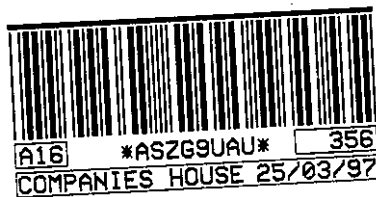


Company number : 285052

(2852052)

WINKWORTH MACHINERY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
27 MAY 1996



Baker Tilly
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

DIRECTORS AND OFFICERS

DIRECTORS

J F Winkworth (Chairman and Joint Managing Director)
P E Winkworth (Joint Managing Director)
Mrs R M L Winkworth
P L Winkworth

SECRETARY

P E Winkworth

REGISTERED OFFICE

Willow Tree Works
Swallowfield Street
Swallowfield
Berkshire RG7 1QX

AUDITORS

Baker Tilly
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

DIRECTORS' REPORT

The directors submit their report and the financial statements of Winkworth Machinery Limited for the year ended 27 May 1996.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the manufacture of mixing machinery and merchanting of used machinery.

REVIEW OF THE BUSINESS

The company continues to trade profitably and is well placed to take advantage of future developments.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £58,204. An interim dividend totalling £57,000 was declared leaving a profit of £1,204 to be transferred to profit and loss account.

DIRECTORS

The following directors have held office since 28 May 1995:-

Mrs R M L Winkworth
J F Winkworth
P E Winkworth
P L Winkworth

DIRECTORS' INTERESTS

All the directors are directors of Winkworth Holdings Limited and their interests in the shareholding of that company are shown in its accounts.

DIRECTORS' REPORT


FIXED ASSETS

The changes in fixed assets during the year are explained in note 6 to the financial statements.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board



P E WINKWORTH

Secretary

29 November 1996

**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS**

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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 DIRECTORS OF WINKWORTH
MACHINERY LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8
TO THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages 6 to 13 together with the full financial statements of Winkworth Machinery Limited for the year ended 27 May 1996. The scope of our work for the purpose of this report was limited to confirming that the directors are entitled to deliver abbreviated financial statements and that the abbreviated financial statements have been properly prepared from the full financial statements.

In our opinion the directors are entitled under sections 246 to 247 of the Companies Act 1985 to deliver abbreviated financial statements in respect of the year ended 27 May 1996 and the abbreviated financial statements on pages 6 to 13 have been properly prepared in accordance with Part III of Schedule 8 to that Act.

On 29 November 1996 we reported, as auditors of Winkworth Machinery Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 27 May 1996 and our audit report was as follows:-

"We have audited the financial statements on pages 6 to 14.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4 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.

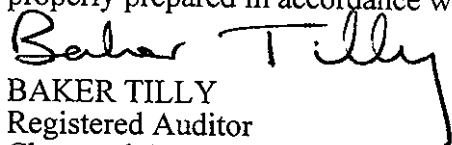
BASIS OF OPINION

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 at 27 May 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."



BAKER TILLY
Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

29 November 1996

ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 27 May 1996

	Notes	1996	
GROSS PROFIT		1,732,325	1,394,934
Other operating expenses (net)	1	1,658,198	1,303,650
OPERATING PROFIT		<u>74,127</u>	<u>91,284</u>
Interest receivable		5,152	3,431
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>79,279</u>	<u>94,715</u>
Taxation	4	21,075	27,328
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>58,204</u>	<u>67,387</u>
Dividends	5	57,000	66,000
RETAINED PROFIT FOR THE YEAR	13	£ <u><u>1,204</u></u>	£ <u><u>1,387</u></u>

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

BALANCE SHEET
27 May 1996

	Notes	1996	1995
FIXED ASSETS			
Tangible assets	6	393,234	413,053
CURRENT ASSETS			
Stocks	7	553,865	454,782
Debtors	8	531,988	893,700
Cash at bank and in hand		171,314	30,287
		<u>1,257,167</u>	<u>1,378,769</u>
CREDITORS			
Amounts falling due within one year	9	1,329,259	1,469,530
NET CURRENT LIABILITIES			
		<u>(72,092)</u>	<u>(90,761)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		321,142	322,292
CREDITORS			
Amounts falling due after more than one year	10	(250,000)	(250,000)
PROVISIONS FOR LIABILITIES AND CHARGES			
	11	(18,551)	(20,905)
		<u>£ 52,591</u>	<u>£ 51,387</u>
CAPITAL AND RESERVES			
Called up equity share capital	12	50,000	50,000
Profit and loss account	13	2,591	1,387
EQUITY SHAREHOLDERS' FUNDS			
		<u>£ 52,591</u>	<u>£ 51,387</u>

In preparing these abbreviated financial statements.

- a) I have relied upon the exemptions for individual accounts under sections 246 - 247 Companies Act 1985;
- b) I have done so on the grounds that the company is entitled to the benefits of those exemptions as a medium sized company.


J F Winkworth

.....Director

29 November 1996

Abbreviated financial statements for the year ended 27 May 1996

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Plant and machinery	over 3 to 8 years
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STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated normal selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

PENSIONS

The company operates a pension scheme for certain employees providing benefits based on contributions. The assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid by the company to the fund..

