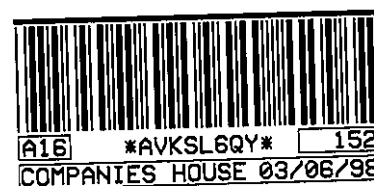


Company Number: 988708

Warwick Ward (Machinery) Limited
Financial Statements
for the year ended 30th September 1997



Registered Office

Blacker Hill Sidings
Blacker Hill
Barnsley
S74 0RE

Directors

W. Ward
Mrs S. M. Ward
T. Ward
A. Ward
M. Ward

Secretary

Mrs S. M. Ward

Auditors

Hawsons
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Page No.

1 and 2	Directors' Report
3	Auditors' Report
4	Profit and Loss Account
5	Balance Sheet
6	Cash Flow Statement
7 to 13	Notes to the Financial Statements

The directors submit their report together with the audited financial statements for the year ended 30th September 1997.

Directors' Statement

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 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 to enable them to ensure 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.

Results and Dividends

The profit on the ordinary activities of the company before taxation amounted to £101,192. After deducting taxation, the profit of £85,106 has been transferred to reserves.

The directors do not recommend a dividend.

Principal Activity and Business Review

The principal activity of the company and its subsidiary continues to be that of dealing in plant and machinery.

The directors consider the results of the company and its subsidiary for the year to be satisfactory and are cautiously optimistic for the future.

Directors and their Interests

The directors who served throughout the year are listed on the company information page. Their beneficial interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	1997	1996
	No.	No.
W. Ward, Mrs S. M. Ward and T. Ward as trustees	8,650	8,650
A. Ward	450	450
M. Ward	450	450

W. Ward, Mrs. S. M. Ward and T. Ward had no interest in the shares of the company at any time during the financial year.

6,150 ordinary shares of £1 each are held by The W. Ward Voluntary Settlement and 2,500 ordinary shares of £1 each are held by the Mrs. S. M. Ward Voluntary Settlement. A partner at Hawsons, the company's auditors, is a trustee of both these settlements. The partner concerned is not involved in the audit of the company's financial statements.

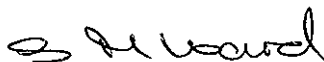
W. Ward retires by rotation but, being eligible, seeks re-election.

Auditors

The Auditors, Hawsons Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:

Mrs S. M. Ward, Secretary



6th May 1998

on the Financial Statements for the year ended 30th September 1997

We have audited the financial statements on pages 4 to 13 and the accounting policies set out on page 7.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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 information and explanations which we consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 1997 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**

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

6th May 1998

Warwick Ward (Machinery) Limited

Profit and Loss Account

for the year ended 30th September 1997

	Notes	1997 £	1997 £	1996 £	1996 £
Turnover	2		3,898,945		4,172,748
Changes in stocks of finished goods and work in progress			181,667		60,766
			<u>4,080,612</u>		<u>4,233,514</u>
Raw materials and consumables		(2,798,934)		(2,780,674)	
Other external charges		(146,309)		(159,380)	
Staff costs	4	(772,104)		(752,620)	
Depreciation and amortisation		(55,404)		(45,818)	
Other operating charges		(212,034)		(276,228)	
			<u>(3,984,785)</u>		<u>(4,014,720)</u>
Operating profit	3		95,827		218,794
Interest receivable			5,365		5,842
Profit on ordinary activities before taxation			<u>101,192</u>		<u>224,636</u>
Taxation	5		(16,086)		(79,958)
Profit on ordinary activities after taxation			<u>85,106</u>		<u>144,678</u>
Retained profit for the Year	13		85,106		144,678
Retained profit brought forward			1,804,866		1,660,188
Retained profit carried forward			<u>1,889,972</u>		<u>1,804,866</u>

All amounts relate to continuing activities.

There have been no recognised gains or losses other than the results for the financial year and all profits or losses have been accounted for on an historical cost basis.

