

INECO (ENG) LIMITED

2625753

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2005

MICHAEL H. SCOTT & COMPANY

Chartered Accountants

107 Kenton Road

Kenton Harrow

Middlesex HA3 0AN



INECO (ENG) LIMITED

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INECO (ENG) LIMITED
COMPANY INFORMATION

DIRECTORS	A Kumar
SECRETARY	Greystone House Registrars Limited
COMPANY NUMBER	2625753 England and Wales)
REGISTERED OFFICE	107 Kenton Road Kenton Harrow Middlesex HA3 0AN
ACCOUNTANTS	MICHAEL H. SCOTT & COMPANY Chartered Accountants 107 Kenton Road Kenton Harrow Middlesex HA3 0AN

INECO (ENG) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2005

The Director's present his Report with the Accounts of the Company for the year ended 31 July 2005.

PRINCIPAL ACTIVITY

The Company's principal activity continues to be that of Marketing Support to the Parent Company, who specialises in Heavy Engineering in the Field of Insulation and Air Conditioning. The Company is wholly owned by Otaco Corporation based in Geneva, Switzerland.

DIRECTORS

The Director who served during the year and their beneficial interest in the Company's issued Ordinary Share Capital were:

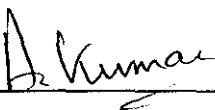
Ordinary Shares of £1 each

A. Kumar

SMALL COMPANY RULES

This report which has been prepared taking advantage of special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 29 September 2005 and signed on its behalf.



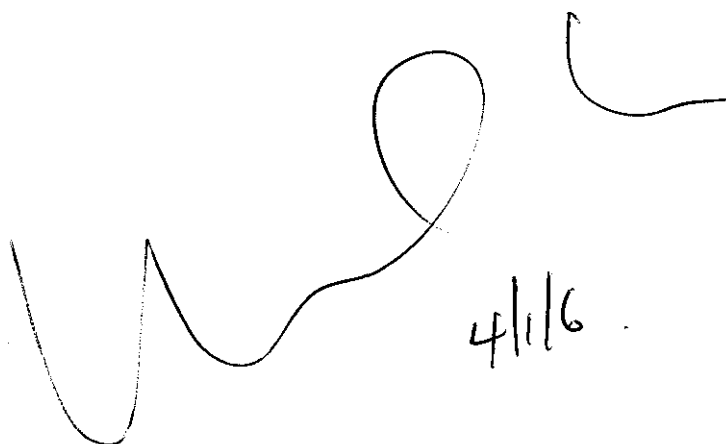
A Kumar - Director

INECO (ENG) LIMITED

**ACCOUNTANTS' REPORT TO THE DIRECTORS OF
INECO (ENG) LIMITED**

As described on the Balance Sheet, you are responsible for the preparation of the accounts for the year ended 31 July 2005 set out on pages 5 and 6 and you consider that the Company is exempt from audit under the provisions of Section 249A(1) of the Companies Act 1985.

In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

A handwritten signature, possibly 'W. Scott', is written in black ink. To the right of the signature, the date '4/1/06' is written in a similar handwritten style.

MICHAEL H SCOTT & COMPANY
Chartered Accountants
107 Kenton Road
Kenton
Harrow
Middx HA3 0AN

INECO (ENG) LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 JULY 2005

	Notes	2005	2004
		£	£
TURNOVER		-	-
Cost of Sales		-	-
GROSS PROFIT		-	-
Selling and Distribution Costs		-	-
Administrative Expenses	24,877	22,937	
Establishment Expenses	-	-	
Financial Expenses	147	130	
		(25,024)	(23,067)
OPERATING LOSS	5	(25,024)	(23,067)
(LOSS) on ordinary activities before taxation		(25,024)	(23,067)
Overprovision of taxation in previous year			
TAXATION	8	-	-
(LOSS) for the year after taxation		(25,024)	(23,067)
RETAINED (LOSS) brought forward		(418,096)	(395,029)
RETAINED(LOSS) carried forward		£(443,120)	£(418,096)

There were no recognised gains and losses for 2005 or 2004 other than those included in the Profit and Loss Account.

