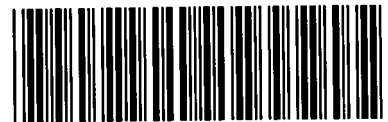


Company Registration No: 02852052 (England and Wales)

WINKWORTH MACHINERY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

THURSDAY



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20/12/2018
COMPANIES HOUSE

WINKWORTH MACHINERY LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | G Jamieson T Simpson B Soeteman |
| Company number | 02852052 |
| Registered office | Unit 2 Stroudley Road Basingstoke Hampshire RG24 8FW |
| Auditor | RSM UK Audit LLP Chartered Accountants Third Floor One London Square Cross Lanes Guildford Surrey GU1 1UN |

WINKWORTH MACHINERY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2018

The directors present their report and financial statements of Winkworth Machinery Limited (Company registration no. 02852052) for the year ended 31 May 2018.

Principal Activities

The principal activities of the Company during the year were that of the manufacture of mixing machinery and merchanting of used machinery.

Results and Dividends

The results of the Company for the year are set out on page 6

The directors do not propose a dividend at the year end (2017: nil)

Directors

The following directors have held office since 1 June 2017 and up until the point of signing the financial statements:

G Jamieson
T Simpson
B Soeteman

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor is aware of that information.

The report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemption

On behalf of the board



G Jamieson

Director

17/12/2018

WINKWORTH MACHINERY LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINKWORTH MACHINERY LIMITED

Opinion

We have audited the financial statements of Winkworth Machinery Limited (the 'company') for the year ended 31 May 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINKWORTH MACHINERY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion,

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Stuart Clowser ACA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Third Floor, One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

19/12/2018

WINKWORTH MACHINERY LIMITED
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 MAY 2018

| | Notes | 2018 £ | 2017 £ |
|---|-------|-----------------------|----------------------|
| Turnover | 3 | 5,528,204 | 5,482,686 |
| Cost of sales | | (3,961,447) | (3,979,685) |
| Gross profit | | <u>1,566,757</u> | <u>1,503,001</u> |
| Other operating expenses (net) | 4 | (1,320,310) | (1,514,466) |
| Operating profit | | <u>246,447</u> | <u>(11,465)</u> |
| Interest receivable and similar income | 5 | 112 | 392 |
| Profit before taxation | 6 | <u>246,559</u> | <u>(11,073)</u> |
| Taxation credit | 9 | 67,129 | 44,649 |
| Profit after taxation | | <u>313,688</u> | <u>33,576</u> |
| Total comprehensive income for the year | | <u><u>313,688</u></u> | <u><u>33,576</u></u> |

WINKWORTH MACHINERY LIMITED


(Company Registration Number: 02852052)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2018

| | Notes | 2018 | | 2017 | |
|---|-------|------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 10 | | 385,009 | | 449,583 |
| Current assets | | | | | |
| Stocks | 11 | 1,268,242 | | 1,282,623 | |
| Debtors | 12 | 3,507,973 | | 3,229,812 | |
| Cash at bank and in hand | | 209,839 | | 71,720 | |
| | | <u>4,986,054</u> | | <u>4,584,155</u> | |
| Creditors: amounts falling due within one year | 13 | (2,666,690) | | (2,632,293) | |
| Net current assets | | | <u>2,319,364</u> | | <u>1,951,862</u> |
| Total assets less current liabilities | | | <u>2,704,373</u> | | <u>2,401,445</u> |
| Provisions for liabilities | 14 | | (46,876) | | (57,636) |
| Net assets | | | <u>2,657,497</u> | | <u>2,343,809</u> |
| Capital and reserves | | | | | |
| Called up share capital | 16 | | 50,000 | | 50,000 |
| Profit and loss reserves | 16 | | 2,607,497 | | 2,293,809 |
| Total equity | | | <u>2,657,497</u> | | <u>2,343,809</u> |

The financial statements on pages 6 to 19 were approved by the board of directors and authorised for issue on 17/12/2019 and are signed on its behalf by


