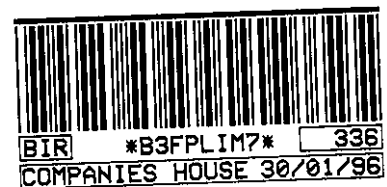


JHAIDEV ENGINEERING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1995

REGISTERED NUMBER 1565298 (ENGLAND AND WALES)



JHAIDEV ENGINEERING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1995

DIRECTORS

Amarjit Singh Cooner
Boota Singh Cooner
Baldev Singh Cooner
Lashkar Singh Cooner

SECRETARY

Amarjit Singh Cooner

REGISTERED OFFICE

Unit 4
Hockley Brook Trading Estate
South Road Avenue
Hockley
Birmingham B18 5JR

COMPANY NUMBER

1565298 (England and Wales)

BANKERS

National Westminster Bank plc

SOLICITORS

Needham & James

AUDITORS

N.J.Patel & Co.
Warley, W Midlands

JHAIDEV ENGINEERING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1995

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	7	Profit and Loss Account
	8	Balance Sheet
	9	Reconciliation of Movements in Shareholders' Funds
	10 to 16	Notes to the Financial Statements

JHAIDEV ENGINEERING LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 1995

The directors present their report and the audited financial statements of the company for the year ended 31 May 1995.

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:-

- 1) select suitable accounting policies and then apply them consistently.
- 2) make judgements and estimates that are reasonable and prudent.
- 3) 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.

PRINCIPAL ACTIVITIES

The principal activities of the company continued to be that of general machining.

DIRECTORS

The directors who served during the year are shown below.

Amarjit Singh Cooner
Boota Singh Cooner
Baldev Singh Cooner
Lashkar Singh Cooner

The directors beneficial interests in the issued ordinary share capital were as follows:

	1995 No.	1994 No.
Amarjit Singh Cooner	1	1
Boota Singh Cooner	1	1
Baldev Singh Cooner	1	1
Lashkar Singh Cooner	1	1

JHAIDEV ENGINEERING LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 1995

CLOSE COMPANY STATUS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

CHARITABLE CONTRIBUTIONS

	1995	1994
	£	£
Company contributions to charities	11,856	24,569

AUDITORS

The auditors, N.J.Patel & Co., are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 7 January 1994.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 22 January 1996 and signed on their behalf.

AD Cooner.

Amarjit Singh Cooner
Secretary

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF
JHAIDEV ENGINEERING LIMITED
FOR THE YEAR ENDED 31 MAY 1995**

We have audited the financial statements on pages 7 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

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.

We have audited the financial statements on pages 7 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

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.

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.

AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF
JHAIDEV ENGINEERING LIMITED
FOR THE YEAR ENDED 31 MAY 1995

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 1995 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.



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

Warley, W Midlands

22 January 1996

JHAIDEV ENGINEERING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 1995

	Note	1995 £	1994 £
TURNOVER	2		
Continuing operations		610,507	454,606
Cost of sales	3	(354,473)	(309,247)
GROSS PROFIT		256,034	145,359
Net operating expenses	3&4	(129,414)	(140,509)
OPERATING PROFIT	4		
Continuing operations		126,620	4,850
Interest receivable and similar income	6	4,527	4,046
Interest payable and similar charges	7	(7,978)	(8,850)
PROFIT ON ORDINARY ACTIVITIES			
BEFORE TAXATION		123,169	46
Tax on ordinary activities	8	(34,533)	(6,559)
RETAINED PROFIT/(LOSS) FOR THE			
FINANCIAL YEAR		£ 88,636	£ (6,513)

The company made no recognised gains and losses other than those reported in the profit and loss account.

