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JENX LIMITED

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SPECIAL AUDITORS' REPORT AND MODIFIED FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 31 JULY 1985



JENX LIMITED

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JENX LIMITED

SPECIAL AUDITORS' REPORT

UNDER SCHEDULE 8 OF THE COMPANIES ACT 1985

As auditors of Jenx Limited, on 26 June 1986 we reported under Section 236 of the Companies Act 1985 on the financial statements of the Company prepared under Section 227 of the Companies Act 1985 for the period 16 April 1984 to 31 July 1985 as follows:

> "We have audited the financial statements set out on pages 4 to 10 in accordance with approved Auditing Standards having regard to the matters referred to in the following paragraph.
>
> In common with many business of similar size and organisation the Company's system of control is dependent upon the close involvement of the directors, who are major shareholders. Where independant confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the directors that all the company's transactions have been reflected in the records.
>
> Subject to the foregoing, in our opinion the financial statements give a true and fair view of the financial state of affairs of the Company at 31 July 1985 and of its profit and source of application of funds for the period then ended and comply with the Companies Act 1985."

We have examined the modified financial statements on pages 2 and 3, which have been properly prepared from the financial statements of the company prepared under Section 227 of the Companies Act 1985 for the period 16 April 1984 to 31 July 1985 in the manner permitted for a small company under Schedule 8 of the Companies Act 1985.

In our opinion the directors are entitled to deliver modified financial statements, in respect of the period 16 April 1984 to 31 July 1985, as stated by the directors on the balance sheet.

Wingfield Slater

Wingfield Slater,
Chartered Accountants,
Sheffield.

26 JUNE 1986

JENX LIMITED

Modified Balance Sheet at 31 July 1985

	Note	1985 £	1985 £
FIXED ASSETS			
Tangible Assets			4,409
CURRENT ASSETS			
Stocks		2,450	
Debtors		5,385	
Cash at bank and in hand		5,772	
		13,607	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(2)	6,185	
NET CURRENT ASSETS			7,422
TOTAL ASSETS LESS CURRENT LIABILITIES			11,831
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	(2)	9,110	
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred Taxation		900	
			10,010
			1,821
CAPITAL AND RESERVES			
Called Up Share Capital	(3)		100
Profit and Loss Account			1,721
			1,821

In preparing these modified financial statements:

(a) We have relied upon the exemptions to deliver modified financial statements under Sections 247-249 of the Companies Act 1985.

(b) We have done so on the grounds that the Company is entitled to the benefit of those exemptions as a small company.

Approved by the board on 25 JUNE 1986

C.C. JENKINS .....) DIRECTORS

A.D. HARRIS .....)

Notes to the Modified Financial Statements: Period 16 April 1984 to 31 July 1985

1. ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements are prepared under the historical cost convention.

(b) Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets by reducing annual instalments over their expected useful lives at the following rates:

Vehicles	**25%**
Tools and Equipment	**10%**
Office Furniture	**10%**

(c) Stocks

Stocks are valued at the lower of cost and net realisable value. Costs includes material, direct labour and production overheads. Net realisable value is the value which would be realised from the disposal of the stocks in the ordinary course of business.

(d) Deferred taxation

Provision is made at the current rate of Corporation Tax for tax deferred by accelerated capital allowances except to the extent that it is expected that the tax will not be payable in the forseeable future.

2. CREDITORS

The following loan is shown under their respective headings in the Balance Sheet.

	Due Within One Year	Due after more than One Year
	1985	1985
	£	£
Sheffield City Council Loan	438	6,562

The loan of £7,000 was advanced on 20 March 1985, to be repaid over sixteen quarterly instalments commencing 20 June 1986. Interest is payable quarterly at 1¼% over the Co-operative Bank Plc. base rate commencing on 20 March 1986. The loan is secured by a debenture incorporating a fixed and floating charge over all the Company's assets.

3. SHARE CAPITAL

Ordinary Shares of £1 Each	1985
Authorised	100
Issued and fully paid	100