
AVELAIR LIMITED

UNAUDITED

ABBREVIATED ACCOUNTS

**FOR THE YEAR ENDED
30 APRIL 2005**



AVELAIR LIMITED

The following reproduces the text of the accountants' report in respect of the company's annual financial statements, from which the abbreviated accounts (set out on pages 2 to 5) have been prepared.

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF AVELAIR LIMITED

In accordance with the engagement letter dated 20 June 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's board of directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of the financial statements.

You have acknowledged on the balance sheet for the year ended 30 April 2005 your duty to ensure that the company has kept proper accounting records and to prepare the financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Martin and Acock

Martin & Acock

Chartered Accountants

2 The Close
Norwich
Norfolk
NR1 4DJ

31 October 2005

AVELAIR LIMITED

ABBREVIATED BALANCE SHEET
As at 30 April 2005

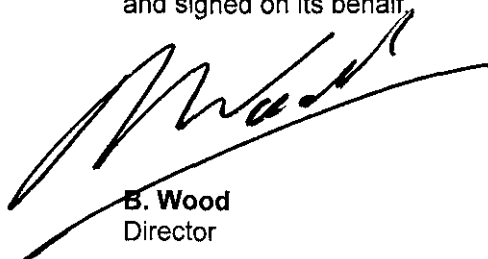
	Note	2005	As restated 2004
		£	£
FIXED ASSETS			
Tangible fixed assets	2	78,278	97,700
CURRENT ASSETS			
Stocks		216,150	222,723
Debtors		297,552	218,375
Cash at bank and in hand		60	35
		<u>513,762</u>	<u>441,133</u>
CREDITORS: amounts falling due within one year	3	<u>(295,942)</u>	<u>(265,886)</u>
NET CURRENT ASSETS		<u>217,820</u>	<u>175,247</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>296,098</u>	<u>272,947</u>
CREDITORS: amounts falling due after more than one year	3	<u>(5,115)</u>	<u>(20,253)</u>
NET ASSETS		<u><u>£ 290,983</u></u>	<u><u>£ 252,694</u></u>
CAPITAL AND RESERVES			
Called up share capital	4	600,000	600,000
Profit and loss account		(309,017)	(347,306)
SHAREHOLDERS' FUNDS		<u><u>£ 290,983</u></u>	<u><u>£ 252,694</u></u>

AVELAIR LIMITED

ABBREVIATED BALANCE SHEET
As at 30 April 2005

The directors consider 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 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 April 2005 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The abbreviated accounts, 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 5 September 2005 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'B. Wood', is written over a horizontal line.

B. Wood
Director

The notes on pages 4 to 5 form part of these financial statements.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 2005

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	10%	straight line
Motor vehicles	-	25%	reducing balance
Fixtures and equipment	-	10%	straight line
Computer equipment	-	20%	straight line

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

AVELAIR LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 2005

2. TANGIBLE FIXED ASSETS

	£
Cost	
At 1 May 2004	233,618
Additions	6,552
Disposals	(2,500)
	<u>237,670</u>
Depreciation	
At 1 May 2004	135,918
Charge for the year	23,526
On disposals	(52)
	<u>159,392</u>
Net book value	
At 30 April 2005	£ 78,278
	<u>£ 97,700</u>
At 30 April 2004	<u>£ 97,700</u>

3. CREDITORS

The bank overdraft is secured by a debenture dated 1 May 2001, a first fixed charge over all the books and other debts, goodwill and uncalled capital and intellectual property rights and first floating charge over all assets and undertakings both present and future dated 9 September 1993.

Net obligations under finance lease and hire purchase contracts are secured on the underlying assets.

4. SHARE CAPITAL

	2005 £	2004 £
Authorised		
1,000,000 Ordinary shares of £1 each	£ 1,000,000	£ 1,000,000
	<u>£ 1,000,000</u>	<u>£ 1,000,000</u>
Allotted, called up and fully paid		
600,000 Ordinary shares of £1 each	£ 600,000	£ 600,000
	<u>£ 600,000</u>	<u>£ 600,000</u>