

Company Number: 2582669

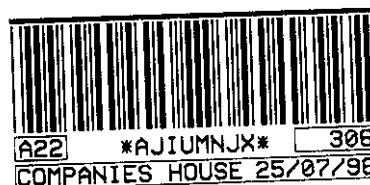
Gemflex Engineering Limited

Abbreviated Accounts

For the year ended 30th September 1995

C O N T E N T S

1 & 2	Auditors report
3	Abbreviated balance sheet
4 to 6	Notes



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

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of Gemflex Engineering Limited prepared under section 226 of the Companies Act 1985 for the year ended 30th September 1995.

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 exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 30th September 1995 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 4th April 1996 we reported, as auditors of Gemflex Engineering Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30th September 1995 and our audit report was as follows:-

"We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 6 and 7.

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 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 TO THE DIRECTORS OF GEMFLEX ENGINEERING LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

CONTINUED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th September 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."

A handwritten signature in cursive script, reading 'Hobson Phillips & Sharpe', with a long horizontal flourish extending to the right.

Hobson Phillips & Sharpe
Chartered Accountants & Registered Auditors
Alexandra House
43 Alexandra Street
Nottingham
NG5 1AY

4th April 1996

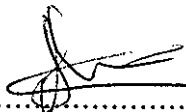
GEMFLEX ENGINEERING LIMITED
ABBREVIATED BALANCE SHEET AS AT 30TH SEPTEMBER 1995

	Note	1995	1994
Fixed Assets	2	487,066	422,089
Current Assets			
Stocks		57,491	69,499
Debtors		279,408	307,014
Cash at bank and in hand		978	2,016
		<hr/>	<hr/>
		337,877	378,529
Creditors			
Amounts falling due within one year		605,968	585,205
		<hr/>	<hr/>
Net Current Liabilities		(268,091)	(206,676)
		<hr/>	<hr/>
Total Assets less Current Liabilities		218,975	215,413
Creditors			
Amounts falling due after one year		71,765	110,460
Provisions for Liabilities and Charges		42,000	113,765
		<hr/>	<hr/>
		£ 105,210	£ 65,453
		<hr/>	<hr/>
Capital and Reserves			
Called up share capital	4	100	100
Profit and loss account		105,110	65,353
		<hr/>	<hr/>
Shareholders' funds		£ 105,210	£ 65,453
		<hr/>	<hr/>

The directors have taken advantage of the exemptions conferred by Part III of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

The directors have taken advantage of the special exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion the company is entitled to those exemptions as a small company.

Signed on behalf of the Board of Directors


..... Director

The full financial statements and these abbreviated accounts were approved by the Directors on

2nd April 1996

GEMFLEX ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1995

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow

The financial statements do not include a cash flow statement because the company is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1, as a small company.

Turnover

Turnover represents the total amount receivable for goods supplied and services provided during the year excluding value added tax.

Depreciation

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The following rates and bases are used:

Property alterations	10 %	per annum straight line
Plant & office equipment,		
Fixtures & fittings	15 %	per annum reducing balance
Motor vehicles	25 %	per annum reducing balance
Small machine tools	25 %	per annum straight line
Portakabins	20 %	per annum reducing balance

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value.

Cost comprises purchase price or direct production cost together with attributable production and other overheads.

Net realisable value means estimated selling price less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

Deferred tax

Provision is made for deferred tax at the current rate of corporation tax in respect of accelerated taxation allowances on capital expenditure and other timing differences to the extent that a liability is anticipated in the foreseeable future.

GEMFLEX ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED
30TH SEPTEMBER 1995

1. Accounting policies continued

Leasing and hire purchase commitments

Assets acquired under finance leases and hire purchase contracts which substantially transfer the risks and rewards of ownership to the company are capitalised as tangible fixed assets at their fair values and depreciated over their useful economic lives, or the terms of the lease (whichever is the shorter). Outstanding obligations, net of finance charges, are shown as a liability. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease.

All other leases are operating leases and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme for one of its directors. Contributions payable for the year are charged in the profit and loss account.

2. Fixed assets

	Tangible Assets
<u>Cost</u>	
As at 1st October 1994	660,334
Additions	171,531
Disposals	(24,730)
	<hr/>
As at 30th September 1995	£ 807,135
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<u>Depreciation</u>	
As at 1st October 1994	238,245
Current year	101,848
Disposals	(20,024)
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As at 30th September 1995	£ 320,069
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Net book value at 30th September 1995	£ 487,066
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Net book value at 30th September 1994	£ 422,089
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3. Details of security

At 30th September 1995, the secured borrowing amounted to £220,166, (1994 - £251,410).

GEMFLEX ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED
30TH SEPTEMBER 1995

4. Share capital

	Authorised		Allotted & fully paid	
	1995	1994	1995	1994
Ordinary shares of £1 each	1,000	1,000	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5. Transactions involving directors

The following loan to a director was outstanding during the year:

<u>Director</u>	<u>Nature</u>	<u>At</u> 30.9.94	<u>At</u> 30.9.95	<u>Highest balance</u> <u>during the year</u>
P K Hatfield	Overdrawn current account	Nil	Nil	£20,000

No interest is charged on the loan.

6. Parent company

This company is a subsidiary of Leen Gate Group Limited which is registered in England and Wales.