

The directors submit their annual report and the financial statements of the group for the year ended 30th April 1996.

RESULTS AND DIVIDENDS

The trading profit for the year after a taxation credit of £39,418 was £164,786 which is to be added to reserves.

The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The principal activities of the company and its subsidiaries have been that of agricultural engineering, machinery suppliers and distribution of fuel oils and gas.

In the opinion of the directors, the development of the business during the year and its position at the year end was satisfactory.

FUTURE DEVELOPMENTS

The directors intend to maintain the existing level of activity.

DIRECTORS

The directors of the company were as follows:-

R F Tincknell
Mrs V G Tincknell
R R Tincknell
P F Tincknell



None of the directors or their wives or infant children held any shares in the company, except that R R & P F Tincknell, together with their infant children are entitled to the income from trusts holding the entire issued share capital.

EMPLOYMENT POLICIES

Applications for employment by disabled persons are always fully considered. Account is taken of disabilities only in so far as they might affect the individual's ability to perform the job in question or have health and safety implications. In the event that existing members of staff become incapacitated every effort is made to continue their employment with the company.

The organisation of the group has been structured such that employees should be encouraged to become aware of, and to involve themselves in the performance of their own part of the business and of the group as a whole. Information about the group's achievements and plans is disseminated through the management structure by means of regular meetings and briefings at all levels.

TRUSTEE SHAREHOLDING

G A Wood, a partner in Gordon Wood, Scott & Partners, the company's auditor, is a trustee with others, of trusts which together hold the entire issued share capital of the company.

AUDITORS

A resolution to re-appoint Gordon Wood, Scott & Partners as auditors will be put to the members at the annual general meeting.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'R. F. Tincknell', is written over the printed name.

R F TINCKNELL

Chairman

12th February 1997

AUDITORS REPORT TO THE SHAREHOLDERS OFR TINCKNELL & SON LIMITED

We have audited the financial statements on pages 3 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7 & 8.

Respective Responsibilities of Directors and Auditors

As described on page 7 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 financial 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 group's and the company's affairs as at 30th April 1996 and of the group's results and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Gordon Wood, Scott & Partners

GORDON WOOD, SCOTT & PARTNERS

Registered Auditor

Chartered Accountants

St Stephens House
Colston Avenue
Bristol BS1 4SH

12th February 1997

R TINCKNELL & SON LIMITED AND ITS SUBSIDIARIESCONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH APRIL 1996


	<u>Notes</u>	<u>1996</u>	<u>1995</u>
<u>TURNOVER</u>	3	45,830,725	41,070,009
Cost of Sales		(41,164,834)	(36,303,689)
		<hr/>	<hr/>
<u>GROSS PROFIT</u>		4,665,891	4,766,320
Distribution Costs	940,548	912,644	
Administration Expenses	3,780,370	3,256,943	
		<hr/>	<hr/>
		(4,720,918)	(4,169,587)
		<hr/>	<hr/>
Operating (Loss) Income		(55,027)	596,733
Interest Receivable	3	180,395	172,659
		<hr/>	<hr/>
Profit on Ordinary Activities Before Taxation	3	125,368	769,392
Tax on Profit on Ordinary Activities	6	39,418	(155,837)
Profit on Ordinary Activities after Taxation, Attributable to Holding Company Shareholders (of which £193,603 (1995:£503,565) is dealt within the separate accounts of R Tincknell & Son Limited		<hr/>	<hr/>
		164,786	613,555
Dividend Paid		-	-
		<hr/>	<hr/>
Retained Profit for the year		164,786	613,555
Profit and Loss Account brought forward		9,105,144	8,491,589
		<hr/>	<hr/>
Profit and Loss Account brought forward		9,269,930	9,105,144
		<hr/> <hr/>	<hr/> <hr/>

The company made no recognised gains or losses in 1996 or 1995 other than the profit for the year.

