FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2005

FOR

FLAME-TECH (DIESEL SERVICES) LIMITED



FLAME-TECH (DIESEL SERVICES) LIMITED

COMPANY INFORMATION

DIRECTOR / SECRETARY:	William D Cheyne
Registered Office:	Greenhaven Works Menie, Balmedie Aberdeen AB23 8YJ
Registered Number:	98039

FLAME-TECH (DIESEL SERVICES) LIMITED

REPORT OF THE DIRECTOR

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

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of flameproofing of equipment & service & repair of equipment for the oil & gas industry, the loss in this year reflects the downturn in the offshore market we are currently evaluating and researching the market for alternative fuels and environmentally friendly options.

DIRECTOR
The director of the company in office during the year and his beneficial interest in the issued share capital was as follows:

NAME	Class of Capital	31/07/05	31/07/04
William D Cheyne	Ordinary Shares	100	100

STATEMENT OF THE DIRECTORS RESPONSIBILITIES
The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and preparing accounts which give a true and fair view of the state of the company as at the end of the financial year and of its profit or loss in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts, so far as applicable to the company.

ON BEHALF OF THE BOARD

Director _____

Dated: 19/5/06

FLAME-TECH (DIESEL SERVICES) LIMITED

BALANCE SHEET as at 31 July 2005

	31/07/05		31/07/04	
	£	£	£	£
FIXED ASSETS:				
Tangible Assets		4,111		4,148
CURRENT ASSETS:				
Cash In Hand	24,898		24,909	
Stocks	1,414		1,042	
Debtors	4,887		2,217	
		31,199		28,168
CREDITORS:		(6,788)		(5,766)
NET CURRENT LIABILITIES:		24,411		22,402
TOTAL ASSETS LESS LIABILITIES		28,522		26,550
		28,522		26,550
CAPITAL & RESERVES:				
Share Capital		100		100
Profit & Loss b/f	26,450		39,813	
Current Year	1,972		(13,363)	
		28,422		26,450
		28,522		26,550

For the year ended 31/07/2005 the company was entitled to exemption under section 249a(1) of the Companies Act 1985.

No members have required the company to obtain an audit of it's accounts for the year in question in accordance with section 249b(2).

The director's acknowledge their responsibility for: (I) Ensuring the company keeps accounting records which comply with section 211; and (ii) prepairing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of it's profit and loss for the financial year in accordance with section 226, which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

ON BEHALF OF THE BOARD: Approved by the board on 19/5/06.

Director

FLAME-TECH (DIESEL SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 July 2005

TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Motor Vehicles £	Totals £
COST:				
As at 1 August 2004	4,000	12,533	400	16,933
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 July 2005	4,000	12,533	400	16,933
DEPRECIATION:				
As at 1 August 2004	-	12,390	395	12,785
Additions	-	36	1	37
Disposals	-	-	-	-
As at 31 July 2005	-	12,426	396	12,822
NET BOOK VALUE:				
As at 31 July 2005	4,000	107	4	4,111
As at 31 July 2004	4,000	143	5	4,148

STOCKS:	31/07/05 £	31/07/04 £
Stock	1,414	1,042
Work in progress	-	-
	1,414	1,042

DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade Debtors	2,217	2,660
Prepayments	-	-
	2,217	2,660

FLAME-TECH (DIESEL SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 July 2005

CALLED UP SHARE CAPITAL

Authorised:

Number	Class	Nominal Value	31/07/05 £	31/07/04 £
50,000	Ordinary Shares	£1	50,000	50,000

Allotted Issued & Fully Paid:

Number	Class	Nominal Value	31/07/05 £	31/07/04 £
100	Ordinary Shares	£1	100	100

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS:

	31/07/05 £	31/07/04 £
Profit/(loss) for the financial year	1,972	(13,363)
NET ADDITION/(REDUCTION) TO SHAREHOLDERS FUNDS	1,972	(13,363)
Opening shareholders funds	26,450	39,813
CLOSING SHAREHOLDERS FUNDS	28,422	26,450
	28,422	26,450

FLAME-TECH (DIESEL SERVICES) LIMITED

PROFIT & LOSS for Year Ended 31 July 2005

	31/07/05		31/07/04	
	£	£	£	£
Sales		25,801		16,358
Cost of Sales		9,900		7,159
Gross Profit		15,901		9,199
Expenditure				
Directors Remuneration	7,500		7,500	
Directors National Insurance	353		369	
Telephone	126		284	
Post, Stationery & Advertising	16		151	
Equipment Rental			600	
Motor Expenses	840		506	
General Expenses	143		174	
Legal Fees				
Subscriptions	115		115	
Depreciation	37		50	
Rates & Insurance	3,647		3,313	
Professional Fees			1,000	
Rent	1,000		1,000	
Heat & Light	549		390	
Property Repairs & Renewals				
Bad Debts				
Loss on Disposals			4,946	
		14,326		20,398
Finance Costs				
Interest Paid			104	
Bank Charges	52		39	
Bank Interest Received	(449)		(388)	
		(397)		(245)
Net Profit / (Loss)		1,972		(10,954)
Tax on Profit / (Loss)				2,409
Retained Profit / (Loss)		**1,972**	1,523	**(13,363)**