

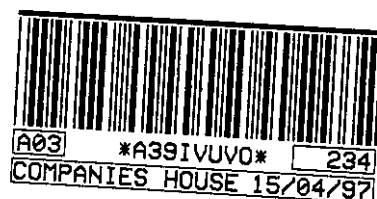
JHAIDEV ENGINEERING LIMITED
ABBREVIATED FINANCIAL STATEMENTS
AND
AUDITORS' REPORT
FOR THE 15 MONTH PERIOD ENDED 31 AUGUST 1996

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The company's registered number is 1565298 (England and Wales)



AUDITORS' REPORT
TO JHAIDEV ENGINEERING LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 7 together with the financial statements of Jhaidev Engineering Limited prepared under section 226 of the Companies Act 1985 for the 15 month period ended 31 August 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 3 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 exemption conferred by section A of Part III of Schedule 8 to the Act, in respect of the 15 month period ended 31 August 1996 and the abbreviated accounts on pages 3 to 7 have been properly prepared in accordance with that Schedule.

Other information

On 27 March 1997 we reported, as auditors of Jhaidev Engineering Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the 15 month period ended 31 August 1996, and our audit report was as follows:

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 page 9.

Respective responsibilities of directors and auditors

As described on page 3 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.

AUDITORS' REPORT (CONTINUED)
TO JHAIDEV ENGINEERING LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

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 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 31 August 1996 and of its profit for the 15 month period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



N.J. Patel & Co.
Chartered Accountants
Registered Auditors

Warley, W Midlands

27 March 1997

JHAIDEV ENGINEERING LIMITED
ABBREVIATED BALANCE SHEET
AT 31 AUGUST 1996

	Notes	1996 £	£	1995 £
FIXED ASSETS				
Tangible Assets	1b,3		218,624	<u>199,028</u>
CURRENT ASSETS				
Stock	1c	24,627		177
Debtors falling due within one year		471,155		221,916
Cash at bank and in hand		403,362		<u>130,100</u>
		<u>899,144</u>		<u>352,193</u>
CREDITORS: Amounts falling due within one year		<u>343,877</u>		<u>128,461</u>
NET CURRENT ASSETS			555,267	223,732
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>773,891</u>	<u>422,760</u>
CREDITORS: Amounts falling due after more than one year	5		3,722	8,889
Provisions for Liabilities/Charges			22,562	<u>14,473</u>
			<u>£ 747,607</u>	<u>£ 399,398</u>
CAPITAL AND RESERVES				
Called up share capital	6		3	4
Other reserves			1	-
Profit and loss account			747,603	<u>399,394</u>
			<u>£ 747,607</u>	<u>£ 399,398</u>

Advantage has been taken of the exemptions conferred by section A of Part III of Schedule 8.

Advantage has been taken, in the preparation of the accounts, of special exemptions applicable to small companies.

In the opinion of the directors, the company is entitled to those exemptions on the basis that it qualifies as a small company under section 247.

The accounts were approved by the board of directors on 27 March 1997


B. S. Cooner, Director

The notes on pages 4 to 7 form part of these accounts

JHAIDEV ENGINEERING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE 15 MONTH PERIOD ENDED 31 AUGUST 1996

1. ACCOUNTING POLICIES

1a. Basis of accounting

The accounts have been prepared under the historical cost convention.

1b. Tangible fixed assets

Fixed assets are shown at historical cost.

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life.

	1996	1995
Freehold buildings - % on cost	2	2
Plant and equipment - % on reducing balance	15	15
Motor vehicles - % on reducing balance	25	25
Fixtures and fittings - % on reducing balance	15	15

1c. Stocks

Stocks and Work in progress is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. A proportion of production overheads are included in stock and work in progress.

1d. Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Advance corporation tax payable on dividends paid or provided for in the 15 month period is written off where it is not recoverable.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax authorities) has been calculated on the liability method. Deferred tax is provided on timing differences, which will probably reverse at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse. However, the amount of all deferred tax, including that which will probably not reverse, is shown in note .