G Jamieson
Director

WINKWORTH MACHINERY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2018

| | Share capital £ | Profit and loss reserves £ | Total £ |
|---|-----------------------|-------------------------------------|------------------|
| Balance at 1 June 2016 | 50,000 | 2,260,233 | 2,310,233 |
| Profit and total comprehensive income for the year | - | 33,576 | 33,576 |
| Balance at 31 May 2017 | <u>50,000</u> | <u>2,293,809</u> | <u>2,343,809</u> |
| Profit and total comprehensive income for the year | - | 313,688 | 313,688 |
| Balance at 31 May 2018 | <u>50,000</u> | <u>2,607,497</u> | <u>2,657,497</u> |

WINKWORTH MACHINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

1. Accounting policies

Company information

Winkworth Machinery Limited is a company limited by shares and incorporated in England and Wales. The registered office is Unit 2, Stroudley Road, Basingstoke, Hampshire, RG24 8FW.

The principal activities of the Company during the year continued to be that of the manufacture of mixing machinery and merchanting of used machinery.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are presented in sterling, which is also the functional currency of the Company.

The financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies adopted are set out below

Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

Going concern

At the date of approving the financial statements of the company, the directors are sufficiently confident that the company and the group that it is part of has adequate resources for the company to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements.

This is based on projections for the forthcoming 12 month period from the date of signing these financial statements and based on the level of existing cash, overdraft facility, projected income and expenditure. These projections include assumptions that customers adhere to their agreed payment terms, and no new debt facilities are required.

The directors consider it reasonable that if the timing of customer payments were delayed, due to the company's increased focus on debtor collection and working capital management, including the timing of payments to suppliers, the company would be able to continue to operate as projected and within its current banking facilities.

During the year, £127,500 of the parent company loan notes have been settled in full. A remaining balance of £175,500 (2017: £303,000) remains outstanding at the year end in the parent company. The directors have been in discussions with the bank to further explore other financing options offered by the bank to support further growth and to safeguard cash flow fluctuations when and if needed. Based on the above the directors consider it appropriate to prepare the financial statements on a going concern basis.

WINKWORTH MACHINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

1. Accounting policies (Continued)

Financial Instruments (Continued)

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method

Equity instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received

Retirement benefits

The Company operates a defined contribution scheme for the benefit of its employees. The amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments

WINKWORTH MACHINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

1. Accounting policies (Continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

Research and development expenditure

Expenditure on research and development is written off against profits as it is incurred.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The recoverability of stock is assessed on the basis of future assumptions and estimates of the timing of future events.

The provisions for claims on customer warranties and dilapidations are assessed on the basis of future assumptions with reference to past claims, existing customer relationships and the status of the property, respectively.

WINKWORTH MACHINERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MAY 2018

3. Turnover

| An analysis of the Company's turnover is set out as below: | 2018 £ | 2017 £ |
|--|------------------|------------------|
| New machine sales | 4,073,404 | 3,955,917 |
| Used machine sales | 188,546 | 287,162 |
| Spares and repairs | 858,880 | 846,140 |
| Hire and other income | 407,374 | 393,467 |
| | <u>5,528,204</u> | <u>5,482,686</u> |

Turnover analysed by geographical market.

| | | |
|-------------------|------------------|------------------|
| United Kingdom | 3,032,584 | 3,040,871 |
| Rest of the World | 2,495,620 | 2,441,815 |
| | <u>5,528,204</u> | <u>5,482,686</u> |

4. Other operating expenses (net)

| | 2018 £ | 2017 £ |
|------------------------------|------------------|------------------|
| Sales and distribution costs | 765,404 | 770,822 |
| Administration expenses | 554,651 | 753,064 |
| Other operating income | 255 | (9,420) |
| | <u>1,320,310</u> | <u>1,514,466</u> |

5. Interest receivable

| | 2018 £ | 2017 £ |
|---------------|-----------|-----------|
| Bank interest | 112 | 392 |

