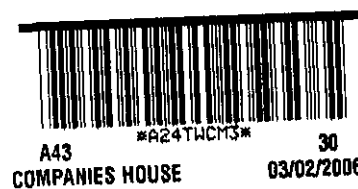


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MEDAL AIRCON DISTRIBUTION LIMITED

REPORT AND ACCOUNTS

PERIOD FROM 7 JULY 2004
TO 31 JULY 2005



MEDAL AIRCON DISTRIBUTION LIMITED

DIRECTOR

M Williams

COMPANY SECRETARY

Mrs E M Williams

REGISTERED OFFICE

Telford House
1 Claremont Bank
Shrewsbury
Shropshire
SY1 1RW

REGISTERED NUMBER

5172841

BANKERS

National Westminster Bank Plc
8 Mardol Head
Shrewsbury
Shropshire
SY1 1HE

ACCOUNTANTS

Vaughan & Company
Chartered Accountants
Telford House
1 Claremont Bank
Shrewsbury
SY1 1RW

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MEDAL AIRCON DISTRIBUTION LIMITED

REPORT OF THE DIRECTOR

The Director presents his Report and the Accounts for the period from 7 July 2004 to 31 July 2005.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of distributors of air conditioning equipment.

REVIEW OF THE COMPANY

The Company was incorporated on 7 July 2004 and commenced trading on 1 August 2004.

The results for the financial period are set out in the Profit and Loss Account.

DIVIDENDS

The Director does not recommend that a dividend be paid in respect of the period from 7 July 2004 to 31 July 2005. It is proposed that the retained profits of £9,893 be added to reserves.

DIRECTOR

The Director who served throughout the period and his interest in the £1 ordinary shares of the Company, which remained unchanged throughout the period, was as follows:

Number of Shares

M Williams	50
------------	----

TANGIBLE FIXED ASSETS

Details of the movements in Tangible Fixed Assets are set out in Note 6 to the accounts.

Approved and signed on behalf of the Board of Directors:



MRS E M WILLIAMS – SECRETARY

6th January 2006

MEDAL AIRCON DISTRIBUTION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments 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 Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

MEDAL AIRCON DISTRIBUTION LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD FROM 7 JULY 2004 TO 31 JULY 2005

	NOTE	£
TURNOVER	2	212,293
Cost of sales		(159,643)

Gross profit		52,650
Administrative expenses		(42,757)

Operating profit		9,893
Interest payable & similar charges	3	-

Profit on ordinary activities before taxation	4	9,893
Tax on profit on ordinary activities	5	-

Profit for the financial period		<u>9,893</u>

None of the Company's activities was acquired or discontinued during the financial period.

STATEMENT OF TOTAL RECOGNISED
GAINS AND LOSSES

Profit for the financial period	<u>9,893</u>
Total recognised gains and losses for the financial period	<u>9,893</u>

MEDAL AIRCON DISTRIBUTION LIMITED

BALANCE SHEET AS AT 31 JULY 2005

	NOTE	£
FIXED ASSETS		
Tangible	6	14,036

CURRENT ASSETS		
Stocks	7	21,484
Debtors	8	205,217
Bank		29,060

		255,761
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(259,804)

NET CURRENT LIABILITIES		(4,043)

TOTAL ASSETS LESS CURRENT LIABILITIES		9,993

NET ASSETS		9,993
		=====
CAPITAL AND RESERVES		
Called up share capital	10	100
Profit and loss account	11	9,893

SHAREHOLDERS FUNDS		9,993
		=====

The directors consider that the Company is entitled to the exemptions conferred by Section 249A(1) Companies Act 1985 and confirm that no notice was deposited under Section 249B(2) Companies Act 1985 in relation to the accounts for the period from 7 July 2004 to 31 July 2005.

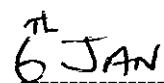
The directors acknowledge their responsibilities for:

- Ensuring that the Company keeps proper accounting records which comply with Section 221 Companies Act 1985, and
- Preparing accounts which give a true and fair view of the state of affairs of the Company as at 31 July 2005 and of its profit for the period then ended, in accordance with the requirements of Section 226 Companies Act 1985, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the Company.

