

Company number : 2852052

WINKWORTH MACHINERY LIMITED
ABBREVIATED FINANCIAL STATEMENTS

27 MAY 1999



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)

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 1999.

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's turnover increased from £4,374,622 to £4,635,054 and is well placed to take advantage of future developments.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £296,536 which is transferred to profit and loss account .

DIRECTORS

The following directors have held office since 28 May 1998:-

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.

YEAR 2000

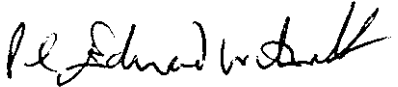
The directors consider that the company's computer systems, telecommunications and other technical systems are compatible with the year 2000.

DIRECTORS' REPORT

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

26 November 1999

**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 WINKWORTH MACHINERY LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 6 to 13 together with the financial statements of the company for the period ended 27 May 1999 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

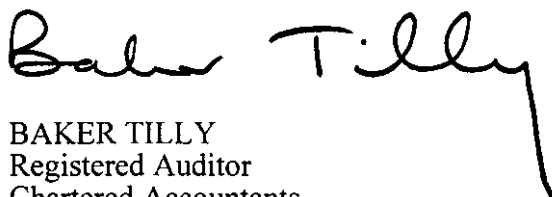
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to your.

BASIS OF OPINION

We have carried out the procedures we consider 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 6 to 13 are properly prepared in accordance with those provisions..



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

26 November 1999

ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 27 May 1999

	Notes	1999	1998
GROSS PROFIT		1,818,949	1,583,091
Other operating expenses (net)	1	1,653,619	1,918,687
OPERATING PROFIT/(LOSS)		<u>165,330</u>	<u>(335,596)</u>
Interest receivable		5,146	11,468
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>170,476</u>	<u>(324,128)</u>
Taxation	4	(126,060)	(27,781)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>296,536</u>	<u>(296,347)</u>
Dividends	5	-	-
RETAINED PROFIT/(LOSS) FOR THE YEAR	13	<u>£ 296,536</u>	<u>£ (296,347)</u>

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

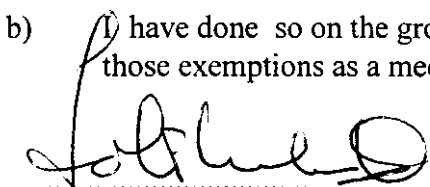
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

ABBREVIATED BALANCE SHEET
 27 May 1999

	Notes	1999	1998
FIXED ASSETS			
Tangible assets	6	542,318	519,041
CURRENT ASSETS			
Stocks	7	650,916	570,770
Debtors	8	645,438	631,455
Cash at bank and in hand		3,299	602,752
		<u>1,299,653</u>	<u>1,804,977</u>
CREDITORS			
Amounts falling due within one year	9	1,511,056	2,304,614
NET CURRENT LIABILITIES			
		<u>(211,403)</u>	<u>(499,637)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>£ 330,915</u>	<u>£ 19,404</u>
CREDITORS			
Amounts falling due after more than one year	10	250,000	250,000
PROVISIONS FOR LIABILITIES AND CHARGES			
	11	27,278	12,303
CAPITAL AND RESERVES			
Called up equity share capital	12	50,000	50,000
Profit and loss account	13	3,637	(292,899)
		<u>£ 330,915</u>	<u>£ 19,404</u>

In preparing these abbreviated financial statements.

- a) I have relied upon the exemptions for individual accounts under sections 246A - 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

26 November 1999

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 27 May 1999

	1999	1998
1. OTHER OPERATING EXPENSES (NET)		
Distribution costs	614,051	522,032
Administration expenses	1,063,172	1,400,917
Other operating income	(23,604)	(4,262)
	<u>£ 1,653,619</u>	<u>£ 1,918,687</u>
	=====	=====
2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation	146,246	124,357
Auditors' remuneration	9,500	9,000
	<u>=====</u>	<u>=====</u>
3. EMPLOYEES		
The average weekly number of persons (including directors) employed by the company during the year was:	No.	No.
Office and management	13	15
Manufacturing	27	30
Selling	8	7
	<u>48</u>	<u>52</u>
	=====	=====
Staff costs for the above persons:		
Wages and salaries	1,046,565	1,068,062
Social security costs	98,249	101,189
Other pension costs	33,907	39,950
	<u>£ 1,178,721</u>	<u>£ 1,209,201</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 1999

