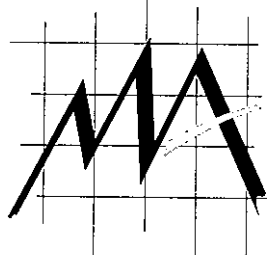


**G. K. GENERAL ENGINEERING
LIMITED**

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
28TH FEBRUARY 1996**

**REGISTERED IN ENGLAND
NUMBER 01697708**





MABE · ALLEN

CHARTERED ACCOUNTANTS

50 OSMASTON ROAD, DERBY DE1 2HU. TELEPHONE: 01332 345265 & 341951. FAX: 01332 331369

**AUDITORS REPORT TO THE DIRECTORS OF
G. K. GENERAL ENGINEERING LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8
TO THE COMPANIES ACT 1985**

We have examined the Abbreviated Accounts on pages 1 to 5 together with the Financial Statements of G. K. General Engineering Limited prepared under Section 226 of the Companies Act 1985 for the year ended 28th February 1996.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing the Abbreviated Accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the Company's entitlement to the exemptions claimed in the Directors Statement on page 1 and whether the Abbreviated Accounts have been properly prepared in accordance with that Schedule.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited Financial Statements, that the Company is entitled to the exemptions and that the Abbreviated Accounts have been properly prepared from those Financial Statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full Financial Statements.

Opinion

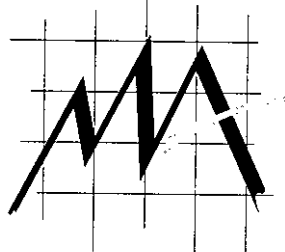
In our opinion the Company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 28th February 1996, and the Abbreviated Accounts on pages 1 to 5 have been properly prepared in accordance with that Schedule.

J.P. ALLEN FCA, FCCA, MSPL K.C.G. SLACK FCA.

ILKESTON OFFICE:

INGLESIDE, 5 WILMOT STREET, ILKESTON, DERBYSHIRE DE7 8BD. TELEPHONE: 0115 944 0969. FAX: 0115 944 2499

Registered to Carry on Audit Work and Authorised to Carry on Investment Business by the Institute of Chartered Accountants in England and Wales.



MABE • ALLEN

CHARTERED ACCOUNTANTS

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**AUDITORS REPORT TO THE DIRECTORS OF
G. K. GENERAL ENGINEERING LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8
TO THE COMPANIES ACT 1985**

Other Information

On25/11/96..... we reported, as Auditors of G. K. General Engineering Limited, to the Members on the Financial Statements prepared under Section 226 of the Companies Act 1985 for the year ended 28th February 1996, and our Audit Report was as follows:

**AUDITORS REPORT TO THE MEMBERS OF
G. K. GENERAL ENGINEERING LIMITED**

We have audited the Financial Statements on pages 6 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective Responsibilities of Directors and Auditors

As described on page 2 the Company's Directors are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those Statements and to report our opinion to you.

Basis of Opinion

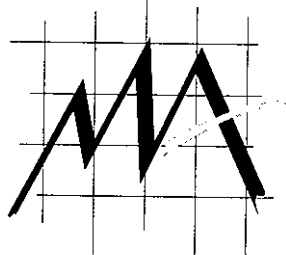
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

J.P. ALLEN FCA, FCCA, MSPI K.C.G. SLACK FCA.

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AUDITORS REPORT TO THE MEMBERS OF G. K. GENERAL ENGINEERING LIMITED

- continued -

Basis of Opinion

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs at 28th February 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small Companies.

Mabe Allen
.....

MABE ALLEN
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

25/11/96

J.P. ALLEN FCA, FCCA, MSPL K.C.G. SLACK FCA.

