

Registered Number: 1728913

ORWIN AUTOMATION LIMITED

**ABBREVIATED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MAY 2000**



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COMPANIES HOUSE 30/03/01

JENNINGS JOHNSON
Chartered Accountants
19 Borough Road
Sunderland
SR1 1LA

ORWIN AUTOMATION LIMITED

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

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ORWIN AUTOMATION LIMITED

**COMPANY INFORMATION
AT 31 MAY 2000**

DIRECTORS

P.S. Rudd
A.D. Doran

SECRETARY

D. Rudd

REGISTERED OFFICE

3 Brockwell Road
Crowther Industrial Estate
Washington
Tyne and Wear
NE38 0AB

BUSINESS ADDRESS

3 Brockwell Road
Crowther Industrial Estate
Washington
Tyne and Wear
NE38 0AB

AUDITORS

Jennings Johnson
Chartered Accountants
19 Borough Road
Sunderland
SR1 1LA

PRINCIPAL BANKERS

Lloyds Bank plc
15 West Street
Gateshead
Tyne and Wear
NE8 1DP

ORWIN AUTOMATION LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 May 2000.

PRINCIPAL ACTIVITIES

The principal activities of the company continue to be the design and construction of special purpose machinery and the manufacture of precision components for the engineering industry.

The directors are disappointed with the results for the year but are aware of the reasons for this and have taken appropriate action to remedy the situation.

No significant change in the nature of these activities occurred during the year.

REVIEW OF THE BUSINESS

The net loss after providing for taxation amounted to £43,798.

DIVIDENDS

The directors have paid an interim dividend during the year amounting to £5,000.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the ultimate parent company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		2000	1999
P.S. Rudd	Ordinary shares	1,200	1,200
A.D. Doran	Ordinary shares	400	400

DIRECTORS' RESPONSIBILITIES

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 as at the end of the financial year and of the profit or loss of the company for that period. 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the company made charitable contributions totalling £830.

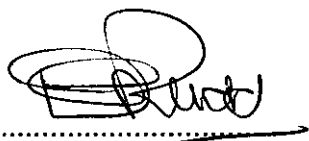
ORWIN AUTOMATION LIMITED

DIRECTORS' REPORT

AUDITORS

The auditors, Jennings Johnson, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

By order of the board:

A handwritten signature in black ink, appearing to be 'D. Rudd', written over a horizontal dotted line.

D. Rudd
Secretary

Approved by the board: 14 August 2000

ORWIN AUTOMATION LIMITED

AUDITORS REPORT TO ORWIN AUTOMATION LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 18 together with the full financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 May 2000.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion, the company is entitled to deliver financial statements prepared in accordance with section 246A(3) and 249 of the Companies Act 1985 and the abbreviated financial statements on pages 5 to 18 have been properly prepared in accordance with that provision.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 May 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



JENNINGS JOHNSON
Chartered Accountants
Registered Auditors
19 Borough Road
Sunderland
SR1 1LA

14 August 2000

ORWIN AUTOMATION LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2000**

	Notes	2000 £	1999 £
GROSS PROFIT		637,113	833,203
Distribution costs		35,764	25,609
Administrative expenses		581,571	604,006
OPERATING PROFIT	2	19,778	203,588
Investment income and interest receivable	3	1,850	2,167
Interest payable and similar charges	4	(73,790)	(59,837)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(52,162)	145,918
Tax on (loss) / profit on ordinary activities	7	8,364	(35,822)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(43,798)	110,096
Dividends	8	(5,000)	(14,260)
(ACCUMULATED LOSS) / RETAINED PROFIT FOR THE FINANCIAL YEAR	18	(48,798)	95,836

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

ORWIN AUTOMATION LIMITED

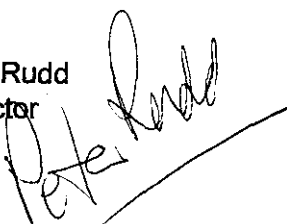
**ABBREVIATED BALANCE SHEET
AT 31 MAY 2000**

