

FINANCIAL STATEMENTS

P & A PRECISION (ENGINEERING) LIMITED

YEAR ENDED 30th JUNE 1996

Company Registration Number: 2263737

WILSON de ZOUCHE & MACKENZIE
Chartered Accountants
123 India Buildings
Water Street
Liverpool L2 0SA



P & A PRECISION (ENGINEERING) LIMITED

COMPANY INFORMATION

Registered Office:	Unit 4, Aber Industrial Park, Flint,Industrial Park, Clwyd.
Company Registration Number:	2263737
Director:	P S Hancocks
Company Secretary:	A Hancocks
Reporting Accountants:	Wilson de Zouche & Mackenzie 123 India Buildings Water Street Liverpool L2 0SA

P & A PRECISION (ENGINEERING) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 1996

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P & A PRECISION (ENGINEERING) LIMITED**DIRECTOR'S REPORT**
FOR THE YEAR ENDED 30th JUNE 1996

The director presents the report and the financial statements of the company for the year ended 30th June 1996.

PRINCIPAL ACTIVITY.

The principal activity of the company is that of precision and general engineering fabrication.

RESULTS AND DIVIDENDS.

The trading results for the year, the company's financial position, and the amounts transferred to reserves are shown in the attached financial statements.

The director has not recommended a dividend.

THE DIRECTOR'S INTERESTS IN THE COMPANY'S SHARES.

The director's beneficial interests in the company's shares was as follows:

	Type of share	At the end of the period	At the start of the period
P S Hancocks	Ordinary	15,000	15,000

CLOSE COMPANY PROVISIONS.

In the opinion of the director, the company is a close company within the meaning of the Income and Corporation Taxes Act, 1988.

REPORTING ACCOUNTANTS.

A resolution to re-appoint Messrs Wilson de Zouche & Mackenzie as reporting accountants for the ensuing year will be proposed at the Annual General Meeting.

P & A PRECISION (ENGINEERING) LIMITED

DIRECTOR'S REPORT
FOR THE YEAR ENDED 30th JUNE 1996

SMALL COMPANY EXEMPTIONS.

In preparing the director's report, the director has taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in the director's opinion, the company qualifies as a small company.

Signed on behalf of the board of directors

A Hancocks
Company secretary

A. Hancocks

Date: 17-6-97

THE ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON
THE UNAUDITED FINANCIAL STATEMENTS
OF P & A PRECISION (ENGINEERING) LIMITED

We report on the financial statements for the year ended 30th June 1996 set out on pages 4 to 10.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND REPORTING ACCOUNTANTS.

As described on page 6, the company's director is responsible for the preparation of the financial statements, and the director considers that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

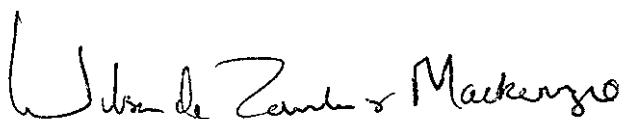
BASIS OF OPINION.

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION.

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemptions specified in section 249B(1).



WILSON de ZOUCHE & MACKENZIE
LIVERPOOL

CHARTERED ACCOUNTANTS
REPORTING ACCOUNTANTS

Date: 18th June 1997

P & A PRECISION (ENGINEERING) LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30th JUNE 1996

	Note	1996 £	1995 £
Turnover	2	197,836	254,078
Cost of sales		(65,940)	(72,383)
Gross profit		131,896	181,695
Administrative expenses		(143,508)	(138,185)
Operating (loss)/profit	3	(11,612)	43,510
(Loss)/Profit on ordinary activities before taxation		(11,612)	43,510
Tax on (loss)/profit on ordinary activities	5	2,780	(4,639)
(Loss)/Profit for the financial year		(8,832)	38,871

Statement of retained profits	£	£
At the beginning of the year	9,633	(29,238)
(Loss)/Profit for the financial year	(8,832)	38,871
At the end of the year	801	9,633

Total recognised gains and losses.

