

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2005
FOR
BEDFORD FALLS LIMITED**



Greg A. Simpson
10/10/05

CONTENTS OF THE FINANCIAL STATEMENTS

For the Year Ended 31 January 2005

Company Information	1
Report of the Director	2
Report of the Independent Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the financial Statements	6

Greg A. Smith
10/10/05.

COMPANY INFORMATION

For the Year Ended 31 January 2005

Director: Craig A Simpson

Secretary: Mary D Simpson

Registered Office: 639a Stirling Road,
Luggiebank
Cumbernauld
Glasgow
G67 4AB

Registered Number: 242561 (Scotland)

Auditors: Not Applicable

Craig A. Simpson
10/10/05.

REPORT OF THE DIRECTORS

For the Year Ended 31 January 2005

The directors present this report with the financial statements of the company for the year ended 31 January 2005. On 20 January 2003 Bedford Falls Ltd was incorporated with authorised share capital of 100 ordinary shares of which 20 shares have been issued to its directors. These were paid cash and no further transactions have occurred in this the second year.

The second years accounts are made up to 31 January 2005 and enclosed.

Principle Activity

The principle activity of the company in the year under review was the offer of energy consultancy surveys with the possibility of research and development services as a follow on. Alternative electronic systems for non-certified aircraft have been investigated further and offer some interesting opportunities in the homebuilt sector; these options will be explored further.

Directors

The directors during the year under review were:

Craig A Simpson
Mary D Simpson

Statement of Directors Responsibilities

Company law requires the director to prepare financial statement 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 these financial statements, the director is required to

- Select suitable accounting policies and than 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.

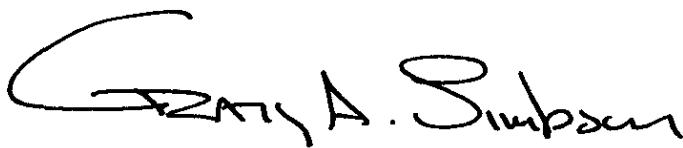
The director is responsible for keeping proper accounting record which disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

For the year ended 31 January 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 its accounts for the year in question in accordance with section 249B(2). The directors acknowledge their responsibility for:

i) Ensuring the company keeps accounting records which comply with section 221; and ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far applicable to the company.

On behalf of the board


Craig A Simpson – Director
10/10/05.


10/10/05.

Auditors

For the year ended 31 January 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 its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for:

- i) Ensuring the company keeps accounting records which comply with section 221;
- and
- ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far applicable to the company.

Greg A. Smith
10/10/05

Bedford Falls Ltd

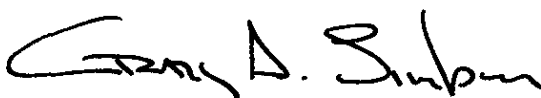
Balance Sheet 31 January 2005

	<u>31.01.2004</u>		<u>31.01.2005</u>	
	£	£	£	£
Fixed Assets:				
Tangible assets	0		0	
Current Assets:				
Stocks	0		0	
Debtors	0		0	
Cash at bank	500		665.62	
Cash in hand	0		0	
	<u>500</u>		<u>665.62</u>	
Creditors:				
Amounts falling due within one year	0		0	
Amounts falling due after one year	500		500	
	<u>500</u>		<u>500</u>	
Net Current Assets:		<u>0</u>		<u>165.62</u>
Total Assets Less Current Liabilities		<u>0</u>		<u>165.62</u>
Financed by:				
Ordinary shares of £1 each	20		20	
		<u>20</u>		<u>20.00</u>
Reserves:				
Profit and Loss account		0		165.62
		<u>0</u>		<u>185.62</u>

For the year ended 31 January 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 its accounts for the year in question in accordance with section 249B(2). The directors acknowledge their responsibility for:

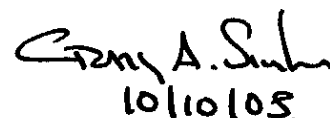
i) Ensuring the company keeps accounting records which comply with section 221; and ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far applicable to the company.

On Behalf Of The Board:



Craig A Simpson - Director

Approved by the Board on 9th October 2005



Bedford Falls Ltd

Profit And Loss Account for the year Ended 31 January 2005

	<u>31.01.2004</u>	<u>31.01.2005</u>
	£	£
Turnover	0.00	4,600.00
Cost of Sales	0.00	4,303.79
Gross Profit	<u>-</u>	<u>296.21</u>
Other operating income	0.00	0.00
Administration expenses	0.00	146.85
Operating Profit	<u>-</u>	<u>149.36</u>
Interest received and similar income	0.22	16.04
Interest payable and similar charges	0.00	0.00
Profit on ordinary activities before taxation	<u>0.22</u>	<u>165.40</u>
Tax on Profit from ordinary activities	0.00	0.00
Profit for the financial year after taxation	<u>0.22</u>	<u>165.40</u>
Retained profit brought forward	0.00	0.22
Retained Profit Carried Forward	<u>0.22</u>	<u>165.62</u>

Garry A. Sullivan
10/10/05.

Bedford Falls Ltd

Share Accounts 31 January 2005

Authorised Shares	100			
Called Up Shares	20			
Share Holding				
Craig A Simpson	10	@	£1.00	£10.00
May Simpson	10	@	£1.00	£10.00

Craig A. Simpson
10/10/05