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	9		1,099,409		1,142,906
CURRENT ASSETS					
Stocks	10	334,092		400,964	
Debtors	11	1,393,257		1,296,679	
Cash at bank and in hand		42,540		217,706	
		<u>1,769,889</u>		<u>1,915,349</u>	
CREDITORS: amounts falling due within one year	12	<u>(1,492,289)</u>		<u>(1,540,502)</u>	
NET CURRENT ASSETS			277,600		374,847
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,377,009</u>		<u>1,517,753</u>
CREDITORS: amounts falling due after more than one year	13		(429,730)		(523,906)
PROVISIONS FOR LIABILITIES AND CHARGES	16		<u>(66,758)</u>		<u>(64,528)</u>
NET ASSETS			<u>880,521</u>		<u>929,319</u>
CAPITAL AND RESERVES					
Called up share capital	17		4,000		4,000
Profit and loss account	18		876,521		925,319
TOTAL SHAREHOLDERS' FUNDS	19		<u>880,521</u>		<u>929,319</u>

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the board of directors on 14 August 2000 and signed on its behalf by:

P.S. Rudd
Director



The notes on pages 8 to 18 form part of these financial statements.

ORWIN AUTOMATION LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2000**

	Notes	2000 £	1999 £
Net cash inflow from operating activities	2	114,336	544,038
Returns on investments and servicing of finance	20	(72,208)	(59,231)
Taxation	20	(13,112)	(3,626)
Capital expenditure	20	9,591	(31,299)
Equity dividends paid		(5,000)	(14,260)
Cash inflow before use of liquid resources and financing		33,607	435,622
Financing	20	(166,615)	(167,206)
(DECREASE) / INCREASE IN CASH IN THE YEAR		(133,008)	268,416

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT
IN NET DEBT**

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(DECREASE) / INCREASE IN CASH IN THE YEAR	(133,008)	268,416
Cash outflow from movement in debt and lease financing	166,615	167,206
Change in net debt resulting from cash flows	33,607	435,622
New hire purchase contracts	(72,857)	(147,900)
Movement in debt in the year	(39,250)	287,722
Net debt at 1 June 1999	(898,381)	(1,186,103)
Net debt at 31 May 2000	<u>(937,631)</u>	<u>(898,381)</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000

1. **STATEMENT OF ACCOUNTING POLICIES**

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

Consolidation

The company forms part of a medium-sized group. The ultimate parent company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Freehold buildings	2% on cost
Plant and machinery	15% Reducing balance
Motor vehicles	25% Reducing balance

Stocks

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

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Stock: long term contracts

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which cost incurred to date relates to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

ORWIN AUTOMATION LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000****1. STATEMENT OF ACCOUNTING POLICIES - (continued)****Pension costs**

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

2. OPERATING PROFIT**Operating profit is stated****2000**
£**1999**
£**After charging:**

Depreciation of fixed assets

107,360

95,057

Auditors' remuneration

4,150

4,650

After crediting:

Profit on disposal of tangible assets

597

-

**Reconciliation of operating profit to
net cash inflow from operating activities****2000**
£**1999**
£

Operating profit

19,778

203,588

Depreciation

107,360

95,057

(Profit) / loss on disposal of fixed assets

(597)

-

Increase in stocks

66,872

(43,958)

(Increase) / decrease in debtors

(86,020)

153,926

Increase in creditors

6,943

135,425

Net cash inflow from operating activities

114,336

544,038

3. INVESTMENT INCOME AND INTEREST RECEIVABLE**2000**
£**1999**
£**Interest received and receivable**

Bank interest

1,850

2,167

ORWIN AUTOMATION LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
On bank loans and overdrafts	55,443	41,490
Lease finance charges and hire purchase interest	18,347	18,347
	<u>73,790</u>	<u>59,837</u>

5. INFORMATION ON DIRECTORS AND EMPLOYEES

	2000 £	1999 £
Staff costs		
Wages and salaries	1,818,491	1,854,733
Social security costs	-	191,655
Other pension costs	158,145	141,118
	<u>1,976,636</u>	<u>2,187,506</u>

	2000 No.	1999 No.
The average number of employees during the year was made up as follows:		
Office and management	10	6
Manufacturing	63	68
	<u>73</u>	<u>74</u>