R TINCKNELL & SON LIMITED AND ITS SUBSIDIARIESBALANCE SHEET AS AT 30TH APRIL 1996

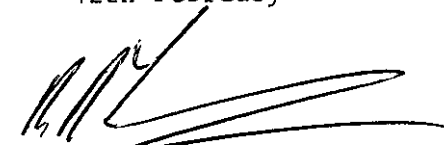
	<u>Note</u>	<u>1996</u>	<u>1995</u>
<u>FIXED ASSETS</u>			
Tangible Assets	7	3,572,303	3,153,041
<u>CURRENT ASSETS</u>			
Stocks	9	4,882,617	3,758,527
Debtors	10	5,694,746	5,567,720
Cash at Bank and in Hand		1,865,542	2,523,336
		<u>12,442,905</u>	<u>11,849,583</u>
<u>CREDITORS: Amounts falling due within one year</u>			
Trade creditors		5,684,267	4,785,665
Other creditors		19,062	17,683
Corporation tax	11	-	154,463
Directors current account		92,109	43,606
Other Taxation and Social Security		294,190	271,460
Accruals		384,158	355,240
Deferred Income		130,553	124,061
		<u>6,604,339</u>	<u>5,752,178</u>
Net Current Assets		<u>5,838,566</u>	<u>6,097,405</u>
Total Assets Less Current Liabilities		<u>9,410,869</u>	<u>9,250,446</u>
<u>PROVISION FOR LIABILITIES AND CHARGES</u>			
Deferred taxation	12	(4,844)	(9,207)
		<u>9,406,025</u>	<u>9,241,239</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	14	132,066	132,066
Other Reserves		4,029	4,029
Profit and Loss Account		9,269,930	9,105,144
Shareholders Funds - Equity Interest		<u>9,406,025</u>	<u>9,241,239</u>

The accounts were approved by the Directors on signed on their behalf by:


R F TINCKNELL

12th February

1997 and


R R TINCKNELL

R TINCKNELL & SON LIMITEDBALANCE SHEET AS AT 30TH APRIL 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
<u>FIXED ASSETS</u>			
Tangible assets	7	3,041,180	2,584,089
Investments	8	10,000	10,000
		<hr/>	<hr/>
		3,051,180	2,594,089

CURRENT ASSETS

Stocks	9	4,517,833	3,410,938
Debtors	10	4,560,346	2,986,646
Cash at bank and in hand		90,308	2,184,169
		<hr/>	<hr/>
		9,168,487	8,581,753
		<hr/>	<hr/>

CREDITORS: Amounts falling due within one year

Trade creditors		3,613,312	2,481,791
Amounts owed to group undertakings		111,412	359,398
Other creditors		15,486	15,486
Corporation tax	11	-	118,196
Directors undrawn remuneration		154,000	141,000
Directors current account		92,109	43,606
Other taxation and Social Security		254,683	223,418
Accruals		106,059	103,404
		<hr/>	<hr/>
		4,347,061	3,496,299
		<hr/>	<hr/>

Net Current Assets	4,821,426	5,085,454
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Total Assets Less Current Liabilities	7,872,606	7,679,543
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CAPITAL AND RESERVES

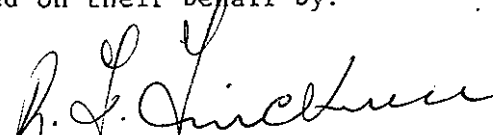
Called Up Share Capital	14	132,066	132,066
Other Reserves		4,029	4,029
Profit and Loss Account		7,736,511	7,543,448
		<hr/>	<hr/>

Shareholders Funds - Equity Interests	7,872,606	7,679,543
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The accounts were approved by the Directors on signed on their behalf by:

12th February

1997 and


 R F TINCKNELL


 R R TINCKNELL

R TINCKNELL & SON LIMITEDCASH FLOW STATEMENT FOR THE YEAR ENDED 30TH APRIL 1996

	<u>1996</u>	<u>1995</u>
<u>OPERATING ACTIVITIES</u>		
Cash received from customers	52,577,255	47,372,000
Cash payments to suppliers	(49,307,974)	(43,485,483)
Cash paid to and on behalf of employees	(3,870,471)	(3,550,049)
Other cash receipts	707,787	507,676
	<hr/>	<hr/>
Net cash flow from operating activities	106,597	844,144
<u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>		
Interest received	180,395	172,659
<u>TAXATION</u>		
Corporation tax paid (including ACT)	(154,463)	(176,092)
<u>INVESTING ACTIVITIES</u>		
Payments to acquire tangible fixed assets	1,585,884	1,087,800
Receipts from sales of tangible fixed assets	(795,561)	(467,701)
	<hr/>	<hr/>
Net cash outflow from investing activities	(790,323)	(620,099)
	<hr/>	<hr/>
INCREASE IN CASH AND CASH EQUIVALENTS	(657,794)	220,612
	<hr/> <hr/>	<hr/> <hr/>

NOTESRECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

Operating (loss)/profit	(55,027)	596,733
Depreciation	440,619	352,230
Profit on sale of tangible fixed assets	(69,558)	(40,484)
(Increase)/Decrease in stock	(1,124,090)	1,105,651
(Increase)/Decrease in debtors	(91,971)	308,168
(Increase)/Decrease in creditors	1,006,624	(1,478,154)
	<hr/>	<hr/>
Net cash inflow from operating activities	106,597	844,144
	<hr/> <hr/>	<hr/> <hr/>

ANALYSIS OF CHANGES IN CASH AND EQUIVALENTS

Bank account at 30th April 1995	2,523,336	2,302,724
Net cash (outflow)/inflow	(657,794)	220,612
	<hr/>	<hr/>
Bank account at 30th April 1996	1,865,542	2,523,336
	<hr/> <hr/>	<hr/> <hr/>

R TINCKNELL & SON LIMITED AND ITS SUBSIDIARIESNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 19961. STATEMENT OF DIRECTORS' RESPONSIBILITIES

In respect of preparation of the financial statements:

The directors are required by company law 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;
- state whether applicable accounting standards have been followed;
- 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.

2. ACCOUNTING POLICIES(a) Accounting Convention

The accounts have been prepared under the historical cost convention and applicable accounting standards.

(b) Basis of Consolidation

The group accounts consolidate the accounts of the company and all its subsidiaries. A separate profit and loss account dealing with the results of the company has not been presented, an exemption allowed by S230 Companies Act 1985.

(c) Depreciation

Depreciation has been provided to write off each fixed asset over its estimated remaining useful life on the reducing balance basis at the following annual values:-

Freehold property	Nil
Motor vehicles	25%
Plant, equipment, fixtures and fittings	15 - 50%

No depreciation is provided on freehold premises as in the opinion of the directors these are kept in good repair, such repairs being charged to the profit and loss account when they arise and therefore no diminution in value occurs.

(d) Turnover

Turnover represents the amount invoiced, excluding VAT, to customers in respect of deliveries and services rendered during the year.

R TINCKNELL & SON LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 1996

Continued/...

2. ACCOUNTING POLICIES

(e) Stocks and Work in Progress

Stocks and work in progress are stated at the lower of cost and net realisable value on bases consistent with previous years. Demonstration stock is included in plant and machinery.

(f) Deferred Taxation

Provision is made on the liability basis for the tax effect arising on all material timing differences at the rates which they are expected to reverse in the foreseeable future.

(g) Pension Costs

Pension contributions which are made in accordance with periodic valuations are charged against the profits for the year in which they become payable.

(1) Leasing

The company is a lessor of agricultural machinery. When a machine is leased to a customer under a finance lease the amount due from the lessee is included in the balance sheet as a debtor. The total gross earnings under finance leases are allocated to accounting periods to give a constant periodic return in each period on the company's net investment.

3. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

- (a) Turnover and profit on ordinary activities before taxation are analysed as follows:-

	<u>Turnover</u>		<u>Profit/(Loss)</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
Agricultural Engineering	27,398,959	24,164,868	164,064	621,761
Fuel oil and gas distribution	18,431,766	16,905,141	(38,696)	147,631
	<u>45,830,725</u>	<u>41,070,009</u>	<u>125,368</u>	<u>769,392</u>

A geographical analysis of turnover is as follows:-

U.K.	43,072,816	38,981,634
Europe	2,757,909	2,088,375
	<u>45,830,725</u>	<u>41,070,009</u>

All operations are continuing.

- (b) Profit on ordinary activities is stated after charging the following:-

Directors emoluments (note 4)	315,955	265,992
Auditors remuneration	40,250	38,750
Depreciation	440,619	352,230
	<u> </u>	<u> </u>

and after crediting:

Finance lease rentals receivable	351,637	455,892
	<u> </u>	<u> </u>

R TINCKNELL AND SON LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 1996

Continued/...

3. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(b) <u>Interest Receivable</u>	<u>1996</u>	<u>1995</u>
Deposit account interest	136,618	123,056
Interest on finance leases and hire purchase agreements	43,777	49,603
	<u>180,395</u>	<u>172,659</u>

4. DIRECTORS EMOLUMENTS

Emoluments of the directors disclosed in note 3 (above) were as follows:-

Fees	3,000	3,000
Other emoluments (including pensions and pension contributions)	312,955	262,992
Excluding pension contributions:		
Chairman	54,139	54,289
Highest paid director	108,294	92,121
Emoluments of the other directors fall within the following ranges:-	<u>No</u>	<u>No</u>
£5,001 - £10,000	1	1
£90,001 - £95,000	-	1
£100,001 - £105,000	1	-

5. STAFF COSTS AND OTHER PENSION COMMITMENTS

Staff costs during the year including those of the directors amounts to:

Wages and salaries	3,436,521	3,147,469
Social security costs	285,845	240,651
Other pension costs	155,592	149,229
	<u>3,877,958</u>	<u>3,537,349</u>

The average monthly number of employees during the year was made up as follows:-

	<u>No</u>	<u>No</u>
Stores	24	23
Administration	73	71
Sales	53	48
Engineers and Workshop	111	106
	<u>261</u>	<u>248</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 1996

Continued/...

1996
1995

6. TAXATION

Corporation Tax (Credit)/Charge at the appropriate rate

(35,055)

154,463

Deferred taxation (credit)

(4,363)

1,374

(39,418)

155,837

7. FIXED ASSETS - GROUP COST

Freehold Premises

Plant & Equipment

Motor Vehicles

TOTAL

As at 1st May 1995

1,439,803

1,450,975

2,502,961

5,393,739

Additions

119,369

890,916

575,599

1,585,884

(Sales)

-

(662,544)

(215,136)

(877,680)

As at 30th April 1996

1,559,172

1,679,347

2,863,424

6,101,943

AGGREGATE DEPRECIATION

At 1st May 1995

-

616,777

1,623,921

2,240,698

Charge for the year

-

141,946

298,673

440,619

(Sales)

-

(22,727)

(128,950)

(151,677)

At 30th April 1996

-

735,996

1,793,644

2,529,640

NET BOOK VALUE

At 30th April 1996

1,559,172

943,351

1,069,780

3,572,303

As at 1st May 1995

1,439,803

834,198

879,040

3,153,041

FIXED ASSETS - COMPANY COST

As at 1st May 1995

1,443,153

1,217,602

880,447

3,541,202

Additions

119,369

865,579

436,331

1,421,279

(Sales)

-

(662,544)

(149,388)

(811,932)

Inter group transfers

-

-

1,780

1,780

As at 30th April 1996

1,562,522

1,420,637

1,169,170

4,152,329

AGGREGATE DEPRECIATION

As at 1st May 1995

-

435,367

521,746

957,113

Charge for the year

-

114,789

137,313

252,102

(Sales)

-

(22,727)

(70,938)

(93,665)

Inter group transfers

-

-

(4,401)

(4,401)

At 30th April 1996

-

527,429

583,720

1,111,149

NET BOOK VALUE

At 30th April 1996

1,562,522

893,208

585,450

3,041,180

At 1st May 1995

1,443,153

782,235

358,701

2,584,089

Assets were also acquired for the purpose of letting under finance leases amounting to £236,472 (1995:£311,349).