Warwick Ward (Machinery) Limited

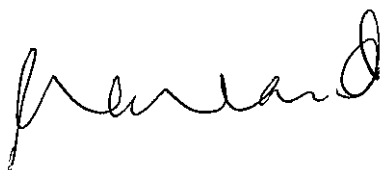
Balance Sheet

as at 30th September 1997

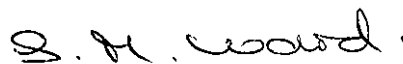
	Notes	1997 £	1997 £	1996 £	1996 £
Fixed Assets					
Tangible fixed assets	6		319,924		345,246
Investments	7		124,916		124,916
			<u>444,840</u>		<u>470,162</u>
Current Assets					
Stock	8	1,126,255		944,588	
Debtors	9	819,292		599,299	
Cash at bank and in-hand		114,546		221,709	
		<u>2,060,093</u>		<u>1,765,596</u>	
Creditors:					
Amounts falling due within one year	10	(604,961)		(412,892)	
Net Current Assets			<u>1,455,132</u>		<u>1,352,704</u>
Total Assets Less Current Liabilities			<u>1,899,972</u>		<u>1,822,866</u>
Provision for Liabilities and Charges					
Deferred taxation	11		-		(8,000)
			<u>1,899,972</u>		<u>1,814,866</u>
Capital and Reserves					
Share capital	12		10,000		10,000
Profit and loss account	13		1,889,972		1,804,866
Equity Shareholders' Funds	14		<u>1,899,972</u>		<u>1,814,866</u>

These accounts were approved by the board on 6th May 1998.

W. Ward



Mrs S. M. Ward
Directors



Warwick Ward (Machinery) Limited**Cash Flow Statement****for the year ended 30th September 1997**

	Notes	1997 £	1996 £
Cash flow from operating activities	15	25,226	36,553
Returns on investments and servicing of finance	16	5,494	6,556
Taxation		(66,586)	(37,458)
Capital expenditure and financial investment	16	(71,297)	(26,547)
Decrease in cash in the year	17	<u>(107,163)</u>	<u>(20,896)</u>
Reconciliation of net cash flow to movement in net funds			
Decrease in cash in the year		(107,163)	(20,896)
Net funds at 1st October 1996		221,709	242,605
Net funds at 30th September 1997	17	<u>114,546</u>	<u>221,709</u>

1 Principal Accounting Policies

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Turnover

Turnover represents sales provided excluding value added tax.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

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

Stocks

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

Deferred Taxation

Provision is made for deferred taxation arising from timing differences between profits as computed for taxation purposes and profits as stated in the financial statements to the extent that it is probable that the liability will crystallise.

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All differences on exchange are dealt with through the profit and loss account.

Contribution to Pension Funds

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Group accounts

The company has taken advantage of the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 1997

2 Turnover

Turnover and profit on ordinary activities before taxation are all in respect of sales from continuing operations.

The geographical analysis of turnover is as follows:

	1997	1996
	£	£
United Kingdom	2,542,022	1,912,476
Europe	739,467	1,283,192
Other	617,456	977,080
	<u>3,898,945</u>	<u>4,172,748</u>

3 Operating profit

	1997	1996
	£	£
<i>Operating profit is stated after charging or crediting:</i>		
Amounts payable to the auditors in respect of audit services	2,600	2,500
Depreciation - owned assets	53,629	50,154
Loss/(Profit) on disposal of fixed assets	1,775	(4,336)
Loss on foreign exchange	42,104	-
	<u>77,108</u>	<u>48,318</u>

4 Directors and Employees

Staff costs during the year were as follows:

	1997	1996
	£	£
Wages and salaries	646,250	621,335
Social security costs	67,180	62,713
Other pension costs	58,674	68,572
	<u>772,104</u>	<u>752,620</u>

The average monthly number of employees, including directors, during the year was as follows:

	1997	1996
	Number	Number
Administration	8	8
Production	17	17
	<u>25</u>	<u>25</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 1997

Remuneration in respect of directors was as follows:

	1997	1996
	£	£
Aggregate amount of emoluments paid in respect of qualifying services	333,147	319,682
Aggregate value of company contributions to money purchase pension schemes	58,674	68,572
Benefits in kind	44,911	40,359
	<u>436,732</u>	<u>428,613</u>

Other directors disclosures in respect of qualifying services:

	1997	1996
	Number	Number
The number of directors to whom retirement benefits are accruing under money purchase pension schemes	<u>5</u>	<u>5</u>

Highest paid director disclosures in respect of qualifying services:

	1997	1996
	£	£
Aggregate emoluments	142,070	148,678
Aggregate value of company contributions to money purchase pension schemes	<u>30,000</u>	<u>35,000</u>

5 Tax on Profit on Ordinary Activities

Based on the profit for the year:

U.K. Corporation tax at 27% (1996: 28%)

Deferred tax credit

Prior year adjustments - corporation tax

	1997	1996
	£	£
	37,500	80,000
	(8,000)	-
	<u>29,500</u>	<u>80,000</u>
	(13,414)	(42)
	<u>16,086</u>	<u>79,958</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 1997

