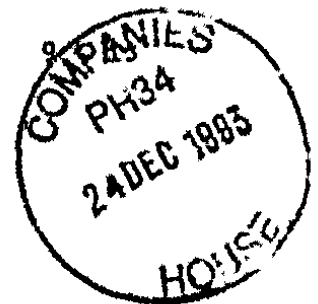


WARWICK WARD (MACHINERY) LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th SEPTEMBER, 1993

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WARWICK WARD (MACHINERY) LIMITED

COMPANY INFORMATION

DIRECTORS:

W. Ward (Chairman)
Mrs. S.M. Ward
T. Ward

SECRETARY:

Mrs. S.M. Ward

REGISTERED OFFICE:

Blacker Hill Sidings,
Blacker Hill,
Barnsley.
S74 0RE

AUDITORS:

Hawsons,
Pegasus House,
463a Glossop Road,
Sheffield.
S10 2OD

WARWICK WARD (MACHINERY) LIMITED

DIRECTORS' REPORT

The directors present the financial statements of the company for the year ended 30th September, 1993.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company during the year continued to be that of dealing in plant and machinery.

The directors consider the results for the year to be satisfactory. The level of activity in the current period has continued at an acceptable level and future prospects are encouraging.

RESULTS AND DIVIDENDS

The profit for the year and the appropriation thereof are set out in the Profit and Loss Account on page 6.

The directors do not recommend the payment of any dividend for the year on the ordinary shares.

DIRECTORS

The names of the present directors, all of whom served throughout the year, are listed on page 1.

The director to retire by rotation is Mr. T. Ward who, being eligible, offers himself for re-election.

DIRECTORS' INTEREST IN SHARES

The interests of the directors in the share capital of the company appearing in the register maintained under the provisions of the Companies Act 1985 were:

	<u>At beginning and end of year</u>
<u>Ordinary shares of £1 each</u>	
W. Ward	6,150
Mrs. S.M. Ward	600
T. Ward	-
W. Ward, Mrs. S.M. Ward & T. Ward as trustees	1,900

On 1st October, 1993, 6150 ordinary shares of £1 each were transferred from W. Ward to The W. Ward Voluntary Settlement and 600 ordinary shares of £1 each were transferred from Mrs S.M. Ward to The Mrs S.M. Ward Voluntary Settlement. A partner in Hawsons, the company's auditors, is a trustee of both of these settlements. The partner concerned is not involved in the audit of the company's financial statements.

AUDITORS

In accordance with Section 384 of the Companies Act 1985 a resolution to re-appoint Hawsons as auditors to the company will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD,

Mrs S.M. Ward

Secretary.

24th November, 1993.

WARWICK WARD (MACHINERY) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 30th SEPTEMBER, 1993

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 year. In preparing those financial statements, the directors are required to:

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

AUDITORS' REPORT TO THE SHAREHOLDERS OF

WARWICK WARD (MACHINERY) LIMITED

We have audited the financial statements on pages 5 to 13.

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.

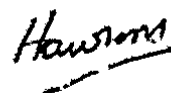
Basis of opinion

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.

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, 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HAWSONS

Chartered Accountants and

Registered Auditors.

Sheffield

24th November, 1993.

WARWICK WARD (MACHINERY) LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30th SEPTEMBER, 1993

BASIS OF ACCOUNTING

The financial statements are prepared on the historical cost basis.

TURNOVER

Turnover represents sales made during the year stated net of value added tax.

DEPRECIATION

Provision is made for depreciation at the following annual rates designed to write off the cost of all tangible fixed assets, other than freehold land which is not depreciated, by equal instalments over their expected useful lives:

	%
Freehold land and buildings	2
Plant and machinery	20
Motor vehicles	20
Fixtures and fittings	20

STOCKS

Stocks are valued at the lower of cost and net realisable value.

DEFERRED TAXATION

Provision is made, using the liability method, for any deferred taxation liabilities which the directors, based on reasonable evidence, consider may crystallise.