	2000 £	1999 £
Directors' emoluments		
Emoluments	170,464	188,818
Pension contributions to money purchase (defined contribution) schemes	58,333	50,984
	<u>228,797</u>	<u>239,802</u>

ORWIN AUTOMATION LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

5. INFORMATION ON DIRECTORS AND EMPLOYEES - (continued)

	2000 No.	1999 No.
During the year the following number of directors:		
Accrued benefits under money purchase (defined contribution) pension schemes	<u>2</u>	<u>2</u>
	2000 £	1999 £
Details of highest paid director's emoluments		
Emoluments	112,310	123,597
Company contributions to money purchase (defined contribution) pension schemes	50,984	45,984
	<u>163,294</u>	<u>169,581</u>

6. PENSION COSTS

Money purchase (defined contribution) pension scheme

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £158,145 (1999: £141,118).

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2000 £	1999 £
The taxation credit comprises:		
Current tax on income for the year	(10,290)	19,264
Adjustment in respect of prior years	(304)	(3,867)
	<u>(10,594)</u>	<u>15,397</u>
Transfer to deferred tax	2,230	20,425
	<u>(8,364)</u>	<u>35,822</u>

ORWIN AUTOMATION LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

8. DIVIDENDS PAID OR PROPOSED

	2000 £	1999 £
On ordinary shares:		
Interim dividends paid		
Dividend - ordinary shares	5,000	14,260

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost:				
At 1 June 1999	660,126	764,651	79,195	1,503,972
Additions	-	-	71,066	71,066
Disposals	-	-	(24,040)	(24,040)
At 31 May 2000	660,126	764,651	126,221	1,550,998
Depreciation:				
At 1 June 1999	45,949	272,848	42,269	361,066
Charge for year	13,203	73,770	20,387	107,360
On disposals	-	-	(16,837)	(16,837)
At 31 May 2000	59,152	346,618	45,819	451,589
Net book value:				
At 31 May 2000	600,974	418,033	80,402	1,099,409
At 31 May 1999	614,177	491,803	36,926	1,142,906

	2000 £	1999 £
Analysis of net book value of land and buildings:		
Freehold	600,974	614,177

ORWIN AUTOMATION LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000****9. TANGIBLE FIXED ASSETS - (continued)**

Included above are assets held under finance leases
or hire purchase contracts as follows:

	2000 £	1999 £
Net book values:		
Plant and machinery	248,427	310,448
Motor vehicles	72,137	26,142
	<u>320,564</u>	<u>336,590</u>
Depreciation charge for the year:		
Plant and machinery	43,839	49,932
Motor vehicles	17,094	2,547
	<u>60,933</u>	<u>52,479</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

10. STOCKS

	2000 £	1999 £
Short term work in progress	<u>334,092</u>	<u>400,964</u>

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

11. DEBTORS

	2000 £	1999 £
Trade debtors	853,432	869,004
Amounts recoverable on long term contracts	102,529	-
Amounts owed by group undertakings	397,791	399,176
Other debtors	39,330	28,324
Prepayments and accrued income	175	175
	<u>1,393,257</u>	<u>1,296,679</u>

ORWIN AUTOMATION LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

12. CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	450,154	495,001
Net obligations under finance leases and hire purchase contracts	100,287	97,180
Payments received on account	358,776	523,015
Trade creditors	469,436	209,509
Corporation tax	-	13,417
Other taxes and social security costs	104,805	148,699
Other creditors	481	481
Accruals and deferred income	8,350	53,200
	<u>1,492,289</u>	<u>1,540,502</u>
Secured creditors	<u>550,441</u>	<u>592,181</u>

13. CREDITORS: amounts falling due after more than one year

	2000	1999
	£	£
Included in creditors due after more than one year are:		
Bank loans and overdrafts	348,060	386,266
Net obligations under finance leases and hire purchase contracts	81,670	137,640
	<u>429,730</u>	<u>523,906</u>
Instalments not due within five years	<u>152,500</u>	<u>192,257</u>
Secured creditors	<u>429,730</u>	<u>523,906</u>

