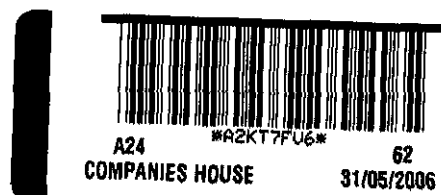


4839708

INNOVATIVE GAS PRODUCTS LTD
FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31st JULY 2005



INNOVATIVE GAS PRODUCTS LTD

FINANCIAL STATEMENTS FOR THE PERIOD ENDED

31st JULY 2005

DIRECTORS	Dr J Hacoen Mr C Gale
SECRETARY	Dr J Hacoen
REGISTERED OFFICE	5 Kingfisher Drive Exeter EX4 4SN
BANKERS	National Westminster Bank Plc 59 High Street Exeter EX4 3DL
ACCOUNTANT	Ruth Rockey 126 St Katherines Road Exeter EX4 7JJ
COMPANY NUMBER:	4839708

INNOVATIVE GAS PRODUCTS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31st JULY 2005

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was design and consultancy in the field of gas production.

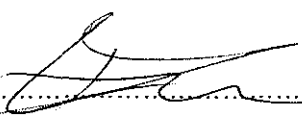
DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company and their interest in the shares of the company at the end of the year were as follows:-

	Ordinary shares of £1 each	
	31-Jul-05	31-Jul-04
Dr J Hacoheh	85	85
Mr C Gale	15	15

The report of the directors 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

..........Director

.....29th May 2006.....Date

INNOVATIVE GAS PRODUCTS LTD**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31st JULY 2005**

	Note	2005 £	2004 £
TURNOVER	2	333,870	69,010
Cost of Sales		247,253	12,509
GROSS PROFIT		86,617	56,501
Net operating expenses		78,879	46,602
OPERATING PROFIT		7,738	9,899
Other interest receivable and similar income		358	59
Interest payable and similar charges		2	108
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	8,094	9,850
TAXATION		0	0
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		8,094	9,850
DIVIDEND		10,000	5,000
RETAINED PROFIT CARRIED FORWARD		(1,906)	4,850

The attached notes form apart of these financial statements.

INNOVATIVE GAS PRODUCTS LTD**BALANCE SHEET****AS AT 31st JULY 2005**

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	4	758	355
CURRENT ASSETS			
Stock	5	29,174	1,000
Debtors	6	16,138	11,368
Bank and cash		0	15,824
		<u>45,312</u>	<u>28,192</u>
CREDITORS			
Amounts falling due within one year	7	<u>43,027</u>	<u>23,597</u>
NET CURRENT LIABILITIES		<u>2,285</u>	<u>4,595</u>
NET LIABILITIES		<u>3,044</u>	<u>4,950</u>
REPRESENTED BY			
Share Capital		100	100
Reserves		<u>2,944</u>	<u>4,850</u>
		<u>3,044</u>	<u>4,950</u>

The directors are satisfied that the company was entitled to exemption under subsection 1 of section 249a of the Companies Act 1985 and that members have not required an audit in accordance with subsection 2 of section 249b.

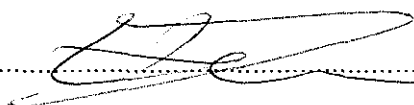
The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with section 211; and
- preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 226, and otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the Board on 29th May 2006

ON BEHALF OF THE BOARD

 Director

29th May 2006 Date

The attached notes form part of these financial statements.

INNOVATIVE GAS PRODUCTS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st JULY 2005

1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below, and have been consistently applied within the accounts.

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

b) Depreciation

Depreciation has been calculated to write off the cost of tangible assets over their expected useful lives using the following rates:-

Computer equipment	25% per annum on cost
Office equipment	25% per annum on cost
Plant and equipment	10% per annum on cost

c) Stocks and work in progress

Stocks have been valued at the lower of cost and net realisable value. Work in progress has been valued on the basis of net realisable value and the percentage completion at the year end.

2 TURNOVER

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year.

3 OPERATING PROFIT

Operating profit is stated after charging:-

Directors' salaries	£39,381
Depreciation of owned assets	£236

4 TANGIBLE FIXED ASSETS

	Total	Computer Equipment	Office Equipment	Plant & Equipment
Cost:				
At 1st August 2004	431	179	38	214
Additions	639	639	0	0
At 31st July 2005	1,070	818	38	214
Depreciation:				
At 1st August 2004	76	45	10	21
Charge for the year	236	205	10	21
At 31st July 2005	312	250	20	42
Net book value:				
At 31st July 2005	758	568	18	172
At 31st July 2004	355	134	28	193

INNOVATIVE GAS PRODUCTS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st JULY 2005

5 STOCKS

	<u>2005</u>	<u>2004</u>
Stocks	£18,129	£1,000
Work in progress	£11,405	£0
	<u>£29,534</u>	<u>£1,000</u>

6 DEBTORS - ALL RECEIVABLE WITHIN ONE YEAR

	<u>2005</u>	<u>2004</u>
Trade debtors	£16,138	£11,368

7 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2005</u>	<u>2004</u>
Bnka overdraft	8,805	0
Trade creditors	19,193	6,654
Other creditors	5,809	8,041
Directors' loan accounts	9,220	8,902
	<u>£43,027</u>	<u>£23,597</u>

8 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid £
Ordinary shares of £1 each	<u>1,000</u>	<u>100</u>

**ACCOUNTANT'S REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS
OF INNOVATIVE GAS PRODUCTS LTD**

As described on the balance sheet you are responsible for the compilation of the accounts for the year ended 31st July 2005 set out on pages 2 to 5 and you consider that the company is exempt from an audit.

In accordance with your instructions I have compiled the unaudited accounts from the accounting records and from information and explanations supplied to me.

Sam May

Sam May 2006