6 Tangible Fixed Assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£	£
At 1st October 1996	204,573	52,739	221,335	45,641	524,288
Additions	28,802	-	19,780	-	48,582
Disposals	-	-	(32,138)	-	(32,138)
At 30th September 1997	233,375	52,739	208,977	45,641	540,732
Depreciation					
At 1st October 1996	55,482	45,645	47,156	30,759	179,042
Charged for the year	4,188	3,671	42,174	3,596	53,629
Eliminated on disposal	-	-	(11,863)	-	(11,863)
At 30th September 1997	59,670	49,316	77,467	34,355	220,808
Net Book Value					
At 30th September 1997	173,705	3,423	131,510	11,286	319,924
At 30th September 1996	149,091	7,094	174,179	14,882	345,246

7 Fixed Asset Investments

	Shares in Group Undertakings £
Cost and net book value	
At beginning and end of year	124,916

The investment represents 100% of the ordinary share capital of Warwick Ward Iberica SL, a company incorporated in Spain. This company carries on the business of plant and machinery dealers.

Warwick Ward Iberica SL has a year end of 31st December. The management accounts for Warwick Ward Iberica SL for the nine months ended 30th September 1997 show a profit for the period of £16,888 and reserves and share capital of £87,657.

8 Stocks	1997 £	1996 £
Goods for resale	1,126,255	944,588

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 1997

9	Debtors	1997 £	1996 £
	Trade debtors	158,220	109,631
	Amounts owed by group undertakings	651,519	469,855
	Other debtors	-	16,695
	Prepayments and accrued income	9,553	3,118
		<u>819,292</u>	<u>599,299</u>

10	Creditors: Amounts falling due within one year	1997 £	1996 £
	Trade creditors	389,475	114,401
	Corporation tax	37,500	80,000
	Other taxes and social security	47,362	24,602
	Other creditors	-	55,965
	Accruals and deferred income	130,624	137,924
		<u>604,961</u>	<u>412,892</u>

11 Deferred Taxation

Deferred taxation provided for in the financial statements is set out below.

	Amount Provided		Amount Unprovided	
	1997 £	1996 £	1997 £	1996 £
Accelerated capital allowances	-	8,000	-	-

12 Share Capital

Authorised	1997 £	1996 £
10,000 Ordinary shares of £1 each (1996: 10,000)	<u>10,000</u>	<u>10,000</u>
Allotted and fully paid	1997 £	1996 £
10,000 Ordinary shares of £1 each (1996: 10,000)	<u>10,000</u>	<u>10,000</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 1997

13 Reserves

	Profit and Loss Account £
At 1st October 1996	1,804,866
Profit for the year	85,106
At 30th September 1997	<u>1,889,972</u>

14 Reconciliation of the Movement in Shareholders' Funds

	1997 £	1996 £
Profit for the financial year	85,106	144,678
Increase in shareholders' funds	85,106	144,678
Opening shareholders' funds	1,814,866	1,670,188
Closing shareholders' funds	<u>1,899,972</u>	<u>1,814,866</u>

15 Reconciliation of Operating Profit to Operating Cash Flows

	1997	1996
Operating profit	95,827	218,794
Depreciation charges	53,629	50,154
Loss/(Profit) on disposal of fixed assets	1,775	(4,336)
(Increase) in stocks	(181,667)	(60,766)
(Increase) in debtors	(234,872)	(235,082)
Increase in creditors	290,534	67,789
Net Cash Inflow from Operating Activities	<u>25,226</u>	<u>36,553</u>

16 Analysis of Cash Flows for headings netted in the Cash Flow Statement

Returns on investments and servicing of finance	1997 £	1996 £
Interest received	5,494	6,556
Net cash inflow for returns on investments and servicing of finance	<u>5,494</u>	<u>6,556</u>
Capital expenditure and financial investment	1997 £	1996 £
Purchase of tangible fixed assets	(104,547)	(34,297)
Proceeds from the sale of fixed assets	33,250	7,750
Net cash (outflow) for capital expenditure and financial investment	<u>(71,297)</u>	<u>(26,547)</u>

17 Analysis of changes in net funds

	At 1st October 1996	Cashflows	At 30th September 1997
	£	£	£
Cash in hand, at bank	221,709	(107,163)	114,546

18 Pensions - Defined Contribution Scheme

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

19 Related Party Transactions

Details of related party transactions occurring during the year are as follows:

Name of related party	Nature of Relationship	Transaction Details	Amount	Balance	Amounts Written Off
			£	£	£
Warwick Ward Iberica SL	Wholly owned subsidiary	Sales to subsidiary	551,170	651519	-

20 Ultimate controlling party

The company has no ultimate controlling party.