		1999	1998
4.	TAXATION		
	UK Corporation tax	17,792	(28,662)
	Deferred taxation	14,975	881
	Over provision in prior year	(2,052)	-
	Group relief payment received	(156,775)	-
		<u>£ (126,000)</u>	<u>£ (27,781)</u>
		=====	=====
5.	DIVIDENDS		
	Proposed ordinary:	£ -	£ -
		<u>=====</u>	<u>=====</u>
6.	TANGIBLE FIXED ASSETS		
			Plant and equipment
	Cost:		
	28 May 1998	1,252,752	
	Additions	193,184	
	Disposals	(150,508)	
	27 May 1999	<u>1,295,428</u>	

	Depreciation:		
	28 May 1998	733,711	
	Charge in the year	146,246	
	Disposals	(126,847)	
	27 May 1999	<u>753,110</u>	

	Net book value:		
	27 May 1999	£ 542,318	
		=====	
	27 May 1998	£ 519,041	
		=====	

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 27 May 1999

	1999	1998
7. STOCKS		
Raw materials and consumables	154,733	104,118
Work in progress	78,505	135,545
Finished goods and goods for resale	417,678	331,107
	<u>£ 650,916</u>	<u>£ 570,770</u>
	=====	=====
8. DEBTORS		
Trade debtors	552,085	498,891
Other debtors	46,013	82,947
Corporation tax	13,266	29,005
Prepayments and accrued income	34,074	20,612
	<u>£ 645,438</u>	<u>£ 631,455</u>
	=====	=====
9. CREDITORS		
Amounts falling due within one year:		
Bank overdraft	9,148	-
Payments received on account	289,485	232,410
Trade creditors	376,088	186,746
Due to parent company	701,697	1,709,362
Corporation tax	-	-
Other taxation and social security costs	24,135	28,855
Other creditors	59,604	52,603
Accruals	50,899	94,638
	<u>£ 1,511,056</u>	<u>£ 2,304,614</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 1999

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation
Balance at 28 May 1998	12,303
Transfer - profit and loss	14,975
Balance at 27 May 1999	<u>£ 27,278</u> =====

Deferred taxation provided in the financial statements is the maximum potential and comprises:

	1999	1998
Excess of tax allowances over depreciation	27,278	32,833
Losses	-	(15,500)
Act carried forward	-	(5,030)
	<u>£ 27,278</u> =====	<u>£ 12,303</u> =====

12. EQUITY SHARE CAPITAL

	1999	1998
Authorised:		
50,000 ordinary shares of £1 each	£ 50,000 =====	£ 50,000 =====
Allotted, issued and fully paid:		
50,000 ordinary shares of £1 each	£ 50,000 =====	£ 50,000 =====

13. PROFIT AND LOSS ACCOUNT

28 May 1998	(292,899)	3,448
Profit/(loss) for the year	296,536	(296,347)
27 May 1999	<u>£ 3,637</u> =====	<u>£ (292,899)</u> =====

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 27 May 1999

**14. RECONCILIATION OF MOVEMENTS IN
 SHAREHOLDERS' FUNDS**

	1999	1998
Profit/(loss) for the financial year	296,536	(296,347)
Dividends	-	-
Net addition/(reduction) to shareholders' funds	<u>296,536</u>	<u>(296,347)</u>
Opening shareholders' funds	(242,899)	53,448
Closing shareholders' funds	<u>£ 53,637</u>	<u>£ (242,899)</u>

15. RELATED PARTY TRANSACTIONS

The company is wholly controlled by its ultimate parent company Winkworth Holdings Limited which is incorporated in England.

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 £5,872 (1998:£6,657) and the company provided management, storage and administration services of £187,937 (1998:£150,427). It also made sales of machinery to Mixer Hire Limited of £97,956 (1998: £153,643) Winkworth Holdings Limited provided management and administration services of £671,894 (1998:£985,985).

The above transactions were at normal commercial prices.