

A.P.I. ENGINEERING LIMITED - No. 3960619
DIRECTORS REPORT

The company has spent most of the period (18 months) of these accounts exploring opportunities for sourcing engineering products from China and other low cost countries. Suitably equipped and qualified manufacturers have been identified, visited and contacts established.

In the UK businesses, who could benefit from out-sourcing of engineering products, have been approached and estimates obtained for typical components suitable for out-sourcing. A number of customers have emerged and further orders are imminent.

The company is also sourcing electric motors from China and a number of users in the UK have expressed an interest.

As a result of the efforts made so far it is considered that the company is well positioned to trade profitably in the future.



Signed. D.M. Robinson Director and Company Secretary.



A.P.I. ENGINEERING

BALANCE SHEET AS AT 29TH SEPTEMBER 2001

FIXED ASSETS	2219
Less Depreciation	1110
TOTAL	1109
CURRENT ASSETS	
Stock	1017
Debtors	235
Bank	15873
Currency 1005RMB @ 11.RMB to £	92
TOTAL	17217
Less CURRENT LIABILITIES	
Creditors	
Paybill & Expences	1436
TOTAL LIABILITIES	1436
NET CURRENT ASSETS	15781
TOTAL ASSETS LESS CURRENT LIABILITIES	16890
FINANCED BY	
90000 £1 Shares - Part Paid	33390
10000 £1 Non voting Shares	5214
Loss 2000/2001	-21714
TOTAL	16890

A.P.I. ENGINEERING LIMITED – ACCOUNTS FOR 18 MONTHS TO 29TH SEPTEMBER 2001

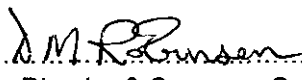
1. For the year ended 29.9.2001 the company was entitled to exemption under sub-section (1) of section 249A of the Companies Act 1985

2. No notice from members requiring an audit has been deposited under section 249A(2) of the Companies Act

3. The directors acknowledge their responsibility for:

a) ensuring the company keeps accounting records which comply with section 221 and:
b) preparing accounts which 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 profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as is applicable to the company.

c) Preparing the accounts in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies

SIGNED 

Director & Company Secretary

3960619

A.P.I. ENGINEERING**TRADING PROFIT AND LOSS ACCOUNT FOR 18 MONTHS ENDED 29TH SEPTEMBER 2001****SALES**

Motors (samples)

Casters

Others

Castings

Forgings

19423.47

TOTAL SALES**LESS COST OF SALES**

Opening stock

Purchases(incl CIF.)

16890.87

Delivery and Clearance

1282.61

18173.48

Less Closing Stock

1017.32

17156.16

GROSS PROFIT

2267.31

LESS EXPENCES

Paybill

12371.37

Equipment

Travel - Visits to Chinse suppliers

3265.96

Motor Milage Expences

1990.35

Utilities - Use of Home Office

761.63

Telephone

650.7

Accountant

Directors Expences

450.31

Stationery & Postage

276.18

Literature & Website

663.00

Depreciation

3328

Bank Charges

224.05

TOTAL EACH

23981.55

TOTAL ALL**NET PROFIT/LOSS**

-21714.24