

1665017



**WYKES ENGINEERING CO.
(RUSHDEN) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

28 FEBRUARY 1999



Company no 1665017

WYKES ENGINEERING CO. (RUSHDEN) LIMITED

FINANCIAL STATEMENTS

For the year ended 28 February 1999

Company registration number: 1665017

Registered office: Goosey Lodge
Wymington
Nr Rushden
Northants
NN10 9LU

Director: D J Wykes

Secretary: K J Wykes

Bankers: Lloyds Bank plc
133 High Street
Rushden
Northants
NN10 0NX

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
Grant Thornton House
Kettering Parkway
Kettering Venture Park
KETTERING
Northants
NN15 6XR

WYKES ENGINEERING CO. (RUSHDEN) LIMITED

FINANCIAL STATEMENTS

For the year ended 28 February 1999

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WYKES ENGINEERING CO. (RUSHDEN) LIMITED

REPORT OF THE DIRECTOR

The director presents his report together with financial statements for the year ended 28 February 1999.

Principal activities

The company is principally engaged in general metal fabrication and mechanical engineering.

Business review

There was a profit for the year after taxation amounting to £294,134 (1998: profit £493,832). The director does not recommend payment of a dividend.

The director is pleased with the result for the year and considers that the position at the balance sheet date is satisfactory and that future trading will be profitable.

Director

The present membership of the Board is set out below. The director served on the board throughout the year.

The interest of the director and his family in the shares of the company as at 28 February 1999 and 1 March 1998 was as follows:

	Ordinary shares	
	28 February 1999	1 March 1998
D J Wykes	1,000	1,000

Director's responsibilities for the financial statements

Company law requires the director 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 director is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED

REPORT OF THE DIRECTOR

Year 2000 Compliance

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of the company's customers and suppliers.

The company has reviewed its computer systems for the impact of the Year 2000 date change. An impact analysis has been prepared to identify the major risks, and action plans have been developed to address these in advance of critical dates. The plans give priority to the systems which could have a significant financial or legal impact if they were to fail.

The company has requested from major customers, suppliers and other trading partners with whom information is traded electronically, confirmation that their relevant systems are Year 2000 compliant.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. However, the Board believes that its plans and the resources allocated are appropriate and adequate to address the issue.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD


D J Wykes
Director

Date 20 December 1999

**REPORT OF THE AUDITORS TO THE MEMBERS OF
WYKES ENGINEERING CO. (RUSHDEN) LIMITED**

We have audited the financial statements on pages 4 to 16 which have been prepared under the accounting policies set out on pages 4 to 5.

Respective responsibilities of the director and auditors

As described on page 1 the company's director is 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 director 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 as at 28 February 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

KETTERING

20 December 1999

WYKES ENGINEERING CO. (RUSHDEN) LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost of all tangible fixed assets other than freehold land over their expected useful lives. The rates generally applicable are:

Freehold buildings	2% straight line
Plant and machinery	15% - 33% reducing balance
Motor vehicles	35% reducing balance
Computer equipment	33% straight line

LONG-TERM CONTRACTS

The attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long-term contracts are included in stock to the extent that they cannot be matched with contract work accounted for as turnover. Long-term contract balances included in stocks are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

STOCKS

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

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

LEASED ASSETS

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED

PRINCIPAL ACCOUNTING POLICIES

ASSOCIATED UNDERTAKINGS

Undertakings other than subsidiary undertakings, in which the company has an investment representing at least 20% of the voting rights and over which it exerts significant influence, are treated as associated undertakings.

The balance sheet shows the investment in the associated undertaking at cost less amounts written off.

The company's interest in the associated undertaking under the equity method of accounting is shown by way of note.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 28 February 1999

	Note	1999 £	1998 £
Turnover	1	5,944,717	6,045,138
Other operating income and charges		5,613,149	5,520,938
Operating profit		331,568	524,200
Income from other fixed asset investments	3	-	(86,000)
Net interest	4	(109,533)	(96,311)
Profit on ordinary activities before taxation	1	441,101	706,511
Tax on profit on ordinary activities	6	146,967	212,679
Profit transferred to reserves	14	294,134	493,832