Approved and signed on behalf of the Board of Directors:



M WILLIAMS – DIRECTOR


----- 2006

MEDAL AIRCON DISTRIBUTION LIMITED

NOTES TO THE ACCOUNTS

PERIOD FROM 7 JULY 2004 TO 31 JULY 2005

1. ACCOUNTING POLICIES

The following accounting policies, which have been consistently applied, are considered material in relation to the Company's accounts.

a) **Accounting Convention:**

The accounts have been prepared under the historical cost accounting rules set out in Schedule 4 Companies Act 1985.

b) **Tangible Fixed Assets:**

Depreciation is provided on all Tangible Fixed Assets at annual rates calculated to write off the cost of each asset over its estimated useful life as follows:

Motor vehicles	25% on cost
Fixtures, fittings & equipment	25% on cost
Computer equipment	25% on cost

c) **Stocks:**

Stocks are valued at the lower of cost and estimated net realisable value.

d) **Deferred Taxation:**

Deferred tax has been accounted for in full on material timing differences to the extent that it is probable that a liability or asset will crystallise.

2. TURNOVER

Turnover comprises the invoiced value of goods and services supplied during the financial period, excluding VAT.

3. INTEREST PAYABLE AND SIMILAR CHARGES

On loans and overdrafts wholly repayable within five years

£

-

MEDAL AIRCON DISTRIBUTION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
PERIOD FROM 7 JULY 2004 TO 31 JULY 2005

4. PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION

	£
a) The profit is stated after charging:	
Director's emoluments	12,667
Depreciation	4,678
	=====

b) Employees:

The average number of employees (including directors) during the period was as follows:

	<u>Employees</u>
Sales	2
Management and administration	2

	4
	=====

The cost of employing those persons was as follows:

	£
Wages and salaries	22,244
Social Security costs	1,757

	24,001
	=====

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

Based on the adjusted profits for the period, the Company does not anticipate any liability to UK Corporation Tax.

MEDAL AIRCON DISTRIBUTION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
PERIOD FROM 7 JULY 2004 TO 31 JULY 2005

6. TANGIBLE FIXED ASSETS

	MOTOR VEHICLES	FIXTURES FITTINGS & EQUIPMENT	COMPUTER EQUIPMENT	TOTAL
COST:	£	£	£	£
Additions	10,337	5,621	2,756	18,714
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
At 31 July 2005	<u>10,337</u>	<u>5,621</u>	<u>2,756</u>	<u>18,714</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
ACCUMULATED DEPRECIATION:				
Charge for the period	2,584	1,405	689	4,678
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
At 31 July 2005	<u>2,584</u>	<u>1,405</u>	<u>689</u>	<u>4,678</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
NET BOOK VALUE:				
At 31 July 2005	<u>7,753</u>	<u>4,216</u>	<u>2,067</u>	<u>14,036</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

£

7. STOCKS

Goods for resale	21,484
	<u>=====</u>

8. DEBTORS

Trade debtors	196,864
Other debtors	6,282
Prepayments	2,071
	<u>-----</u>
	<u>205,217</u>
	<u>=====</u>

MEDAL AIRCON DISTRIBUTION LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
PERIOD FROM 7 JULY 2004 TO 31 JULY 2005

	£
9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	
Directors loan	50,200
Trade creditors	200,205
Corporation Tax	-
Other taxes and social security	7,019
Other creditors	-
Accruals	2,380
	<u>259,804</u>
10. CALLED UP SHARE CAPITAL	
Authorised Equity Shares: 1000 ordinary shares of £1 each	<u>1,000</u>
Issued and fully paid Equity Shares: 100 ordinary shares of £1 each	<u>100</u>
11. PROFIT AND LOSS ACCOUNT	
Profit for the financial period	<u>9,893</u>
Retained profits carried forward	<u>9,893</u>
12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	
Shares issued	100
Profit for the financial period	9,893
Shareholders' funds carried forward	<u>9,993</u>