ORWIN AUTOMATION LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

14. BORROWINGS

	2000 £	1999 £
The company's borrowings are repayable as follows		
Up to one year and on demand	450,154	495,001
Between one and two years	43,080	57,872
Between two and five years	152,480	136,137
After five years	152,500	192,257
	<u>798,214</u>	<u>881,267</u>
 Wholly repayable within five years	 <u>645,714</u>	 <u>689,010</u>
 Included in current liabilities	 <u>450,154</u>	 <u>495,001</u>
 Instalments not due within five years	 <u>152,500</u>	 <u>192,257</u>

15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2000 £	1999 £
The company's obligations are repayable as follows:		
Within one year or on demand	117,190	113,735
In two to five years	97,774	165,117
Total gross obligations	<u>214,964</u>	<u>278,852</u>
 Finance charges and interest allocated to future accounting periods	 (33,007)	 (44,032)
Total net obligations	<u>181,957</u>	<u>234,820</u>
 Net obligations analysed as follows:		
Included in creditors - amounts falling due within one year	100,287	97,180
Included in creditors - amounts falling due after more than one year	81,670	137,640
	<u>181,957</u>	<u>234,820</u>

ORWIN AUTOMATION LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

16. PROVISIONS FOR LIABILITIES AND CHARGES

	2000 £	1999 £
Deferred taxation (see below)		
Balance at 1 June 1999	64,528	44,103
Transferred from profit and loss account	2,230	20,425
Balance at 31 May 2000	<u>66,758</u>	<u>64,528</u>

Deferred tax is analysed over the following timing differences:

	2000 £	Fully provided 1999 £
On the excess of capital allowances over depreciation	<u>66,758</u>	<u>64,528</u>

17. SHARE CAPITAL

	2000 £	1999 £
Authorised:		
Equity interests:		
4000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>
Allotted, called up and fully paid:		
Equity interests:		
4000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

18. PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
Retained profit as at 1 June 1999	925,319	829,483
(Loss) / profit for the year	(48,798)	95,836
Retained profit as at 31 May 2000	<u>876,521</u>	<u>925,319</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
(Loss) / profit for the year	(43,798)	110,096
Dividends	(5,000)	(14,260)
Net (reduction) / addition to shareholders' funds	(48,798)	95,836
Opening shareholders' funds	929,319	833,483
Closing shareholders' funds	880,521	929,319
Represented by:-		
Equity interests	880,521	929,319

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	1,582	2,703
Interest paid	(55,443)	(43,587)
Interest element of hire purchase contracts	(18,347)	(18,347)
Net cash outflow from returns on investments and servicing of finance	(72,208)	(59,231)
Taxation		
Corporation tax paid	(15,766)	(3,626)
Corporation tax received	2,654	-
Net cash outflow from taxation	(13,112)	(3,626)
Capital expenditure		
Purchase of tangible fixed assets	1,791	(31,299)
Receipts from sale of tangible fixed assets	7,800	-
Net cash inflow / (outflow) from capital expenditure	9,591	(31,299)

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000**

**20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT -
(continued)**

	2000 £	1999 £
Financing		
New long-term loans	-	40,000
Repayments of long term loans	(40,895)	(64,609)
Capital element of hire purchase contract payments	(125,720)	(142,597)
Net cash outflow from financing	<u>(166,615)</u>	<u>(167,206)</u>

21. ANALYSIS OF CHANGES IN NET DEBT

	1999 £	Cash flow £	Other movements £	2000 £
Cash at bank and in hand	217,706	(174,794)	-	42,912
Bank overdraft	(435,192)	41,786	-	(393,406)
		(133,008)		
Debt due within one year	(59,809)	-	2,689	(57,120)
Debt due after one year	(386,266)	40,895	(2,689)	(348,060)
Hire purchase contracts and finance lease agreements	(234,820)	125,720	(72,857)	(181,957)
	<u>(898,381)</u>	<u>33,607</u>	<u>(72,857)</u>	<u>(937,631)</u>

22. ULTIMATE PARENT COMPANY

The ultimate parent company is Pentmere Limited, a company registered in Great Britain.

23. RELATED PARTY DISCLOSURES

The company made an interest free loan to its parent company, Pentmere Limited, during the year. At the balance sheet date it amounted to £397,791.