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Company Registration No. 1728913 (England and Wales)

ORWIN AUTOMATION LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2002



ORWIN AUTOMATION LIMITED

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ORWIN AUTOMATION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2002

The directors present their report and financial statements for the year ended 31 May 2002.

Principal activities and review of the business

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

The directors are pleased with the results for the year and are confident further improvements will be made in future.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 June 2001:

D.R. Wills
M.J. Whitaker
A.D. Doran
P.S. Rudd

Directors' interests

The directors' interests in the shares of the company were as stated below:

	31 May 2002	ordinary of £ 1 each 1 June 2001
D.R. Wills	-	-
M.J. Whitaker	-	-
A.D. Doran	-	-
P.S. Rudd	-	-

Charitable donations	2002 £	2001 £
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During the year the company made the following payments:

Charitable donations	-	250
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Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Larking Gowen be reappointed as auditors of the company will be put to the Annual General Meeting.

ORWIN AUTOMATION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2002

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 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 keeping 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.

By order of the board



L. Donald

Secretary

16.10.2002

ORWIN AUTOMATION LIMITED

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

LARKING
GOWEN

We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of the company for the year ended 31 May 2002 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

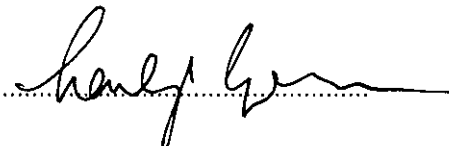
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are 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 financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts 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 financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with that provision.



Larking Gowen

Chartered Accountants
Registered Auditors
Norfolk

21 October 2002

ORWIN AUTOMATION LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2002

	Notes	2002 £	2001 £
Gross profit/(loss)		969,771	(31,336)
Distribution costs		(38,973)	(41,312)
Administrative expenses		(643,594)	(857,242)
Operating profit/(loss)	2	287,204	(929,890)
Inter-company loan written off		-	(377,806)
Profit/(loss) on ordinary activities before interest		287,204	(1,307,696)
Other interest receivable and similar income		583	404
Interest payable and similar charges	3	(15,009)	(95,919)
Profit/(loss) on ordinary activities before taxation		272,778	(1,403,211)
Tax on profit/(loss) on ordinary activities	4	76,818	140,247
Profit/(loss) on ordinary activities after taxation	12	349,596	(1,262,964)

ORWIN AUTOMATION LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MAY 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	5		946,402		1,033,256
Current assets					
Stocks	6	619,607		863,051	
Debtors	7	1,240,803		591,878	
Cash at bank and in hand		50		195	
		<u>1,860,460</u>		<u>1,455,124</u>	
Creditors: amounts falling due within one year	8	<u>(1,523,688)</u>		<u>(1,798,355)</u>	
Net current assets/(liabilities)			<u>336,772</u>		<u>(343,231)</u>
Total assets less current liabilities			<u>1,283,174</u>		<u>690,025</u>
Creditors: amounts falling due after more than one year	9		<u>(1,316,021)</u>		<u>(1,072,468)</u>
			<u>(32,847)</u>		<u>(382,443)</u>
Capital and reserves					
Called up share capital	11		4,000		4,000
Profit and loss account	12		<u>(36,847)</u>		<u>(386,443)</u>
Shareholders' funds - equity interests	13		<u>(32,847)</u>		<u>(382,443)</u>

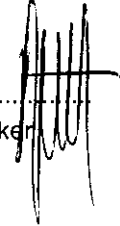
These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 16-10-2002.



D.R. Wills
Director

M.J. Whitaker
Director



ORWIN AUTOMATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2002

	2002 £	2001 £
Net cash outflow from operating activities	(273,483)	(19,926)
Returns on investments and servicing of finance		
Interest received	583	404
Interest paid	(11,956)	(75,352)
Net cash outflow for returns on investments and servicing of finance	(11,373)	(74,948)
Taxation	10,290	(367)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(34,327)	(11,592)
Inter-company loan written off	-	(377,806)
Receipts from sales of tangible assets	27,122	-
Net cash outflow for capital expenditure	(7,205)	(389,398)
Net cash outflow before management of liquid resources and financing	(281,771)	(484,639)
Financing		
New long term bank loan	261,254	-
Other new long term loans	325,000	720,000
Other new short term loans	47,879	-
Repayment of long term bank loan	(313,279)	(34,781)
Repayment of other short term loans	(38,950)	(18,170)
Capital element of hire purchase contracts	(66,035)	(106,236)
Net cash inflow from financing	215,869	560,813
(Decrease)/increase in cash in the year	(65,902)	76,174

