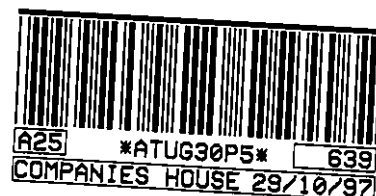


22 OCT 1997

JGB ENGINEERING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 1997

REGISTERED NUMBER: 02690680



REPORT OF THE ACCOUNTANT TO THE SHAREHOLDERS OF
JGB ENGINEERING LIMITED

1.

We have examined, without carrying out an audit, the accounts for the year ended 28 February 1997 set out on pages 2 to 6.

Respective responsibilities of directors and reporting accountant
As described on the balance sheet the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is our responsibility to examine the accounts and based on our examination to report our opinion, as set out below, to the shareholders.

Basis of opinion

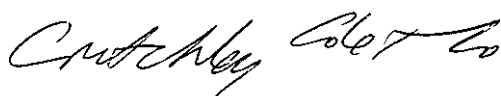
We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the accounts. Therefore our examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

Opinion

In our opinion:

- (a) the accounts 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 the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
- (c) having regard only to, and on the basis of, the information contained in the accounting records kept by the company under section 221, the company satisfied the requirements of 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 exemption specified in section 249B(1)(F).



Critchley Cole & Co
Reporting Accountants
25 July 1997

20 Lansdown
Stroud
Glos, GL5 1BG

JGB ENGINEERING LIMITED

BALANCE SHEET AT 28 FEBRUARY 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible Assets		15536	21633
CURRENT ASSETS			
Bank		1651	-
Stocks		28481	12291
Debtors		37366	75333
		-----	-----
		67498	87624
CREDITORS: Amounts Falling Due Within One Year		(64234)	(89674)
		-----	-----
NET CURRENT ASSETS/(LIABILITIES)		3264	(2050)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		18800	19583
CREDITORS: Amounts Falling Due After More Than One Year		-	(1050)
PROVISION FOR LIABILITIES AND CHARGES		(1064)	(887)
		-----	-----
		£17736	£17646
		-----	-----
CAPITAL AND RESERVES			
Called Up Share Capital	3.	3	3
Profit And Loss Account		17733	17643
		-----	-----
TOTAL SHAREHOLDERS' FUNDS	4.	£17736	£17646
		-----	-----

STATEMENT BY DIRECTORS

- (i) the company was entitled to the exemption conferred by subsection (2) of section 249A for the year ended 28 February 1997.
- (ii) no notice from members requiring an audit, has been deposited under section 249B(2) of the Companies Act 1985, and

CONT'D

JGB ENGINEERING LIMITED

BALANCE SHEET AT 28 FEBRUARY 1997

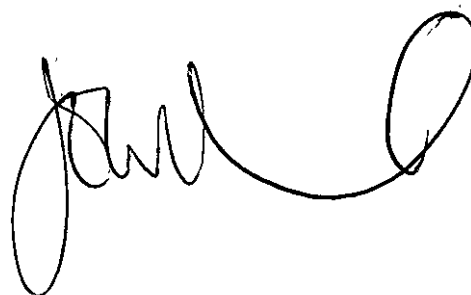
STATEMENT BY DIRECTORS CONT'D

(iii) the directors acknowledge their responsibilities for -

- (a) ensuring that 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 period and of its profit or loss for the financial period, 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 applicable to the company.
- (c) in preparing these accounts, the directors, have relied upon the exemptions of individual accounts provided by section 246 and they have done so on the grounds that the company is entitled to those exemptions as a small company.

These accounts were approved by the Board on the 25 July 1997.

DIRECTOR - J.O. Williams

A handwritten signature in black ink, appearing to be 'J.O. Williams', written in a cursive style.

The attached notes form part of these accounts

JGB ENGINEERING LIMITED

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1997

1. Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Depreciation

Depreciation is calculated to write off the cost of all fixed assets over their estimated useful lives as follows:

Motor vehicles	20% per annum on cost
Production equipment	10% per annum on cost
Office equipment	10% per annum on cost

Stock

Stock is valued at the lower of cost and net realisable value on bases and methods applied consistently.

Deferred Taxation

Deferred Taxation is provided for in full.

Cash flow statement

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a cash flow statement for the period.

Operating leases

Rentals applicable to operating leases where all of the benefits and risks of ownership remain with the lessor are charged against the profit and loss account as incurred.

Company Pension Scheme

The company operates a defined pension contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the scheme.

2. Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

JGB ENGINEERING LIMITED

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1997

3. Called Up Share Capital

		1997	1996
	Number of shares	£	£
Authorised Ordinary shares of £1	100	100	100
	---	---	---
Allotted, called up and fully paid	3	3	3
	-	-	-

4. Reconciliation of movements in shareholders' funds

	1997	1996
	£	£
Opening shareholders' funds	17646	3639
Profit for the financial year	90	14007
	-----	-----
Closing shareholders' funds	17736	17646
	-----	-----

5. Contingent Liabilities

At the 28 February 1997 the company had no contingent liabilities (1996 £Nil).

NOTES ON FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1997

6. Commitments

Capital commitments

At the 28 February 1997 capital expenditure commitments were as follows:

	1997	1996
Contracted but not provided for in accounts	£Nil ---	£Nil ---
Authorised by the directors but not contracted for	£Nil ---	£Nil ---

Lease commitments - operating leases

At 28 February 1997 the company had annual commitments of £Nil (1996 £Nil) under non-cancellable operating leases which expire within two to five years.

Other financial commitments

At the 28 February 1997 the company had no other financial commitments (1996 £Nil).

7. Transactions with Directors

During the year the company had the following material transactions with the directors:

Sales to a company in which one of the directors had an interest: £5600

Purchases from a company in which one of the directors has an interest: £9621

These transactions were made on a normal trading basis.

8. Post Balance Sheet Events

There have been no events which have occurred after the balance sheet date which necessitate any revision to the financial statements.