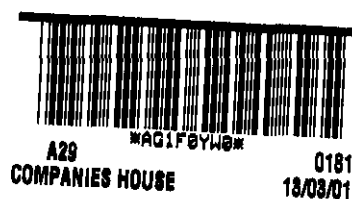

Warwick Ward (Machinery) Limited

Financial Statements

for the year ended 30th September 2000



Chartered Accountants



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 to 2	Directors' Report
3	Auditors' Report
4	Profit and Loss Account
5	Balance Sheet
6	Cash Flow Statement
7 to 12	Notes to the Financial Statements

The directors submit their report together with the audited financial statements for the year ended 30th September 2000.

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 loss 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 loss on the ordinary activities of the company before taxation amounted to £6,529. After deducting taxation, the loss of £8,629 has been transferred from 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.

In the light of current market conditions and the strength of the pound the directors consider the results for the year to be satisfactory.

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	
	2000	1999
	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:

S. M. Ward

Mrs S. M. Ward, Secretary

20th December 2000

on the Financial Statements for the year ended 30th September 2000

We have audited the financial statements on pages 4 to 12 prepared following 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 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, 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 2000 and of its loss 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

20th December 2000

Warwick Ward (Machinery) Limited

Profit and Loss Account

for the year ended 30th September 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Turnover	2		2,514,228		3,175,877
Changes in stocks of finished goods and work in progress			160,369		(276,533)
			<u>2,674,597</u>		<u>2,899,344</u>
Raw materials and consumables		(1,472,744)		(1,676,804)	
Other external charges		(46,027)		(14,969)	
Staff costs	4	(832,586)		(732,417)	
Depreciation and amortisation		(46,524)		(54,430)	
Other operating charges		(303,802)		(385,407)	
			<u>(2,701,683)</u>		<u>(2,864,027)</u>
Operating (loss)/profit	3		(27,086)		35,317
Exceptional items:					
Exceptional bad debt provision	5		-		(254,855)
(Loss) on ordinary activities before interest			<u>(27,086)</u>		<u>(219,538)</u>
Interest receivable			20,557		10,680
(Loss) on ordinary activities before taxation			<u>(6,529)</u>		<u>(208,858)</u>
Taxation	6		(2,100)		27,500
(Loss) on ordinary activities after taxation			<u>(8,629)</u>		<u>(181,358)</u>
Retained (loss) for the Year	13		(8,629)		(181,358)
Retained profit brought forward			1,917,743		2,099,101
Retained profit carried forward			<u>1,909,114</u>		<u>1,917,743</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

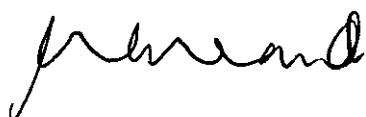
Balance Sheet

as at 30th September 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Fixed Assets					
Tangible fixed assets	7		236,988		276,764
Investments	8		124,916		124,916
			<u>361,904</u>		<u>401,680</u>
Current Assets					
Stock	9	891,335		730,966	
Debtors	10	156,012		323,744	
Cash at bank and in hand		724,836		662,434	
		<u>1,772,183</u>		<u>1,717,144</u>	
Creditors:					
Amounts falling due within one year	11	(214,973)		(191,081)	
Net Current Assets			<u>1,557,210</u>		<u>1,526,063</u>
Total Assets Less Current Liabilities			<u>1,919,114</u>		<u>1,927,743</u>
Capital and Reserves					
Called up share capital	12		10,000		10,000
Profit and loss account	13		1,909,114		1,917,743
Equity Shareholders' Funds	14		<u>1,919,114</u>		<u>1,927,743</u>

These accounts were approved by the board on 20th December 2000.

W. Ward



Mrs S. M. Ward
Directors



Warwick Ward (Machinery) Limited

Cash Flow Statement

for the year ended 30th September 2000

	Notes	2000 £	1999 £
Cash Flow from Operating Activities	15	48,048	254,207
Returns on Investments and Servicing of Finance	16	21,102	10,947
Taxation		-	(80,500)
Capital Expenditure and Financial Investment	16	(6,748)	(18,836)
Increase in Cash in the year	17	<u>62,402</u>	<u>165,818</u>
Reconciliation of net cash flow to movement in net funds			
Increase in Cash in the year		62,402	165,818
Net funds at 1st October 1999		<u>662,434</u>	<u>496,616</u>
Net funds at 30th September 2000	17	<u>724,836</u>	<u>662,434</u>

1 Principal Accounting Policies

Accounting Convention

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

Consolidation

The company and its subsidiaries comprise a medium sized group. The company has taken advantage of the exemption given by Section 248 of the Companies Act 1985 not to prepare group accounts and therefore these accounts are those of an individual undertaking.

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.

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.

