROLLED ENGINEERING SERVICES
LIMITED**

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 August 2005**

	Notes	2005 £	2004 £
TURNOVER		107,932	323,942
Cost of sales		36,311	277,565
GROSS PROFIT		71,621	46,377
Administrative expenses		45,276	53,875
OPERATING PROFIT/(LOSS)	2	26,345	(7,498)
Interest receivable and similar income		6,940	9,742
		33,285	2,244
Interest payable and similar charges		1,867	6,333
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		31,418	(4,089)
Tax on profit/(loss) on ordinary activities	3	6,558	(51,120)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		24,860	47,031
Dividends	4	55,000	55,000
DEFICIT FOR THE YEAR		(30,140)	(7,969)
Retained profit brought forward		88,211	96,180
RETAINED PROFIT CARRIED FORWARD		58,071	88,211

The notes form part of these financial statements

**AIR CONTROLLED ENGINEERING SERVICES
LIMITED**

**BALANCE SHEET
31 August 2005**

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	5	46,142	61,523
CURRENT ASSETS			
Debtors	6	205,055	262,559
CREDITORS			
Amounts falling due within one year	7	<u>193,124</u>	<u>235,869</u>
NET CURRENT ASSETS		<u>11,931</u>	<u>26,690</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>58,073</u></u>	<u><u>88,213</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and loss account		<u>58,071</u>	<u>88,211</u>
SHAREHOLDERS' FUNDS		<u><u>58,073</u></u>	<u><u>88,213</u></u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 August 2005.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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 (effective June 2002).

ON BEHALF OF THE BOARD:


.....
Mr G R Perry - Director

Approved by the Board on 20/08/06

The notes form part of these financial statements

**AIR CONTROLLED ENGINEERING SERVICES
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2005**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. OPERATING PROFIT/(LOSS)

The operating profit (2004 - operating loss) is stated after charging:

	2005	2004
	£	£
Depreciation - owned assets	15,381	17,175
Depreciation - assets on hire purchase contracts	-	3,333
	<u>15,381</u>	<u>20,508</u>
Director's emoluments	<u>5,100</u>	<u>5,100</u>

3. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2005	2004
	£	£
Current tax:		
UK corporation tax	6,558	(51,120)
	<u>6,558</u>	<u>(51,120)</u>
Tax on profit/(loss) on ordinary activities	<u>6,558</u>	<u>(51,120)</u>

**AIR CONTROLLED ENGINEERING SERVICES
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 August 2005**

4. DIVIDENDS

	2005 £	2004 £
Interim	<u>55,000</u>	<u>55,000</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2004 and 31 August 2005	<u>63,765</u>	<u>4,649</u>	<u>87,902</u>	<u>10,384</u>	<u>166,700</u>
DEPRECIATION					
At 1 September 2004	33,359	3,688	61,925	6,205	105,177
Charge for year	<u>7,602</u>	<u>240</u>	<u>6,494</u>	<u>1,045</u>	<u>15,381</u>
At 31 August 2005	<u>40,961</u>	<u>3,928</u>	<u>68,419</u>	<u>7,250</u>	<u>120,558</u>
NET BOOK VALUE					
At 31 August 2005	<u>22,804</u>	<u>721</u>	<u>19,483</u>	<u>3,134</u>	<u>46,142</u>
At 31 August 2004	<u>30,406</u>	<u>961</u>	<u>25,977</u>	<u>4,179</u>	<u>61,523</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 September 2004	23,700
Transfer to ownership	<u>(23,700)</u>
At 31 August 2005	<u>-</u>
DEPRECIATION	
At 1 September 2004	13,702
Transfer to ownership	<u>(13,702)</u>
At 31 August 2005	<u>-</u>
NET BOOK VALUE	
At 31 August 2005	<u>-</u>
At 31 August 2004	<u>9,998</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade debtors	27,794	35,335
Other debtors	45,520	54,862
Directors' loan accounts	<u>131,741</u>	<u>172,362</u>
	<u>205,055</u>	<u>262,559</u>

**AIR CONTROLLED ENGINEERING SERVICES
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 August 2005**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Bank loans and overdrafts	6,166	9,736
Hire purchase contracts	-	5,512
Trade creditors	42,878	76,501
Tax	6,808	250
Social security and other taxes	131,972	138,570
Accrued expenses	5,300	5,300
	<u>193,124</u>	<u>235,869</u>

8. SECURED DEBTS

The following secured debts are included within creditors:

	2005	2004
	£	£
Hire purchase contracts	<u>-</u>	<u>5,512</u>

9. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2005	2004
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2005	2004
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

10. RELATED PARTY DISCLOSURES

The director controls the operating policies of the company.

At the balance sheet date, the director owed the company £131,741 (2004 - £172,362). Interest is payable at 5% on the outstanding balance.

The director received dividends of £55,000 (2004 - £55,000).