ORWIN AUTOMATION LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2002

1	Reconciliation of operating profit/(loss) to net cash outflow from operating activities	2002		2001	
		£		£	
	Operating profit/(loss)	287,204		(929,890)	
	Depreciation of tangible assets	87,395		102,745	
	Loss on disposal of tangible assets	6,664		-	
	Decrease/(increase) in stocks	243,444		(528,959)	
	(Increase)/decrease in debtors	(659,215)		801,380	
	(Decrease)/increase in creditors within one year	(315,793)		460,943	
	Group relief	76,818		73,855	
	Net cash outflow from operating activities	(273,483)		(19,926)	
2	Analysis of net debt	1 June 2001		31 May 2002	
		£	Cash flow	Other non-cash changes	£
	Net cash:				
	Cash at bank and in hand	195	(145)	-	50
	Bank overdrafts	(274,515)	(65,757)	-	(340,272)
		<u>(274,320)</u>	<u>(65,902)</u>	<u>-</u>	<u>(340,222)</u>
	Debt:				
	Finance leases	(100,721)	66,035	-	(34,686)
	Debts falling due within one year	(38,950)	(8,929)	-	(47,879)
	Debts falling due after one year	(1,033,279)	(272,975)	-	(1,306,254)
		<u>(1,172,950)</u>	<u>(215,869)</u>	<u>-</u>	<u>(1,388,819)</u>
	Net debt	(1,447,270)	(281,771)	-	(1,729,041)
3	Reconciliation of net cash flow to movement in net debt	2002		2001	
		£		£	
	(Decrease)/increase in cash in the year	(65,902)		76,174	
	Cash inflow from increase in debt and lease financing	(215,869)		(560,813)	
	Change in net debt resulting from cash flows	(281,771)		(484,639)	
	New finance lease	-		(25,000)	
	Movement in net debt in the year	(281,771)		(509,639)	
	Opening net debt	(1,447,270)		(937,631)	
	Closing net debt	(1,729,041)		(1,447,270)	

ORWIN AUTOMATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

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

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	2% straight line
Plant and machinery	15% reducing balance
Motor vehicles	25% reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Stock and work in progress

Stock and work in progress are valued 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.

1.7 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

ORWIN AUTOMATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2002

1 Accounting policies

(continued)

1.9 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard has not required a prior period adjustment. If the new policy had been in place in the previous period no liability would have been recognised as the conditions for recognition would not have been satisfied.

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating profit/(loss)

2002

2001

£

£

Operating profit/(loss) is stated after charging:

Depreciation of tangible assets

87,395

102,745

Loss on disposal of tangible assets

6,664

-

Research and development

42,535

-

Auditors' remuneration

6,500

6,500

3 Interest payable

2002

2001

£

£

On bank loans and overdrafts

(2,859)

62,898

On other loans wholly repayable within 5 years

15

15,206

Hire purchase interest

10,653

17,815

Other interest

7,200

-

15,009

95,919

ORWIN AUTOMATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002

4	Taxation	2002 £	2001 £
	Domestic current year tax		
	Adjustment for prior years	-	366
	Receipt in respect of group relief	(76,818)	(73,855)
	Current tax charge	(76,818)	(73,489)
	Deferred tax		
	Deferred tax credit	-	(66,758)
		(76,818)	(140,247)
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	272,778	(1,403,211)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2001 : 20.00%)	54,556	(280,642)
	Effects of:		
	Non deductible expenses	2,061	78,848
	Depreciation	18,812	20,549
	Capital allowances	(18,191)	(18,437)
	Tax losses utilised	(129,685)	125,908
	Adjustments to previous periods	-	366
	Other tax adjustments	(4,371)	(81)
		(131,374)	207,153
	Current tax charge	(76,818)	(73,489)

The company has estimated losses of £ 236,241 (2001 : £ 500,575) available for carry forward against future trading profits.