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED

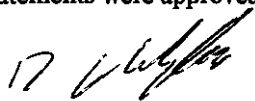
BALANCE SHEET AT 28 FEBRUARY 1999

	Note	1999 £	1999 £	1998 £	1998 £
Fixed assets					
Tangible assets	7		917,449		928,829
Investments	8		75,375		75,375
			<u>992,824</u>		<u>1,004,204</u>
Current assets					
Stocks and work in progress	9	254,964		303,427	
Debtors	10	846,611		1,169,384	
Cash at bank and in hand		2,050,227		1,304,653	
		<u>3,151,802</u>		<u>2,777,464</u>	
Creditors: amounts falling due within one year	11	<u>2,719,112</u>		<u>2,650,288</u>	
Net current assets			<u>432,690</u>		<u>127,176</u>
			<u>1,425,514</u>		<u>1,131,380</u>
Capital and reserves					
Called up share capital	13		1,000		1,000
Profit and loss account	14		<u>1,424,514</u>		<u>1,130,380</u>
Shareholders' funds	15		<u>1,425,514</u>		<u>1,131,380</u>

The financial statements were approved by the Board of Directors on

20 December 1999

D J Wykes



Director

WYKES ENGINEERING CO. (RUSHDEN) LIMITED**CASH FLOW STATEMENT**

For the year ended 28 February 1999

	Note	1999 £	1998 £
Net cash inflow from operating activities	16	685,127	884,785
Returns on investments and servicing of finance			
Interest received		133,533	110,061
Interest paid		(24,000)	(13,750)
Dividends received		-	86,000
Net cash inflow from returns on investments and servicing of finance		109,533	182,311
Taxation		(184,249)	(427,150)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(75,321)	(395,598)
Sale of tangible fixed assets		8,995	-
Net cash outflow from capital expenditure and financial investment		(66,326)	(395,598)
Management of liquid resources			
Deposits		(550,333)	(353,545)
Net cash outflow from management of liquid resources		(550,333)	(353,545)
Repayment of borrowings		201,489	28,161
Net cash inflow from financing		201,489	28,161
(Decrease)/increase in cash	17	195,241	(81,036)

The accompanying accounting policies and notes form an integral part of these financial statements.

WYKES ENGINEERING CO. (RUSHDEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 February 1999

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation is attributable to one activity, that of general metal fabrication and mechanical engineering.

The profit on ordinary activities is stated after:

	1999 £	1998 £
Auditors' remuneration	3,500	3,500
Depreciation:		
Tangible fixed assets, owned	79,150	71,040
Operating lease rentals	97	31,934

2 OTHER OPERATING INCOME AND CHARGES

	1998 £	1997 £
Cost of sales	4,707,139	4,656,750
Operating charges:		
Administrative expenses	906,010	864,188

3 INCOME FROM OTHER FIXED ASSET INVESTMENTS

	1999 £	1998 £
From shares in group undertakings	-	86,000

4 NET INTEREST

	1999 £	1998 £
Other interest payable and similar charges	24,000	13,750
Other interest receivable and similar income	(133,533)	(110,061)
	(109,533)	(96,311)

WYKES ENGINEERING CO. (RUSHDEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 February 1999

5 DIRECTOR AND EMPLOYEES

Staff costs during the year were as follows:

	1999 £	1998 £
Wages and salaries	1,312,145	1,230,839
Social security costs	133,690	121,960
Pension contributions	5,000	-
	<u>1,450,835</u>	<u>1,352,799</u>

The average number of employees of the company during the year was 50 (1998: 34).

Remuneration in respect of the director was as follows:

	1999 £	1998 £
Emoluments	<u>105,393</u>	<u>104,369</u>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and represents:

	1999 £	1998 £
UK Corporation tax at 31% (1998: 33%)	146,967	203,529
Adjustments in respect of prior periods:		
Corporation tax	-	9,150
	<u>146,967</u>	<u>212,679</u>

WYKES ENGINEERING CO. (RUSHDEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 February 1999

7 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost						
At 1 March 1998	864,901	324,405	97,678	90,048	16,136	1,393,168
Additions	-	7,323	58,477	6,040	3,481	75,321
	864,901	331,728	156,155	96,088	19,617	1,468,489
Disposals	-	-	(32,400)	-	-	(32,400)
At 28 February 1999	864,901	331,728	123,755	96,088	19,617	1,436,089
Depreciation						
At 1 March 1998	95,392	259,282	61,152	41,061	7,452	464,339
Provided in the year	15,640	18,111	30,608	8,252	6,539	79,150
	111,032	277,393	91,760	49,313	13,991	543,489
Eliminated on disposals	-	-	(24,849)	-	-	(24,849)
At 28 February 1999	111,032	277,393	66,911	49,313	13,991	518,640
Net book amount at 28 February 1999	753,869	54,335	56,844	46,775	5,626	917,449
Net book amount at 28 February 1998	769,509	65,123	36,526	48,987	8,684	928,829

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Interest in associated undertaking At 1 March 1998 and at 28 February 1999	75,375

WYKES ENGINEERING CO. (RUSHDEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 February 1999

At 28 February 1999 the company had an interest in the following associated undertaking:

Name of associated undertaking	Country of incorporation/ registration	Class of share capital held	Proportion held	Nature of business	Profit for the financial year before taxation
K J Wykes Limited	England	Ordinary	50%	Electrical engineers	£108,805

9 STOCKS AND WORK IN PROGRESS

	1999 £	1998 £
Work in progress	231,681	1,248,235
Less: payments on account	-	(970,554)
	<u>231,681</u>	<u>277,681</u>
Stocks	23,283	25,746
	<u>254,964</u>	<u>303,427</u>

10 DEBTORS

	1999 £	1998 £
Trade debtors	688,364	1,164,092
Amounts owed by undertakings in which the company has a participating interest	20,390	1,392
Social security and other taxes	81,045	-
Prepayments and accrued income	56,812	3,900
	<u>846,611</u>	<u>1,169,384</u>

WYKES ENGINEERING CO. (RUSHDEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 February 1999

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Payments received on account	727,067	970,554
Trade creditors	580,143	631,627
Amounts owed to related undertakings	133,000	-
Amounts owed to undertakings in which the company has a participating interest	301,138	175,440
Corporation tax	164,718	202,000
Social security and other taxes	49,629	95,571
Other creditors	385,653	244,803
Loans from directors	280,142	78,653
Accruals and deferred income	97,622	251,640
	<u>2,719,112</u>	<u>2,650,288</u>

13 SHARE CAPITAL

	1999 £	1998 £
Authorised 3,000 ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>
Allotted, called up and fully paid 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

14 RESERVES

	Profit or loss account
At 1 March 1998	1,130,380
Retained profit for the year	294,134
At 28 February 1999	<u>1,424,514</u>

WYKES ENGINEERING CO. (RUSHDEN) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 28 February 1999

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Profit for the financial year	294,134	493,832
Net increase in shareholders' funds	294,134	493,832
Shareholders' funds at 1 March 1998	1,131,380	637,548
Shareholders' funds at 28 February 1999	1,425,514	1,131,380

16 NET CASH INFLOW FROM OPERATING ACTIVITIES

	1999 £	1998 £
Operating profit	331,568	524,200
Depreciation	79,150	71,040
Loss on sale of tangible fixed assets	(1,444)	-
Decrease in stocks	48,463	(94,447)
Decrease in debtors	322,773	(185,962)
Increase/(decrease) in creditors	(95,383)	569,954
Net cash inflow from continuing operating activities	685,127	884,785

17 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	1999 £	1998 £
Increase in cash in the year	195,241	(81,036)
Cash inflow from financing in the year	(201,489)	(28,161)
Cash outflow from increase/(decrease) in liquid resources	550,333	353,545
Change in net funds resulting from cashflows	544,085	244,348
Movement in net funds in the year	544,085	244,348
Net funds at 1 March 1998	1,226,000	981,652
Net funds at 28 February 1999	1,770,085	1,226,000

WYKES ENGINEERING CO. (RUSHDEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 February 1999

18 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 March 1998 £	Cash flow £	At 28 February 1999 £
Cash in hand and at bank	(56,699)	195,241	138,542
Debt	(78,653)	(201,489)	(280,142)
Current asset investments	1,361,352	550,333	1,911,685
	<u>1,226,000</u>	<u>544,085</u>	<u>1,770,085</u>

19 CAPITAL COMMITMENTS

The company had no capital commitments at 28 February 1999 or 28 February 1998.

20 CONTINGENT LIABILITIES

There were no contingent liabilities at 28 February 1999 or 28 February 1998.

21 CONTROLLING RELATED PARTY

Mr D J Wykes is this company's controlling related party by virtue of his office and shareholding in the company.

WYKES ENGINEERING CO (RUSHDEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 1999

22 TRANSACTIONS WITH DIRECTORS

Amounts due in respect of loans, quasi-loans and credit transactions by the director and his wife are as follows:

Name of director and connected person	Amount outstanding 1999 £	Amount outstanding 1998 £	Maximum liability during the year £
D J Wykes	280,142	78,653	341,957
Mrs E J Wykes	<u>34,653</u>	<u>29,053</u>	<u>34,653</u>

Transactions or arrangements

During the year the following director had directly or indirectly a material interest in transactions or arrangements with the following companies:

Name of director	Connection	Nature of transaction	Value of transaction
Mr D J Wykes	Companies in which directorship/ shareholdings held	Sales	£177,699
Mr D J Wykes	Companies in which directorship/ shareholdings held	Purchases	£297,142
Mr D J Wykes	Companies in which directorship/ shareholdings held	Trade debtors	£20,392
Mr D J Wykes	Companies in which directorship/ shareholdings held	Trade creditors	£95,538