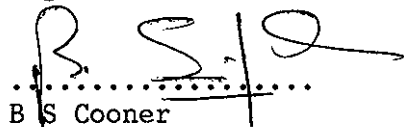
The notes on pages 10 to 16 form part of these financial statements

JHAIDEV ENGINEERING LIMITED
BALANCE SHEET
AT 31 MAY 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
Tangible assets	9	199,028	214,857
CURRENT ASSETS			
Stock	10	177	6,593
Debtors	11	221,916	111,193
Cash at bank and in hand		130,100	91,617
		352,193	209,403
CREDITORS: Amounts falling due within one year	12	128,461	84,128
NET CURRENT ASSETS		223,732	125,275
TOTAL ASSETS LESS CURRENT LIABILITIES		422,760	340,132
CREDITORS: Amounts falling due after more than one year	13	8,889	13,574
PROVISIONS FOR LIABILITIES AND CHARGES	14	14,473	15,796
NET ASSETS		£ 399,398	£ 310,762
CAPITAL AND RESERVES			
Called up share capital	16	4	4
Profit and loss account	17	399,394	310,758
TOTAL CAPITAL EMPLOYED		£ 399,398	£ 310,762

Advantage has been taken, in the preparation of the accounts, of special exemptions applicable to small companies, provided by Part I of Schedule 8 of the Companies Act 1985, on the grounds that, in the directors' opinion, the company is entitled to those exemptions.

Signed on behalf of the board


.....
B S Cooner

22 January 1996

The notes on pages 10 to 16 form part of these financial statements

JHAIDEV ENGINEERING LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 MAY 1995

	1995 £	1994 £
Profit/(Loss) for the financial year	88,636	(6,513)
Net addition to shareholders' funds	<u>88,636</u>	<u>(6,513)</u>
Opening shareholders' funds	310,762	317,275
Closing shareholders' funds	<u>£ 399,398</u>	<u>£ 310,762</u>

The notes on pages 10 to 16 form part of these financial statements

JHAIDEV ENGINEERING LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 1995

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.

	1995	1994
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.

1d. Taxation

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

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 14.

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.

JHAIDEV ENGINEERING LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 1995

1. ACCOUNTING POLICIES (CONTINUED)

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.

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.

2. TURNOVER

The turnover and pre-tax result is attributable to one activity, that of general machining and all of which relates to United Kingdom.

	1995 £	1994 £
United Kingdom	610,507	454,606
	<u>£ 610,507</u>	<u>£ 454,606</u>

3. COST OF SALES AND NET OPERATING EXPENSES

	1995 £	1994 £
Cost of sales	£ 354,473	£ 309,247
Net operating expenses:		
Distribution costs	3,999	1,575
Administrative expenses	144,159	157,136
Depreciation	11,256	11,798
Other operating income	(30,000)	(30,000)
	<u>£ 129,414</u>	<u>£ 140,509</u>

JHAIDEV ENGINEERING LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 1995

4. OPERATING PROFIT

	1995 £	1994 £
Profit on ordinary activities is stated after charging:		
Auditors' remuneration		
Audit services	1,600	1,550
Depreciation and amortisation		
Tangible assets: owned	11,256	13,858
Tangible assets: leased	25,998	25,433
Staff costs (note 5)	302,638	260,414
	<hr/>	<hr/>
and after crediting:		
Management charges	30,000	30,000
	<hr/>	<hr/>

5. DIRECTORS AND EMPLOYEES

Particulars of employees (including directors) are shown below:

Employee costs during the year amounted to:	1995 £	1994 £
Wages and salaries	264,643	226,655
Social security costs	27,485	23,212
Health insurance	2,348	2,385
Other pension costs	8,162	8,162
	<hr/>	<hr/>
	£ 302,638	£ 260,414
	<hr/>	<hr/>

Directors' remuneration included above	151,393	149,968
	<hr/>	<hr/>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995 £	1994 £
Bank interest receivable	4,527	4,046
	<hr/>	<hr/>
	£ 4,527	£ 4,046
	<hr/>	<hr/>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
Interest on hire purchase agreements	6,143	4,446
Interest on other loans and overdraft	1,835	4,404
	<hr/>	<hr/>
	£ 7,978	£ 8,850
	<hr/>	<hr/>

JHAIDEV ENGINEERING LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 1995

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995	1994
	£	£
Corporation tax at 25%	35,856	6,559
Deferred taxation	(1,323)	-
	<u>£ 34,533</u>	<u>£ 6,559</u>

