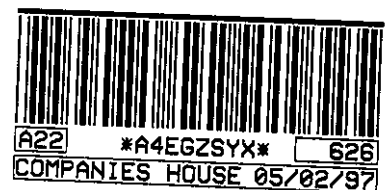


DELTA ELECTRICAL REPAIRS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1996

COMPANY NUMBER : 1770708 (ENGLAND & WALES)



DELTA ELECTRICAL REPAIRS LIMITED

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DELTA ELECTRICAL REPAIRS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 1996

The directors present their report and the financial statements for the year ended 31st December 1996.

PRINCIPAL ACTIVITIES

The company's principal activity continues to be that of the sale and repair of electric motors.

DIRECTORS

The directors who served during the period and their beneficial interests in the company's issued ordinary share capital were :

	<u>Number of Shares</u>	
	<u>1996</u>	<u>1995</u>
B. Haworth	750	750
J. Haworth	750	750

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to :

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Hargreaves & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the board on 21st January 1997, taking advantage of special exemptions available to small companies.

Signed on behalf of the board of directors.

.....  Director

DELTA ELECTRICAL REPAIRS LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF DELTA ELECTRICAL REPAIRS LIMITED

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies on Page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on Page 1, 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.

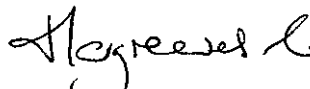
BASIS OF OPINION

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.

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 mis-statement, 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 as at 31st December 1996 and of its profits for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Hargreaves & Co

Registered Auditors and Chartered Accountants

Regency House

Blackburn Road

Accrington

BB5 1HF

21st January 1997

DELTA ELECTRICAL REPAIRS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1996

		<u>1996</u>	<u>1995</u>
	<u>NOTES</u>	£	£
Turnover	2	774903	754395
Cost of Sales		<u>466861</u>	<u>481619</u>
Gross Profit		308042	272776
Distribution Costs		25556	22641
Administration Costs		<u>160938</u>	<u>150428</u>
Operating Profit		121548	99707
Interest receivable		<u>713</u>	<u>27</u>
Interest payable		<u>122261</u> <u>8408</u>	<u>99734</u> <u>10720</u>
Profit on ordinary activities before taxation	3	113853	89014
Tax on profit on ordinary activities	4	<u>26713</u>	<u>19205</u>
Profit on ordinary activities after taxation for the financial year		87140	69809
Dividend		<u>22500</u>	<u>25421</u>
Retained profits brought forward		64640 <u>344688</u>	44388 <u>300300</u>
Retained profits carried forward		£409328 =====	£344688 =====

There were no recognised gains or losses other than those included in the profit and loss account.

The notes on pages 5 to 7 form part of these financial statements.

DELTA ELECTRICAL REPAIRS LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 1996

		<u>1996</u>	<u>1995</u>
<u>FIXED ASSETS</u>	<u>NOTES</u>	£	£
Tangible Assets	5	364286	351489
<u>CURRENT ASSETS</u>			
Stocks	6	25072	22379
Debtors	7	164985	159791
Bank balance and cash		<u>36920</u>	<u>4205</u>
		226977	186375
<u>CREDITORS</u>			
Amounts falling due within one year	8	<u>104972</u>	<u>115457</u>
<u>NET CURRENT ASSETS</u>		<u>122005</u>	<u>70918</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		486291	422407
<u>CREDITORS</u>			
Amounts falling due after more than one year	9	<u>75463</u>	<u>76219</u>
<u>TOTAL NET ASSETS</u>		£410828 =====	£346188 =====
<u>REPRESENTED BY</u>			
Share Capital	10	1500	1500
Revenue reserve		<u>409328</u>	<u>£344688</u>
Shareholders Funds	12	£ 410828 =====	£346188 =====

Approved by the board of directors on 21st January 1997 and signed on its behalf. The directors have relied on special exemptions available to small companies on the grounds that the company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

 Director

The notes on pages 5 to 7 form part of these financial statements.