1e. Pension costs

The company operates a defined contribution pension scheme the assets of which are held separately from those of the company in an independently administered fund. Contributions payable by the company are charged to the profit and loss account in the period to which they relate.

1f. Turnover

Turnover comprises the value of sales (excluding VAT and similar taxes and trade discounts) of goods and services in the normal course of business.

JHAIDEV ENGINEERING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE 15 MONTH PERIOD ENDED 31 AUGUST 1996

1. ACCOUNTING POLICIES (CONTINUED)

1g. Leases

Payments under an arrangement which is in substance of a rental nature ('Operating Lease') are charged to profit and loss account on a straight line basis over the operating lease term.

Where assets have been acquired under hire purchase contracts or finance leases the asset is included in tangible assets. Depreciation of such asset is charged to profit and loss account in accordance with the company's normal depreciation policies. Payments are treated as consisting of capital and interest, and the interest element is charged to profit and loss account in equal amounts.

1h. Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company.

2. NON-CONSOLIDATION

The financial statements only reflect information about the company as an individual undertaking and not about the group.

The company being a parent company of a small group is exempt under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

3. TANGIBLE FIXED ASSETS

	1996 £	1995 £
Cost		
At 1 June 1995	474,677	453,252
Additions	79,307	21,425
Disposals	(40,663)	-
At 31 August 1996	<u>513,321</u>	<u>474,677</u>
Depreciation		
At 1 June 1995	275,649	238,395
Disposals	(25,130)	-
For the 15 month period	44,178	37,254
At 31 August 1996	<u>294,697</u>	<u>275,649</u>
Net Book Amounts		
At 31 August 1996	<u>£ 218,624</u>	<u>£ 199,028</u>

Fixed assets net book value includes £36,724 (1995 - £58,257) in respect of vehicles/plant on hire purchase.

JHAIDEV ENGINEERING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE 15 MONTH PERIOD ENDED 31 AUGUST 1996

4. FIXED ASSET INVESTMENTS

The company acquired, at no cost, 100% of the shares in Aapay Merleh Limited, a company registered in England and Wales, which was involved in engineering until its business was transferred to Jhaidev Engineering Limited.

At 31 August 1996 the aggregate share capital and reserves of the subsidiary undertaking amounted to £101 and the loss for the year was £386,496.

5. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	1996	1995
	£	£
Hire purchase agreements	3,722	8,889
	<u>£ 3,722</u>	<u>£ 8,889</u>

Included in creditors are secured creditors amounting to £13,561 (1995 - £25,910).

6. CALLED UP SHARE CAPITAL

	1996	1995
	£	£
Authorised:		
100 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>
Allotted, issued and fully paid:		
3 Ordinary shares of £1 each	<u>£ 3</u>	<u>£ 4</u>

7. RESERVES

	Other reserves £	Profit & loss account £
At 1 June 1995	-	399,394
Other reserves	1	-
Profit for the 15 month period		348,209
At 31 August 1996	<u>£ 1</u>	<u>£ 747,603</u>

JHAIDEV ENGINEERING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE 15 MONTH PERIOD ENDED 31 AUGUST 1996

7. RESERVES (CONTINUED)

Other reserves

	Capital redemption reserve £	Total £
Transfers	1	1
At 31 August 1996	£ 1	£ 1

8. TRANSACTIONS WITH DIRECTORS

The directors of Jhaidev Engineering Limited are also directors of Aapay Merleh Limited. Net sales and services to Aapay Merleh Limited during the year amounted to £283,980 (1995 - £443,612). During the period goods and services purchased from Aapay Merleh Limited amounted to £129,788 (1995 - Nil) including transfer of assets at book value of £107,668.

Under a group income election, group income amounting to £372,000 (1995 - Nil) was paid to Jhaidev Engineering Limited by Aapay Merleh Limited.

The company purchased one ordinary share representing 25% of its own issued share capital from Boota Singh Cooner, a former director of the company, for £60,000.

On 30 August 1995 the company acquired 75 shares representing 100% of the shares in Aapay Merleh Limited, by way of gift from A S Cooner, L S Cooner and B S Cooner who are directors of both Jhaidev Engineering Limited and Aapay Merleh Limited.