ORWIN AUTOMATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2002

5 Tangible fixed assets

	Freehold buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 June 2001	661,877	769,242	156,471	1,587,590
Additions	7,746	16,787	9,794	34,327
Disposals	-	-	(85,165)	(85,165)
At 31 May 2002	669,623	786,029	81,100	1,536,752
Depreciation				
At 1 June 2001	72,355	409,507	72,472	554,334
On disposals	-	-	(51,379)	(51,379)
Charge for the year	14,109	54,846	18,440	87,395
At 31 May 2002	86,464	464,353	39,533	590,350
Net book value				
At 31 May 2002	583,159	321,676	41,567	946,402
At 31 May 2001	589,522	359,735	83,999	1,033,256

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

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 31 May 2002	99,377	22,302	121,679
At 31 May 2001	233,053	67,645	300,698
Depreciation charge for the year			
31 May 2002	17,537	7,434	24,971
31 May 2001	41,128	20,868	61,996

6 Stocks and work in progress

	2002 £	2001 £
Raw materials and consumables	48,264	51,983
Work in progress	571,343	811,068
	619,607	863,051

ORWIN AUTOMATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2002

7 Debtors	2002 £	2001 £
Trade debtors	917,948	460,304
Amounts owed by parent and fellow subsidiary undertakings	280,575	73,855
Corporation tax	-	10,290
Other debtors	816	330
Prepayments and accrued income	41,464	47,099
	<u>1,240,803</u>	<u>591,878</u>
8 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loans and overdrafts	388,151	313,465
Payments received on account	393,355	552,454
Net obligations under hire purchase contracts	24,919	61,532
Trade creditors	439,476	715,119
Amounts owed to parent and fellow subsidiary undertakings	13,984	-
Taxes and social security costs	155,738	106,673
Other creditors	6,895	2,813
Accruals and deferred income	101,170	46,299
	<u>1,523,688</u>	<u>1,798,355</u>
Debt due in one year or less	<u>47,879</u>	<u>38,950</u>

The bank overdraft is secured by an unlimited debenture and a legal charge over the company's freehold land and buildings.

The amounts due under finance leases and hire purchase contracts are secured on the relevant assets.

ORWIN AUTOMATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2002

9 Creditors: amounts falling due after more than one year	2002 £	2001 £
Bank loans	261,254	313,279
Net obligations under hire purchase contracts	9,767	39,189
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,045,000	720,000
	<u>1,316,021</u>	<u>1,072,468</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Up to one year and on demand	47,879	38,950
Between one and two years	50,872	41,871
Between two and five years	210,382	201,333
After five years	1,045,000	790,075
	<u>1,354,133</u>	<u>1,072,229</u>
Included in current liabilities	(47,879)	(38,950)
	<u>1,306,254</u>	<u>1,033,279</u>
Instalments not due within five years	-	70,074
	<u>-</u>	<u>70,074</u>
Loan maturity analysis		
In more than one year but not more than two years	50,872	41,871
In more than two years but not more than five years	210,382	201,333
In more than five years	1,045,000	790,075
	<u>1,306,254</u>	<u>1,033,279</u>
Net obligations under hire purchase contracts		
Repayable within one year	30,383	73,198
Repayable between one and five years	11,763	47,365
	<u>42,146</u>	<u>120,563</u>
Finance charges and interest allocated to future accounting periods	(7,460)	(19,842)
	<u>34,686</u>	<u>100,721</u>
Included in liabilities falling due within one year	(24,919)	(61,532)
	<u>9,767</u>	<u>39,189</u>

ORWIN AUTOMATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2002

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2002 Number	2001 Number
Office and management	13	10
Manufacturing	56	60
	<u>69</u>	<u>70</u>

Employment costs

	£	£
Wages and salaries	1,663,269	1,761,390
Social security costs	9,715	18,794
Other pension costs	37,999	50,887
	<u>1,710,983</u>	<u>1,831,071</u>