R TINCKNELL & SON LIMITED AND ITS SUBSIDIARIESNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 1996

Continued/...

8. INVESTMENTS

The company owns all the share capital of the following companies which are all registered and incorporated in England. Avon Oils Limited did not trade during the year.

Tincknell Fuels Limited

Avon Oils Limited (held by Tincknell Fuels Limited)

Gas West Limited (held by Tincknell Fuels Limited)

In the opinion of the directors the value of the investments are not less than stated in the balance sheet.

9. STOCK

Stock consists of goods for resale.

10. DEBTORS

	<u>The Group</u>		<u>The Company</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
Trade Debtors	4,711,059	4,536,770	2,052,997	2,243,597
Other Debtors	32,029	14,508	31,619	13,653
Finance Lease Receivable	362,673	533,875	362,673	533,875
Prepayments	275,756	289,935	185,264	195,521
Amounts due from subsidiary undertakings	-	-	1,898,794	-
Taxation and Social Security	278,174	192,632	-	-
Corporation Tax Refund Due	35,055	-	28,999	-
	<u>5,694,746</u>	<u>5,567,720</u>	<u>4,560,346</u>	<u>2,986,646</u>

Included in the total receivables above is £187,262 (1995:£388,967) which falls due after more than one year.

11. CORPORATION TAX

Due within one year

Payable 1st February 1996	-	154,463	-	118,196
	<u>-</u>	<u>154,463</u>	<u>-</u>	<u>118,196</u>

12. DEFERRED TAXATION

Provision has been made in full for fixed assets on the excess of capital allowances over depreciation as follows:-

Balance at 1st May 1995	9,207
(Credit) for the year	(4,363)
	<u>4,844</u>
Balance as at 30th April 1996	

The deferred taxation liability of the company at 30th April 1996 was nil (30th April 1995: Nil).

R TINCKNELL & SON LIMITED AND ITS SUBSIDIARIESNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 1996

Continued/...

13. The deferred tax asset not included in these accounts is shown below:-

<u>The Group and The Company</u>	<u>1996</u>	<u>1995</u>
Accelerated Capital Allowances	174,525	142,255
Leasing income over Allowances	(206,998)	(258,933)
Total Asset	(32,473)	(116,678)

- 14.
- CALLED UP SHARE CAPITAL

Authorised:

1,000,000 Ordinary Shares of £1 each	1,000,000	1,000,000
Allotted, and Fully Paid:		
132,066 Ordinary Shares of £1 each	132,066	132,066

- 15.
- PENSION COSTS

The company operates the R Tincknell & Son Limited Pension and Life Assurance Scheme and the Devon Fuels Employee Benefits Scheme, providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the Profit & Loss Account in the year they become payable. The contributions are determined by qualified actuaries on the basis of triennial valuations using the current unit method for the R Tincknell & Son scheme and the attained age method for the Devon Fuels scheme. The most recent available valuations were at 29th April 1993 and 31st March 1992 respectively. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 9% per annum and that salary increases would average 7% per annum for both schemes.

The latest actuarial valuations indicate that the schemes are fully funded on a discontinuance basis. the contributions of the company and employees are 5.5% and 4% for the R Tincknell & Son scheme and similar amounts for the Devon Fuels Scheme.

16. <u>MOVEMENT IN SHAREHOLDERS FUNDS</u>	<u>1996</u>	<u>1995</u>
Profit for the financial year	164,786	613,555
Dividend	-	-
Net addition to shareholders funds	164,786	613,555
Opening shareholders funds	9,241,239	8,627,684
Closing shareholders funds	9,406,025	9,241,239

- 17.
- CAPITAL COMMITMENTS

Authorised and contracted for	-	71,685
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