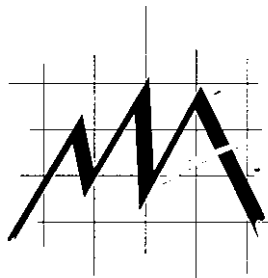


GK General Engineering Limited

Abbreviated Accounts
for the year ended 28th February 1998

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 GK General Engineering Limited Under Section 247B of the Companies Act 1985

We have examined the Abbreviated Accounts on pages 1 to 6 together with the Financial Statements of the Company for the year ended 28th February 1998 prepared under Section 226 of the Companies Act 1985.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing the Abbreviated Accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver Abbreviated Accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the Accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to the Financial Statements, that the Company is entitled to deliver Abbreviated Accounts and that the Abbreviated Accounts to be delivered are properly prepared.

Opinion

In our opinion the Company is entitled to deliver Abbreviated Accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 and the Abbreviated Accounts on pages 1 to 6 are properly prepared in accordance with those provisions.

Mabe Allen

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Mabe Allen

Chartered Accountants

Registered Auditors

J.P. ALLEN FCA, FCCA, MSPI K.C.G. SLACK FCA B. SUTTON FCA, ATII C.J. HOPKINSON FCA

D.J. ALLEN BA (HONS), ACA

9-9-98

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 1998

	<i>Note</i>	1998	1997
<i>Fixed Assets</i>		£	£
Tangible Assets	2	165,050	197,811
<i>Current Assets</i>			
Stocks and Work in Progress	3,500		16,175
Debtors	130,530		172,238
Cash at Bank and in Hand	549		549
		134,579	188,962
<i>Creditors: Amounts Falling Due Within One Year</i>			
Bank Overdraft	128,895		149,805
Trade Creditors	41,895		77,880
Other Creditors	69,853		88,282
		240,643	315,967
<i>Net Current (Liabilities)</i>		(106,064)	(127,005)
<i>Total Assets Less Current Liabilities</i>		58,986	70,806
<i>Creditors: Amounts Falling Due After More Than One Year</i>	3	1,222	11,889
<i>Provisions for Liabilities and Charges</i>		4,651	5,272
<i>Net Assets</i>		53,113	53,645

GK General Engineering Limited

Abbreviated Balance Sheet at 28th February 1998 - continued

	<i>Note</i>	1998	1997
<i>Capital and Reserves</i>		£	£
Called Up Share Capital	4	100	100
Profit and Loss Account		53,013	53,545
		53,113	53,645

The Financial Statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small Companies and in accordance with the Financial Reporting Standard for Smaller Entities.

K R R L
.....
G H Roberts
.....
Signed on Behalf of the Directors

9/9/98
.....
Date

The notes on pages 3 to 6 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 1998 the Company's current liabilities exceeded its current assets by £106,064.

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 1998, 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 1998 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 cost
Fixtures, Fittings and Office Equipment	10% per annum of net book value
Computer Equipment	33 1/3% per annum of cost

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 1997	296,535
Additions	3,650
Disposals	(30,733)
At 28th February 1998	269,452

GK General Engineering Limited

Notes - *continued*

(forming part of the Abbreviated Accounts)

2. Tangible Fixed Assets £

Depreciation

At 1st March 1997	98,724
Charge for the Year	11,802
Eliminated on Disposal	(6,124)

At 28th February 1998	104,402
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Net Book Value

At 28th February 1998	165,050
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At 28th February 1997	197,811
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Included in the total net book value of tangible fixed assets held at 28th February 1998 was £19,869 in respect of assets held under finance leases and hire purchase contracts.

3. Creditors: Amounts Falling Due After More Than One Year 1998 1997

	£	£
Other Loans	-	3,333
Hire Purchase Creditor	1,222	8,556
	1,222	11,889

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
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GK General Engineering Limited

Notes - continued
(forming part of the Abbreviated Accounts)

5. Security

The Bank Overdraft is secured on the land and property held by the Company.

	1998	1997
6. Borrowings	£	£
<i>Analysis of Maturity of Debt:</i>		
Bank Loans and Overdrafts:		
Within One Year or on Demand	128,896	149,805
Other Loans:		
Between One and Two Years	3,646	12,083