PENSION COSTS

Contributions to the defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

WARWICK WARD (MACHINERY) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30th SEPTEMBER, 1993

	<u>Note</u>	<u>1993</u> £	<u>1992</u> £
TURNOVER - continuing operations	1	3,200,672	2,783,280
NET OPERATING EXPENSES	2	3,066,372	2,583,748
OPERATING PROFIT		<u>134,300</u>	<u>199,532</u>
Bank interest receivable		19,084	16,764
		<u>153,384</u>	<u>216,296</u>
Bank interest payable		-	381
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>153,384</u>	<u>215,915</u>
TAX ON PROFIT ON ORDINARY ACTIVITIES	5	37,223	56,594
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>116,161</u>	<u>159,321</u>
DIVIDENDS	6	-	38,925
PROFIT FOR THE FINANCIAL YEAR RETAINED		<u>116,161</u>	<u>120,396</u>

Movements on reserves are set out in note 12.

The company has no recognised gains or losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

There were no discontinued operations.

WARWICK WARD (MACHINERY) LIMITED

BALANCE SHEET - 30th SEPTEMBER, 1993

	<u>Note</u>	<u>1993</u>		<u>1992</u>
		£	£	£
FIXED ASSETS				
Tangible assets	7		285,791	255,402
CURRENT ASSETS				
Stocks	8	845,303		864,018
Debtors	9	196,347		109,167
Cash at bank and in hand		312,893		215,130
		<u>1,354,543</u>		<u>1,188,315</u>
CREDITORS - Amounts falling due within one year	10	279,580		199,124
NET CURRENT ASSETS			<u>1,074,963</u>	<u>989,191</u>
NET ASSETS EMPLOYED			<u>1,360,754</u>	<u>1,244,593</u>
CAPITAL AND RESERVES				
Called up share capital	11	10,000		10,000
Profit and loss account	12	1,350,754		1,234,593
SHAREHOLDERS' FUNDS			<u>1,360,754</u>	<u>1,244,593</u>

Approved by the board on 24th November, 1993

W. Ward
W. WARD - Director

WARWICK WARD (MACHINERY) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30th SEPTEMBER, 1993

	<u>Note</u>	<u>1993</u>	<u>1992</u>
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	14(a)	183,912	107,447
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		19,149	16,764
Interest paid		-	(381)
Dividends paid		-	(38,925)
NET CASH INFLOW (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		19,149	(22,542)
TAXATION			
Corporation tax paid (including advance corporation tax)		(56,797)	(56,722)
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(58,301)	(53,115)
Receipts from sales of tangible fixed assets		9,800	20,500
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(48,501)	(32,615)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14(b)	97,763	(4,432)

WARWICK WARD (MACHINERY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. TURNOVER

	<u>1993</u>	<u>1992</u>
	£	£
Geographical markets supplied:		
United Kingdom	1,649,175	1,842,068
Europe	575,475	808,532
Other	976,022	132,680
	<u>3,200,672</u>	<u>2,783,280</u>

2. NET OPERATING EXPENSES

	<u>1993</u>	<u>1992</u>
	£	£
Change in stocks of finished goods	18,715	(172,013)
Goods for resale	2,124,671	2,224,519
Staff costs (note 3)	695,651	340,555
Depreciation written off		
tangible fixed assets (note 4)	30,112	33,300
Other operating charges	197,223	157,387
	<u>3,066,372</u>	<u>2,583,748</u>

Other operating charges include:
Auditors' remuneration

2 200	2,100
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3. STAFF COSTS

	<u>1993</u>	<u>1992</u>
	£	£
Wages and salaries	607,733	301,843
Social security costs	37,838	32,632
Other pension costs	50,080	6,080
	<u>695,651</u>	<u>340,555</u>

The average number of persons employed by the company during the year was:

	<u>1993</u>	<u>1992</u>
	Number	Number
Administrative	7	7
Productive	14	13
	<u>21</u>	<u>20</u>

3. STAFF COSTS (continued)

The directors' remuneration was as follows:

<u>1993</u>	<u>1992</u>
<u>£</u>	<u>£</u>
Management remuneration	
433,810	117,119

The directors' remuneration disclosed above, excluding pension contributions, was as follows:

<u>1993</u>	<u>1992</u>
<u>£</u>	<u>£</u>
Chairman and highest paid director	
314,527	63,538

The number of other directors who received emoluments, excluding pension contributions, in the following ranges were:

	<u>1993</u>	<u>1992</u>
	<u>Number</u>	<u>Number</u>
£15,001 - £20,000	-	1
£25,001 - £30,000	-	1
£30,001 - £35,000	2	-
	-	-