DELTA ELECTRICAL REPAIRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT 31ST DECEMBER 1996

1. ACCOUNTING POLICIES

Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors report and which is continuing. The company has taken advantage of the exemption in FRS1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life as follows :

Plant Machinery & Equipment	:	15% reducing balance
Fixtures and Fittings	:	15% reducing balance
Motor Vehicles	:	25% reducing balance
Leasehold Property	:	Nil

Stocks

Stocks are valued at the lower part of cost and net realisable value.

2. TURNOVER

Turnover comprises the net invoiced values, excluding VAT, made to customers for goods and services supplied. There were no export sales in the year.

3. PROFIT BEFORE TAXATION

Profit before taxation, on ordinary activities, is stated after charging :

	<u>1996</u>	<u>1995</u>
	£	£
Directors Remuneration	36000	29100
Directors and Employees Pension Contributions	35867	35251
Auditors Remuneration	2800	2600
Hire of Plant and Equipment	1219	2834
Bank Interest	7858	10720
Depreciation of Tangible Fixed Assets	18845	16750
Hire Purchase Interest	550	-
	=====	=====

And after crediting :

Interest Received	713	27
	=====	=====

DELTA ELECTRICAL REPAIRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. TAXATION

The corporation tax charge is calculated on the profits of the year, after allowing for capital expenditure, at the rate of 25%, and is due for payment on 1st October 1997.

	<u>1996</u>	<u>1995</u>
Current year	£26706	£19205
Prior year	<u>7</u>	<u>-</u>
	£26713	£19205
	=====	=====

5. TANGIBLE FIXED ASSETS

	<u>Leasehold Property</u> £	<u>Plant & Equipment</u> £	<u>Fixtures & Fittings</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
Cost					
At 1st January 1996	265520	90069	25207	75230	456026
Additions	<u>3884</u>	<u>4812</u>	<u>1265</u>	<u>21681</u>	<u>31642</u>
At 31st December 1996	269404	94881	26472	96911	487668
	=====				
Depreciation					
At 1st January 1996	-	43043	11110	50384	104537
Charge for the Year	<u>-</u>	<u>6951</u>	<u>2107</u>	<u>9787</u>	<u>18845</u>
At 31st December 1996	-	49994	13217	60171	123382
	=====				
Net Book Value					
At 31st December 1996	269404	44887	13255	36740	364286
At 31st December 1995	265520	47026	14097	24846	351489
	=====				

6. STOCKS

	<u>1996</u>	<u>1995</u>
Raw Materials and Consumables	21350	18724
Work in Progress	<u>3722</u>	<u>3655</u>
	25072	22379
	=====	=====
	<u>1996</u>	<u>1995</u>
Trade debtors	159639	155561
Prepayments	5307	4191
Directors loan account	<u>39</u>	<u>39</u>
	£164985	£159791
	=====	=====

DELTA ELECTRICAL REPAIRS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. <u>CREDITORS</u>	<u>1996</u>	<u>1995</u>
	£	£
Trade Creditors	38689	35023
Bank loan & overdraft	14844	41715
Corporation Tax	21081	12850
Other taxes & social security costs	22578	23469
Accruals	2780	2400
Hire Purchase Creditor	<u>5000</u>	<u>-</u>
	£104972	£115457
	=====	=====

9. <u>CREDITORS</u>	<u>1996</u>	<u>1995</u>
	£	£
Amounts falling due after more than one year		
Other Creditors : Hire Purchase Creditor	6250	-
Bank Loan	<u>£69213</u>	<u>£76219</u>
	£75463	£76219
	=====	=====

10. <u>SHARE CAPITAL</u>	<u>Authorised</u>		<u>Issued and Fully Paid</u>	
	31.12.96	31.12.95	31.12.96	31.12.95
Ordinary shares of £1 each	10000	10000	1500	1500
	=====			

11. LOAN CAPITAL - DIRECTORS

Directors loans are interest free and have no fixed repayment date.

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	<u>1996</u>	<u>1995</u>
	£	£
Net Profit for the year	87140	69809
Dividend	<u>22500</u>	<u>25421</u>
Net additions during the year	64640	44388
Shareholders funds at 1st January 1996	<u>346188</u>	<u>301800</u>
Shareholders funds at 31st December 1996	£410828	£346188
	=====	=====