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 27 May 1996

	1996	1995
1. OTHER OPERATING EXPENSES (NET)		
Distribution costs	449,974	460,414
Administration expenses	1,215,710	855,232
Other operating income	(7,486)	(11,996)
	<u>£ 1,658,198</u>	<u>£ 1,303,650</u>
2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging:		
Depreciation	114,619	111,796
Auditors' remuneration	8,000	7,335
	<u>122,619</u>	<u>119,131</u>
3. EMPLOYEES		
The average weekly number of persons (including directors) employed by the company during the year was:	No.	No.
Office and management	15	17
Manufacturing	33	32
Selling	6	6
	<u>54</u>	<u>55</u>
Staff costs for the above persons:		
Wages and salaries	925,793	887,925
Social security costs	95,205	89,158
Other pension costs	25,464	24,992
	<u>£ 1,046,462</u>	<u>£ 1,002,075</u>

DIRECTORS' REMUNERATION

The directors' are wholly remunerated from the holding company, Winkworth Holdings Limited.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 27 May 1996

		1996	1995
4.	TAXATION		
	UK Corporation tax	24,400	24,750
	Deferred taxation	(2,354)	2,578
	Over provision in prior year	(971)	-
		<u>£ 21,075</u>	<u>£ 27,328</u>
		<u><u>£ 21,075</u></u>	<u><u>£ 27,328</u></u>
5.	DIVIDENDS		
	Ordinary:	57,000	66,000
		<u>£ 57,000</u>	<u>£ 66,000</u>
		<u><u>£ 57,000</u></u>	<u><u>£ 66,000</u></u>
6.	TANGIBLE FIXED ASSETS		
		Plant and equipment	
	Cost:		
	28 May 1995	938,878	
	Additions	98,334	
	Disposals	(35,537)	
	27 May 1996	<u>1,001,675</u>	
	Depreciation:		
	28 May 1995	525,825	
	Charge in the year	114,619	
	Disposals	(32,003)	
	27 May 1996	<u>608,441</u>	
	Net book value:		
	27 May 1996	<u>£ 393,234</u>	
		<u><u>£ 393,234</u></u>	
	27 May 1995	<u>£ 413,053</u>	
		<u><u>£ 413,053</u></u>	

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 27 May 1996

	1996	1995
7. STOCKS		
Raw materials and consumables	101,126	101,742
Work in progress	47,403	112,559
Finished goods and goods for resale	405,336	240,481
	<u>£ 553,865</u>	<u>£ 454,782</u>
8. DEBTORS		
Trade debtors	472,559	865,306
Other debtors	35,347	9,878
Prepayments and accrued income	24,082	18,516
	<u>£ 531,988</u>	<u>£ 893,700</u>
9. CREDITORS		
Amounts falling due within one year:		
Payments received on account	335,064	257,450
Trade creditors	218,889	600,774
Due to parent company	529,458	363,142
Corporation tax	24,400	24,750
Other taxation and social security costs	101,061	74,722
Other creditors	58,068	61,821
Accruals	62,319	86,871
	<u>£ 1,329,259</u>	<u>£ 1,469,530</u>
10. CREDITORS		
Amounts falling due in more than one year:		
Parent company loan	<u>£ 250,000</u>	<u>£ 250,000</u>

The loan is repayable with one year's notice and is interest free.

The loan due to the parent company and inter company indebtedness shown in creditors above are secured by a debenture over the assets of the company.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 27 May 1996

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation
Balance at 28 May 1995	20,905
Transfer from profit and loss	(2,354)
Balance at 27 May 1996	<u>£ 18,551</u>

Deferred taxation provided in the financial statements is as follows:-

	1996	1995
Excess of tax allowances over depreciation	18,363	20,759
Other timing differences	188	146
	<u>£ 18,551</u>	<u>£ 20,905</u>

12. EQUITY SHARE CAPITAL

Authorised:		
50,000 ordinary shares of £1 each	<u>£ 50,000</u>	<u>£ 50,000</u>

Allotted, issued and fully paid:		
50,000 ordinary shares of £1 each	<u>£ 50,000</u>	<u>£ 50,000</u>

13. PROFIT AND LOSS ACCOUNT

28 May 1995	1,387	-
Profit for the year	1,204	1,387
27 May 1996	<u>£ 2,591</u>	<u>£ 1,387</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 27 May 1996

	1996	1995
14. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS		
Profit for the financial year	58,204	67,387
Dividends	57,000	66,000
Net addition to shareholders' funds	<u>1,204</u>	<u>1,387</u>
Shares issued	-	50,000
Opening shareholders' funds	51,387	-
Closing shareholders' funds	<u>£ 52,591</u>	<u>£ 51,387</u>

15. DIRECTORS' INTEREST

The directors are the directors and shareholders of Winkworth Holdings Limited and Mixer Hire Limited. Mixer Hire Limited hired computers and equipment to the company for £14,257 (1995:£9,561) and the company provide management, storage and administration services of £128,940 (1995:£101,090). Winkworth Holdings Limited provides management and administration services of £819,435 (1995:£501,013).

The above transactions were at normal commercial prices.

16. ULTIMATE HOLDING COMPANY

The ultimate holding company is Winkworth Holdings Limited which is incorporated in England.