The company had no recognised gains or losses other than the (loss)/profit for the above two financial years.

Continuing Operations.

None of the company's activities were acquired or discontinued during the

P & A PRECISION (ENGINEERING) LIMITED**BALANCE SHEET AS AT 30th JUNE 1996**

	Note	1996		1995	
		£	£	£	£
Fixed assets					
Tangible assets	6		27,539		30,079
Current assets					
Stocks		27,747		14,153	
Debtors	7	45,126		68,048	
		<u>72,873</u>		<u>82,201</u>	
Creditors: Amounts falling due within one year	8	<u>(84,611)</u>		<u>(87,647)</u>	
Net current liabilities			(11,738)		(5,446)
Total assets less current liabilities			<u>15,801</u>		<u>24,633</u>
Net assets			<u>15,801</u>		<u>24,633</u>
Capital and reserves			£		£
Called up share capital	9		15,000		15,000
Profit and loss account			801		9,633
Shareholders funds	10		<u>15,801</u>		<u>24,633</u>

Shareholders funds are attributable to equity shareholders only.

The director is of the opinion that the company is entitled to take advantage of the exemptions conferred by subsection (2) of section 249A of the Companies Act 1985, and the financial statements have been prepared on that basis.

The director confirms that no notice has been deposited under subsection (2) of section 249B of the Companies Act 1985 in relation to its accounts for the financial year.

The notes on pages 7 to 10 form part of these financial statements.

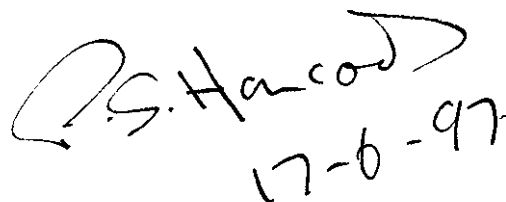
P & A PRECISION (ENGINEERING) LIMITED**BALANCE SHEET AS AT 30th JUNE 1996**

Continued...

The director acknowledges the responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements that give a true and fair view of the state of affairs of the company as at the end of the financial year and of its loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements, so far as applicable to the company.

In preparing these financial statements, the director has taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in the director's opinion, the company qualifies as a small company.

These financial statements were approved on:

Handwritten signature of P. S. Hancock and the date 17-6-97.

P S Hancocks - Director

P & A PRECISION (ENGINEERING) LIMITED**NOTES TO THE ACCOUNTS**
FOR THE YEAR ENDED 30th JUNE 1996**1. ACCOUNTING POLICIES.**

The financial statements have been prepared under the historical cost convention using the following accounting policies:

CASH FLOW STATEMENT.

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

TURNOVER.

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

DEPRECIATION.

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Motor Vehicles	25% reducing balance
Plant & Machinery	20% reducing balance
Leasehold Property	50% reducing balance
Leasehold Improvements	50% reducing balance

STOCK.

Stock has been valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2. TURNOVER.

The turnover and loss before tax are attributable to the one principal activity of the company.

3. OPERATING LOSS/PROFIT.

Operating loss/profit is stated after charging:

	1996	1995
	£	£
Director's remuneration	29,663	26,336
Depreciation	7,169	8,071
Loss on disposal of fixed assets	-	1,499
	<u> </u>	<u> </u>

P & A PRECISION (ENGINEERING) LIMITED**NOTES TO THE ACCOUNTS**
FOR THE YEAR ENDED 30th JUNE 1996**4. THE DIRECTOR'S EMOLUMENTS.**

The director's emoluments, including pensions and benefits in kind were:

	1996 £	1995 £
Emoluments as director	29,663	26,336

5. TAXATION ON ORDINARY ACTIVITIES.

	1996 £	1995 £
Current year corporation tax at 24%	(2,780)	4,639

6. TANGIBLE FIXED ASSETS.

	Motor Vehicles £	Plant & Machinery £	Leasehold Property £	Leasehold Improve. £	Total £
COST:					
Brought forward	1,000	92,337	3,000	3,750	100,087
Additions	-	4,629	-	-	4,629
Carried forward	1,000	96,966	3,000	3,750	104,716
DEPRECIATION:	£	£	£	£	£
Brought forward	578	63,368	2,750	3,312	70,008
Charge	106	6,720	125	218	7,169
Carried forward	684	70,088	2,875	3,530	77,177
NET BOOK VALUE:	£	£	£	£	£
At 30th June 1996	316	26,878	125	220	27,539
At 30th June 1995	422	28,969	250	438	30,079

P & A PRECISION (ENGINEERING) LIMITED**NOTES TO THE ACCOUNTS**
FOR THE YEAR ENDED 30th JUNE 1996**7. DEBTORS.**

	1996 £	1995 £
Trade debtors	42,346	67,801
Other debtors	-	247
Corporation tax	2,780	-
	<u>45,126</u>	<u>68,048</u>

All debtors are receivable within one year of the balance sheet date.

8. CREDITORS: Amounts falling due within one year.

	1996 £	1995 £
Bank loans and overdrafts	41,807	32,155
Trade creditors	22,100	24,151
Corporation tax	-	4,639
Other taxes and social security costs	11,476	18,978
Director's current account	3,098	5,146
Accruals and deferred income	6,130	2,578
	<u>84,611</u>	<u>87,647</u>

The following debts disclosed in creditors falling due within one year are secured:

	1996 £	1995 £
Bank loans and overdrafts	<u>41,807</u>	<u>32,155</u>

P & A PRECISION (ENGINEERING) LIMITED**NOTES TO THE ACCOUNTS**
FOR THE YEAR ENDED 30th JUNE 1996**9. SHARE CAPITAL.**

	1996 £	1995 £
Authorised share capital:		
100,000 Ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
Ordinary share capital	15,000	15,000
	<hr/>	<hr/>
Total share capital	15,000	15,000
	<hr/>	<hr/>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS.

	1996 £	1995 £
(Loss)/Profit for the financial year	(8,832)	38,871
	<hr/>	<hr/>
Net (decrease)/increase in funds	(8,832)	38,871
	<hr/>	<hr/>
Opening shareholders' funds	24,633	(14,238)
	<hr/>	<hr/>
Closing shareholders' funds	15,801	24,633
	<hr/>	<hr/>

Opening and closing shareholders funds are all attributable to equity shareholders.

P & A PRECISION (ENGINEERING) LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30th JUNE 1996

	1996		1995	
	£	£	£	£
Turnover:				
Sales		197,836		254,078
Cost of sales:				
Opening stock & WIP	14,153		25,200	
Purchases	79,534		61,336	
	<u>93,687</u>		<u>86,536</u>	
Closing stock & WIP	(27,747)		(14,153)	
		65,940		72,383
Gross profit		<u>131,896</u>		<u>181,695</u>
Administrative expenses:				
Rent & Rates	16,237		20,845	
Light and heat	1,712		1,792	
Insurance	1,047		1,094	
Plant Repairs & Maintenance	217		2,043	
Wages & National Insurance	72,875		61,429	
Casual Labour	-		640	
Motor expenses	1,588		753	
Telephone	650		448	
Postage, Stationery & Adverts	617		426	
Use of home as office	780		780	
General expenses	790		1,134	
Bank charges	743		653	
Bank interest	5,555		7,592	
Legal & professional	2,440		1,675	
Accountancy fees	1,425		975	
Directors' emoluments	29,663		26,336	
Depreciation	7,169		8,071	
Loss on disposal of fixed assets	-		1,499	
		<u>(143,508)</u>		<u>(138,185)</u>
(Loss)/Profit on ordinary activities		<u><u>(11,612)</u></u>		<u><u>43,510</u></u>

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