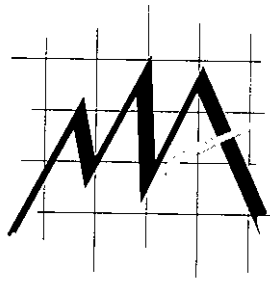


GK General Engineering Limited

Abbreviated Accounts
for the year ended 28th February 1997

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 GK 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 GK General Engineering Limited prepared under Section 226 of the Companies Act 1985 for the year ended 28th February 1997.

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 2 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.

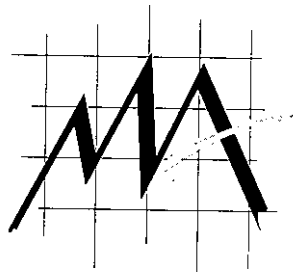
Opinion

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 1997 and the Abbreviated Accounts on pages 1 to 5 have been properly prepared in accordance with that Schedule.

J.P. ALLEN FCA, FCCA, MSPI K.C.G. SLACK FCA B. SUTTON FCA ATII C.J. HOPKINSON FCA
D.HAWLEY FCA (CONSULTANT)

OTHER OFFICES:

ILKESTON, TEL: 0115 944 0969 • RIPLEY, TEL: 01773 743325 • BULWELL, TEL : 0115 927 8872



MABE • ALLEN

CHARTERED ACCOUNTANTS

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

Auditors' Report to the Directors of GK General Engineering Limited Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

Other Information

On 14/8/97..... we reported, as Auditors of GK 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 1997, and our Audit Report was as follows:

Auditors' Report to the Members of GK General Engineering Limited

We have audited the Financial Statements on pages 6 to 16 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.

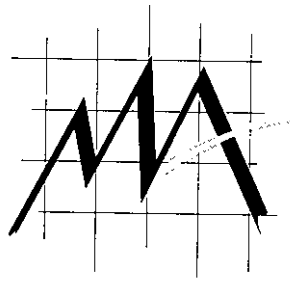
Basis of Opinion

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 B. SUTTON FCA ATII C.J. HOPKINSON FCA
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Auditors' Report to the Members of GK General Engineering Limited

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 1997 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
Chartered Accountants
Registered Auditors

14/8/97

J.P. ALLEN FCA, FCCA, MSPI. K.C.G. SLACK FCA B. SUTTON FCA ATII C.J. HOPKINSON FCA
D.HAWLEY FCA (CONSULTANT)

OTHER OFFICES:

ILKESTON, TEL: 0115 944 0969 • RIPLEY, TEL: 01773 743325 • BULWELL, TEL: 0115 927 8872

GK General Engineering Limited

Abbreviated Balance Sheet at 28th February 1997

	Note	1997	1996
		£	£
Fixed Assets			
Tangible Assets	2	197,811	163,345
Current Assets			
Stocks and Work in Progress	16,175		17,088
Debtors	172,238		96,464
Cash at Bank and in Hand	549		549
		188,962	114,101
Creditors: Amounts Falling Due Within One Year			
Bank Overdraft	149,805		164,326
Trade Creditors	77,880		39,472
Other Creditors	88,282		60,821
		315,967	264,619
Net Current (Liabilities)		(127,005)	(150,518)
Total Assets Less Current Liabilities		70,806	12,827
Creditors: Amounts Falling Due After More Than One Year	3	11,889	-
Provisions for Liabilities and Charges		5,272	-
Net Assets		53,645	12,827

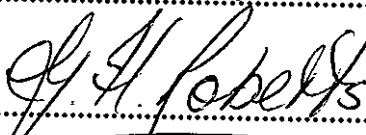
GK General Engineering Limited

Abbreviated Balance Sheet at 28th February 1997 - continued

	Note	1997	1996
<i>Capital and Reserves</i>		£	£
Called Up Share Capital	4	100	100
Profit and Loss Account		53,545	12,727
		53,645	12,827

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.

K.R.R. 
.....

.....
Signed on Behalf of the Directors

.....th 14 August 1997.....

Date

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

GK General Engineering Limited

Notes

(forming part of the Abbreviated Accounts)

1. Principal 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.

Basis of Preparation

The Financial Statements have been prepared in accordance with applicable accounting standards.

The Financial Statements have been prepared on a going concern basis. This basis may not be appropriate because at 28th February 1997 the Company's current liabilities exceeded its current assets by £127,005.

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 1997, 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 1997 and of the results for the year ended on that date.

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
Plant and Equipment	15% per annum of net book value
Motor Cars	25% per annum of net book value
Fixtures, Fittings and Office Equipment	10% per annum of net book value

Stocks and Work in Progress

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

GK General Engineering Limited

Notes - *continued*

(forming part of the Abbreviated Accounts)

1. Principal Accounting Policies - *continued*

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.

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.

Cashflow Statement

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

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

At 1st March 1996	247,685
Additions	48,850
At 28th February 1997	296,535

GK General Engineering Limited

Notes - *continued*

(forming part of the Abbreviated Accounts)

2. Tangible Fixed Assets £

Depreciation

At 1st March 1996	84,340
Charge for the Year	14,384

At 28th February 1997	98,724
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Net Book Value

At 28th February 1997	197,811
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At 28th February 1996	163,345
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Included in the total net book value of tangible fixed assets held at 28th February 1997 was £23,375 in respect of assets held under finance leases and hire purchase contracts.

3. Creditors: Amounts Falling Due After More Than One Year 1997 1996

	£	£
Other Loans	3,333	-
Hire Purchase Creditor	8,556	-

11,889	-
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4. Share Capital £ £

Authorised

100 Ordinary Shares of £1 each	100	100
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Allotted, Called Up and Fully Paid

100 Ordinary Shares of £1 each	100	100
--------------------------------	-----	-----