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:

	2000 £	1999 £
United Kingdom	1,874,190	1,624,998
Europe	355,123	598,883
Other	284,915	951,996
	<u>2,514,228</u>	<u>3,175,877</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2000

3 Operating loss

	2000 £	1999 £
Operating loss is stated after charging or crediting:		
Amounts payable to the auditors in respect of audit services	3,300	3,200
Depreciation - owned assets	51,567	54,930
(Profit) on disposal of fixed assets	(5,043)	(500)
	<u> </u>	<u> </u>

4 Directors and Employees

Staff costs during the year were as follows:

	2000 £	1999 £
Wages and salaries	739,986	646,028
Social security costs	75,662	62,147
Other pension costs	16,938	24,242
	<u>832,586</u>	<u>732,417</u>

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

	2000 Number	1999 Number
Administration	10	9
Production	18	17
	<u>28</u>	<u>26</u>

Remuneration in respect of directors was as follows:

	2000 £	1999 £
Aggregate amount of emoluments paid in respect of qualifying services	428,019	356,258
Aggregate value of company contributions to money purchase pension schemes	16,937	24,242
	<u>444,956</u>	<u>380,500</u>

Other directors disclosures in respect of qualifying services:

	2000 Number	1999 Number
The number of directors to whom retirement benefits are accruing under money purchase pension schemes	5	5

Highest paid director disclosures in respect of qualifying services:

	2000 £	1999 £
Aggregate emoluments	152,868	125,366
Aggregate value of company contributions to money purchase pension schemes	5,000	5,000

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2000

5 Exceptional item

In 1999, the company provided £254,855 against amounts due from its Spanish subsidiary, Warwick Ward Iberica SL.

6 Tax on Loss on Ordinary Activities

	2000	1999
	£	£
Based on the loss for the year:		
U.K. Corporation tax at 20% (1999 21%)	2,100	(27,500)

7 Tangible Fixed Assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£	£
At 1st October 1999	233,870	55,739	233,477	51,108	574,194
Additions	-	6,291	11,441	2,367	20,099
Disposals	-	-	(35,047)	-	(35,047)
At 30th September 2000	233,870	62,030	209,871	53,475	559,246
Depreciation					
At 1st October 1999	69,012	53,727	131,817	42,874	297,430
Charged for the year	4,678	1,013	41,076	4,800	51,567
Eliminated on disposal	-	-	(26,739)	-	(26,739)
At 30th September 2000	73,690	54,740	146,154	47,674	322,258
Net Book Value					
At 30th September 2000	160,180	7,290	63,717	5,801	236,988
At 30th September 1999	164,858	2,012	101,660	8,234	276,764

8 Fixed Asset Investments

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

The investment represents 75% 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 company is now in administration.

9 Stocks

	2000	1999
	£	£
Goods for resale	891,335	730,966

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2000

10	Debtors	2000 £	1999 £
	Trade debtors	114,580	200,787
	Amounts owed by group undertakings	-	70,335
	Corporation tax recoverable	27,500	27,500
	Other debtors	-	23,124
	Prepayments and accrued income	13,932	1,998
		<u>156,012</u>	<u>323,744</u>

11	Creditors: Amounts falling due within one year	2000 £	1999 £
	Trade creditors	69,496	124,301
	Corporation tax	2,100	-
	Other taxes and social security	47,801	28,294
	Accruals and deferred income	95,576	38,486
		<u>214,973</u>	<u>191,081</u>

12	Share Capital	2000 £	1999 £
	Authorised		
	10,000 Ordinary shares of £1 each (1999: 10,000)	<u>10,000</u>	<u>10,000</u>
	Allotted, called up and fully paid		
	10,000 Ordinary shares of £1 each (1999: 10,000)	<u>10,000</u>	<u>10,000</u>

13	Reserves	Profit and Loss Account £
	At 1st October 1999	1,917,743
	Loss for the year	(8,629)
	At 30th September 2000	<u>1,909,114</u>

Notes to the Financial Statements

for the year ended 30th September 2000

14	Reconciliation of the Movement in Shareholders' Funds	2000	1999
		£	£
	Loss for the financial year	(8,629)	(181,358)
	(Decrease) in shareholders' funds	(8,629)	(181,358)
	Opening shareholders' funds	1,927,743	2,109,101
	Closing shareholders' funds	1,919,114	1,927,743
15	Reconciliation of Operating (Loss)/Profit to Operating Cash Flows	2000	1999
		£	£
	Operating (loss)/profit	(27,086)	35,317
	Depreciation charges	51,567	54,930
	(Profit) on disposal of fixed assets	(5,043)	(500)
	(Increase)/Decrease in stocks	(160,369)	276,533
	Decrease in debtors	167,187	109,678
	Increase/(Decrease) in creditors	21,792	(221,751)
	Net Cash Inflow from Operating Activities	48,048	254,207
16	Analysis of Cash Flows for Headings Netted in the Cash Flow Statement		
	Returns on Investments and Servicing of Finance	2000	1999
		£	£
	Interest received	21,102	10,947
	Net Cash Inflow for Returns on Investments and Servicing of Finance	21,102	10,947
	Capital Expenditure and Financial Investment	2000	1999
		£	£
	Purchase of tangible fixed assets	(20,099)	(30,336)
	Proceeds from the sale of fixed assets	13,351	11,500
	Net Cash (Outflow) for Capital Expenditure and Financial Investment	(6,748)	(18,836)
17	Analysis of changes in net funds		
		At	At
		1st October	30th
		1999	September
		£	2000
		£	£
	Cash in hand and at bank	662,434	724,836

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 Capital Commitments

2000

1999

£

£

Capital commitments as at 30th September 2000 are as follows:

Authorised and contracted for

85,707

-

20 Related Party Transactions

The balance due from Warwick Ward Iberica SL at 30th September 2000 was net of a provision of £254,855 (see Note 5).

21 Ultimate controlling party

The company has no ultimate controlling party.