The notes on pages 6 and 7 form part of these financial statements.

INECO (ENG) LIMITED

BALANCE SHEET AS AT 31 JULY 2005

	Notes	2005		2004	
		£	£	£	£
TANGIBLE ASSETS	4		176		234
CURRENT ASSETS					
Stock and Work in Progress		-	-	-	-
Debtors and Prepayments	6				
Cash at Bank and In Hand		<u>22</u>		<u>86</u>	
		<u>22</u>		<u>86</u>	
CREDITORS: Falling due within one year					
Creditors & Accrued Expenses	7	<u>10,769</u>		<u>6,843</u>	
NET CURRENT LIABILITIES			(10,747)	(6,757)	
			<u>£(10,571)</u>	<u>£(6,523)</u>	
CAPITAL AND RESERVES					
Share Capital	2		432,549		411,573
Profit and Loss Account			<u>(443,120)</u>		<u>(418,096)</u>
SHAREHOLDERS' FUNDS			<u>£(10,571)</u>		<u>£(6,523)</u>

The Director considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Members have not required the company, under Section 249(B)(2) of the Companies Act 1985, to obtain an audit for the year ended 31 July 2005. The Director acknowledges his responsibilities for ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for 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 loss for the period then ended 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.

The Financial Statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the board on 29 September 2005 and signed on its behalf.


A Kumar - Director

The notes on pages 6 and 7 form part of these financial statements.

INECO (ENG) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2005

1. ACCOUNTING POLICIES

a) Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the Director's Report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1. from the requirement to produce a cash-flow statement on the grounds that it is a small company.

b) Tangible Assets and Depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost over its expected useful life.

Equipment 25% on WDV

2. SHARE CAPITAL

The Issued Share Capital of the Company is held by the Otaco Corporation based in Geneva, Switzerland.

The share capital was increased from to by the allotment of further shares to the parent company - Otaco Corporation, Switzerland.

3. STOCK AND WORK IN PROGRESS

Being an engineering consultancy based company, there is no stock or work in

4. TANGIBLE ASSETS

	<u>Equipment</u>	<u>Total</u>
At cost	<u>2,337</u>	<u>2,337</u>
Depreciation		
Brought Forward	2,103	2,103
Charge for the year	<u>58</u>	<u>58</u>
Carried Forward	<u>2,161</u>	<u>2,161</u>
 <u>NBV 31.7.2005</u>	 <u>176</u>	 <u>176</u>
<u>NBV 31.7.2004</u>	<u>234</u>	<u>234</u>

INECO (ENG) LIMITED

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 JULY 2005

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
5. OPERATING LOSS		
<i>The operating loss is stated after charging:</i>		
Depreciation of tangible fixed assets	58	78
Hire of plant and machinery	-	-
Directors' Remuneration	-	-
Accountancy Fee	<u>2,115</u>	<u>2,068</u>
6. DEBTORS		
Trade	-	-
Other debtors	-	-
	<u>£ -</u>	<u>£ -</u>
7. CREDITORS		
<i>Amounts falling due within one year</i>		
Corporation Tax - current year	-	-
Underprovision of Corporation Tax in previous years	-	-
Other creditors	<u>10,769</u>	<u>6,843</u>
	<u>10,769</u>	<u>6,843</u>
8. TAXATION		
Corporation Tax	-	-
Underprovision in previous years	-	-
	<u>-</u>	<u>-</u>
9. MOVEMENT ON SHAREHOLDERS' FUNDS		
(Loss) for the year	(25,024)	(23,067)
Opening Shareholders' Funds	<u>(6,523)</u>	<u>(5,982)</u>
	(31,547)	(29,049)
Increase in Share Capital	<u>20,976</u>	<u>22,526</u>
Closing Shareholders' Funds	<u>£(10,571)</u>	<u>£(6,523)</u>