9. TANGIBLE FIXED ASSETS

	Freehold £	Plant & Machinery £	Fixtures & Equipment £	Total £
Cost				
At 1 June 1994	48,189	377,321	27,742	453,252
Additions	-	21,330	95	21,425
At 31 May 1995	<u>48,189</u>	<u>398,651</u>	<u>27,837</u>	<u>474,677</u>
Depreciation				
At 1 June 1994	6,949	214,647	16,799	238,395
For the year	964	34,635	1,655	37,254
At 31 May 1995	<u>7,913</u>	<u>249,282</u>	<u>18,454</u>	<u>275,649</u>
Net Book Amounts				
At 31 May 1995	<u>£ 40,276</u>	<u>£ 149,369</u>	<u>£ 9,383</u>	<u>£ 199,028</u>
At 31 May 1994	<u>£ 41,240</u>	<u>£ 162,674</u>	<u>£ 10,943</u>	<u>£ 214,857</u>

Hire Purchase Assets

Included in fixed assets are assets of net book amount £58,257 (1994 - £76,083) held under hire purchase contracts. The amount of depreciation provided in the year on these assets is £16,445 (1994 -£19,962).

10. STOCK

	1995	1994
	£	£
Stock comprises:		
Stock	177	6,593
	<u>£ 177</u>	<u>£ 6,593</u>

JHAIDEV ENGINEERING LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 1995

11. DEBTORS	1995	1994
	£	£
Trade debtors	116,309	28,950
Amounts owed by Associated company	99,640	70,286
Other debtors	—	5,500
Prepayments	5,967	6,457
	<u>£ 221,916</u>	<u>£ 111,193</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1995	1994
	£	£
Bank Loan	—	2,292
Hire purchase creditor	17,021	33,700
UK corporation tax	35,856	6,559
Directors loan accounts	3,307	3,307
Other taxation and social security	38,444	19,884
Trade creditors	27,628	14,594
Accruals	6,205	3,792
	<u>£ 128,461</u>	<u>£ 84,128</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	1995	1994
	£	£
Hire purchase agreements	8,889	13,574
	<u>£ 8,889</u>	<u>£ 13,574</u>

Included in creditors are secured creditors amounting to £25,910 (1994 - £49,566).

JHAIDEV ENGINEERING LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 1995

14. PROVISIONS FOR LIABILITIES AND CHARGES	1995	1994
	£	£
Deferred Taxation	14,473	15,796
	<u>£ 14,473</u>	<u>£ 15,796</u>

Deferred taxation

Deferred tax has been provided to the extent that the directors have concluded, on the basis of reasonable assumptions and the intentions of management, that it is probable that part of the liability will crystallise.

	1995	1994
	£	£
Excess of tax allowances over book depreciation of fixed assets	14,473	15,796
	<u>£ 14,473</u>	<u>£ 15,796</u>

The movement on deferred taxation comprises:

Beginning of the year	15,796	15,796
Charged to the profit and loss, in respect of: capital allowances	(1,323)	-
End of year	<u>£ 14,473</u>	<u>£ 15,796</u>

15. OBLIGATION UNDER HIRE PURCHASE CONTRACTS	1995	1994
	£	£
Net obligations under hire/lease purchase contracts are payable as follows:		
Within one year	17,021	33,700
In one to five years	8,889	13,574
	<u>25,910</u>	<u>47,274</u>

The obligations are shown in the balance sheet as:

Amounts falling due within one year(Note 12)	17,021	33,700
Amounts falling due in more than one year(Note 13)	8,889	13,574
	<u>25,910</u>	<u>47,274</u>

JHAIDEV ENGINEERING LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 1995

16. CALLED UP SHARE CAPITAL	1995	1994
	£	£
Authorised:		
100 Ordinary shares of £1 each	£ 100	£ 100
	<hr/>	<hr/>
Allotted, issued and fully paid:		
4 Ordinary shares of £1 each	£ 4	£ 4
	<hr/>	<hr/>

17. RESERVES

	Profit & loss account £
At 1 June 1994	310,758
Profit for the year	88,636
	<hr/>
At 31 May 1995	£ 399,394
	<hr/>

18. TRANSACTIONS WITH DIRECTORS

The directors of Jhaidev Engineering Limited are also directors and shareholders of Aapay Merleh Limited. Net sales and services to Aapay Merleh Limited during the year amounted to £443,612 (1994 - £296,162).