4. DEPRECIATION WRITTEN OFF TANGIBLE FIXED ASSETS

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Charge for year	28,198	34,358
Adjustment on disposals in year	1,914	(1,058)
	<u>30,112</u>	<u>33,300</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
United Kingdom corporation tax based on the profit for the year at 25% (1992 - 25%)	37,223	56,797
Adjustments in respect of earlier years	-	(203)
	<u>37,223</u>	<u>56,594</u>

6. DIVIDENDS

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Ordinary shares		
Interim of £NIL (1992 - £4.50) per share paid	-	38,925

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<u>Cost</u>					
At beginning of year	204,573	34,383	136,912	27,661	403,529
Additions	-	12,650	62,651	-	75,301
Disposals	-	-	(31,447)	-	(31,447)
At end of year	<u>204,573</u>	<u>47,033</u>	<u>168,116</u>	<u>27,661</u>	<u>447,383</u>
<u>Depreciation</u>					
At beginning of year	39,116	31,783	52,400	24,828	148,127
Charge for year	4,091	1,963	21,208	936	28,198
Disposals	-	-	(14,733)	-	(14,733)
At end of year	<u>43,207</u>	<u>33,746</u>	<u>58,875</u>	<u>25,764</u>	<u>161,592</u>
Net book value at end of year	<u>161,366</u>	<u>13,287</u>	<u>109,241</u>	<u>1,897</u>	<u>285,791</u>
Net book value at beginning of year	<u>165,457</u>	<u>2,600</u>	<u>84,512</u>	<u>2,833</u>	<u>255,402</u>

8. STOCKS

	<u>1993</u> £	<u>1992</u> £
Finished goods	<u>845,303</u>	<u>864,018</u>

9. DEBTORS

	<u>1993</u> £	<u>1992</u> £
Due within one year:		
Trade debtors	167,516	96,127
Other debtors	28,831	12,975
Prepayments	-	65
	<u>196,347</u>	<u>109,167</u>

10. CREDITORS - Amounts falling due within one year

	<u>1993</u> £	<u>1992</u> £
Trade creditors	104,034	61,609
Corporation tax	37,223	56,797
Other taxation and social security	16,516	28,286
Other creditors	80,307	-
Accruals and deferred income	41,500	52,432
	<u>279,580</u>	<u>199,124</u>

11. SHARE CAPITAL

	<u>Authorized</u>		<u>Allotted and fully paid</u>	
	<u>1993</u> <u>Number</u>	<u>1992</u> <u>Number</u>	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

On 1st October, 1993, 6150 ordinary shares of £1 each were transferred from W. Ward to The W. Ward Voluntary Settlement and 600 ordinary shares of £1 each were transferred from Mrs S.M. Ward to The Mrs S.M. Ward Voluntary Settlement. A partner in Hawsons, the company's auditors, is a trustee of both of these settlements. The partner concerned is not involved in the audit of the company's financial statements.

12. PROFIT AND LOSS ACCOUNT

	<u>£</u>
At beginning of year	1,234,593
Retained profit for year	116,161
At end of year	<u>1,350,754</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
Profit for the financial year	116,161	159,321
Dividends	-	38,925
Net addition to shareholders' funds	<u>116,161</u>	<u>120,396</u>
Shareholders' funds at beginning of year	1,244,593	1,124,197
Shareholders' funds at end of year	<u>1,360,754</u>	<u>1,244,593</u>

14. CASH FLOW STATEMENT

	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
(a) Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	134,300	199,532
Depreciation	28,198	34,358
Loss (profit) on sale of tangible fixed assets	1,914	(1,058)
Decrease (increase) in stocks	18,715	(172,013)
(Increase) decrease in debtors	(100,220)	33,476
Increase in creditors	101,005	13,152
Net cash inflow from operating activities	<u>183,912</u>	<u>107,447</u>
(b) Analysis of changes in cash and cash equivalents during the year	<u>1992</u> <u>£</u>	<u>1992</u> <u>£</u>
Cash at bank and in hand at beginning of year	215,130	219,562
Net cash inflow (outflow)	97,763	(4,432)
Cash at bank and in hand at end of year	<u>312,893</u>	<u>215,130</u>

15. PENSION COSTS

The company operates a defined contribution pension scheme, the assets of which are held in a separate trustee administered fund.