ILKESTON OFFICE:

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G. K. GENERAL ENGINEERING LIMITED

ABBREVIATED BALANCE SHEET AT 28TH FEBRUARY 1996

	NOTE	1996	1995
		£	£
FIXED ASSETS			
Tangible Assets	2	163,345	161,609
CURRENT ASSETS			
Stocks and Work in Progress		17,088	47,595
Debtors		96,464	60,011
Cash at Bank and in Hand		549	600
		114,101	108,206
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank Overdraft	3	164,326	159,798
Trade Creditors		39,472	27,905
Other Creditors		39,157	52,998
		242,955	240,701
NET CURRENT (LIABILITIES)		(128,854)	(132,495)
TOTAL ASSETS LESS CURRENT LIABILITIES		34,491	29,114
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
		21,664	31,084
NET ASSETS/ (LIABILITIES)		12,827	(1,970)

G. K. GENERAL ENGINEERING LIMITED

ABBREVIATED BALANCE SHEET AT 28TH FEBRUARY 1996

	NOTE	1996	1995
CAPITAL AND RESERVES		£	£
Called Up Share Capital	4	100	100
Profit and Loss Account		12,727	(2,070)
		12,827	(1,970)

The Directors have taken advantage of the exemptions conferred on small Companies by the Companies Act 1985, Schedule 8, Part III. In the opinion of the Directors the Company qualifies as a small Company and is entitled to make use of the exemptions.

The Directors have taken advantage, in the preparation of the Accounts, of special exemptions applicable to small Companies under Schedule 8 Part I of the Companies Act 1985. In the opinion of the Directors the Company qualifies as a small Company and is entitled to make use of the special exemptions.

SIGNED ON BEHALF OF DIRECTORS

DATE

..... K.R. Roberts
 J. A. Roberts
 25/11/96

The notes on pages 3 to 5 form part of these Accounts.

G. K. GENERAL ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED
28TH FEBRUARY 1996**

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the Financial Statements are set out below and have remained unchanged from the previous year and also have been consistently applied within the same Financial Statements.

a) Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention.

The Financial Statements have been prepared on a going concern basis. This basis may not be appropriate because at 28th February 1996 the Company's current liabilities exceeded its current assets by £128,854.

The Directors believe that because of their continued financial support, together with long term Bank finance, the going concern basis is appropriate in the preparation of these Financial Statements.

The effect of events relating to the year ended 28th February 1996, which occurred before the date of approval of the Financial Statements by the Board of Directors, have been included in the Statements to the extent required to show a true and fair view of the state of affairs at 28th February 1996 and of the results for the year ended on that date.

b) Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Freehold Land and Buildings	- no depreciation
Equipment and Tools	- 15% p.a. of net book value
Motor Cars	- 25% p.a. of net book value
Fixtures, Fittings and Office Equipment	- 10% p.a. of net book value

G. K. GENERAL ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED
28TH FEBRUARY 1996**

1. ACCOUNTING POLICIES - CONTINUED

c) Stocks and Work in Progress

Stocks and work in progress have been valued at the lower of cost and net realisable value.

d) Deferred Taxation

Deferred taxation has been calculated using the liability method to account for the effect of timing differences relating to the excess of capital allowances claimed on fixed assets over the related depreciation charges. No provision is required this year.

e) Finance Leases

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors. Rentals payable under operating leases are charged to the Profit and Loss Account on a straight line basis over the period of the lease.

f) Cashflow Statement

In accordance with Financial Reporting Standard 1, the Company has dispensed with the inclusion of a Cashflow Statement.

g) Pension Costs

The Company operates a Defined Contribution Pension Scheme for the benefit of two of the Directors. The cost of the contributions made by the Company to the Scheme are charged to the Profit and Loss Account as incurred.

2. TANGIBLE FIXED ASSETS

£

COST OR VALUATION

At 1st March 1995	247,240
Additions	13,437
Disposals	(12,992)
At 28th February 1996	247,685

G. K. GENERAL ENGINEERING LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED
28TH FEBRUARY 1996**

2. TANGIBLE FIXED ASSETS

£

DEPRECIATION

At 1st March 1995	85,631
Charge for the Year	6,958
Eliminated on Disposal	(8,249)

At 28th February 1996	84,340
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NET BOOK VALUE

At 28th February 1996	163,345
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At 28th February 1995	161,609
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3. BANK OVERDRAFT

The bank overdraft is secured on the land and property held by the Company.

**4. CREDITORS: AMOUNTS FALLING DUE AFTER
MORE THAN ONE YEAR**

1996

1995

£

£

Directors Current Account	21,664	23,974
Business Development Loans	-	5,359
Hire Purchase Creditor	-	1,751

21,664

31,084

5. SHARE CAPITAL

£

£

AUTHORISED

100 Ordinary Shares of £1 each

100

100

ALLOTTED, CALLED UP AND FULLY PAID

100 Ordinary Shares of £1 each

100

100