6. Profit on ordinary activities before taxation

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Operating profit is stated after charging/(crediting) | | |
| Depreciation of owned tangible fixed assets | 78,530 | 89,819 |
| Depreciation of tangible fixed assets held under finance leases | 12,185 | 12,685 |
| Profit on disposal of tangible fixed assets | (1,902) | (9,420) |
| (Loss)/Profit on foreign exchange transactions | (19,196) | 6,052 |
| Operating lease rentals | 142,223 | 155,099 |
| Auditor's remuneration (statutory audit) | 16,000 | 15,400 |
| Cost of stocks recognised as an expense | 2,278,167 | 2,182,096 |

WINKWORTH MACHINERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MAY 2018

| 7. Employees | 2018 No. | 2017 No. |
|--|------------------|------------------|
| The average monthly number of persons (including directors) employed by the Company during the year was: | | |
| Office and management | 18 | 18 |
| Manufacturing | 20 | 19 |
| Selling | 8 | 8 |
| | <u>46</u> | <u>45</u> |
| | 2018 £ | 2017 £ |
| Employment costs | | |
| Wages and salaries | 1,962,588 | 1,835,214 |
| Social security costs | 216,750 | 215,251 |
| Other pension costs | 88,785 | 83,240 |
| | <u>2,268,123</u> | <u>2,133,705</u> |

| 8. Directors' remuneration | 2018 £ | 2017 £ |
|---|----------------|----------------|
| Remuneration for qualifying services | 253,077 | 268,711 |
| Company pension contributions to defined contribution schemes | 17,122 | 17,328 |
| | <u>270,199</u> | <u>286,039</u> |

Directors emoluments disclosed above include the following payments paid to the highest paid director

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Remuneration for qualifying services | 139,321 | 152,498 |
| Company pension contributions to defined contributions schemes | 10,354 | 10,534 |
| | <u>149,675</u> | <u>163,032</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2017 2).

WINKWORTH MACHINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

| 9. Taxation | 2018 £ | 2017 £ |
|---|-----------------|-----------------|
| Current tax: | | |
| UK corporation tax on profit for the year | 48,863 | 14,746 |
| Adjustment for prior years (research and development reclaims) | (105,232) | (37,945) |
| Total current tax | <u>(56,369)</u> | <u>(23,199)</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | (12,127) | (13,938) |
| Adjustments in respect of prior periods | 91 | (5,410) |
| Effect of tax rate on opening balance | 1,276 | (2,102) |
| Total deferred tax | <u>(10,760)</u> | <u>(21,450)</u> |
| Total tax on profit on ordinary activities | <u>(67,129)</u> | <u>(44,649)</u> |
| Factors affecting current tax charge for the year | | |
| Profit on ordinary activities before taxation | <u>246,559</u> | <u>(11,073)</u> |
| Corporation tax in the UK of 19% (2017: 19.83%) | 46,846 | (2,196) |
| Effects of: | | |
| Non deductible expenses | 2,120 | 2,966 |
| Adjustments to previous years (research and development reclaims) | (105,232) | (37,945) |
| Other tax adjustments | 91 | - |
| Deferred tax not recognised | (12,230) | (5,410) |
| Change in tax rates | 1,276 | (2,102) |
| Unexplained difference | - | 38 |
| Tax credit for the year | <u>(67,129)</u> | <u>(44,649)</u> |

WINKWORTH MACHINERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MAY 2018

| 10. Tangible fixed assets | Plant and machinery £ |
|---------------------------|-----------------------------|
| Cost | |
| At 1 June 2017 | 2,121,894 |
| Additions | 26,189 |
| Disposals | (22,600) |
| At 31 May 2018 | <u>2,125,483</u> |
| Depreciation | |
| At 1 June 2017 | 1,672,311 |
| Charge for the year | 90,715 |
| Disposals | (22,552) |
| At 31 May 2018 | <u>1,740,474</u> |
| Net book value | |
| At 31 May 2018 | <u>385,009</u> |
| At 31 May 2017 | <u>449,583</u> |

The net book value of plant and machinery includes £18,167 (2017 £18,667) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge in respect of such assets amounted to £4,627 (2017 £12,685).

| 11. Stocks | 2018 £ | 2017 £ |
|-----------------------------------|------------------|------------------|
| Raw materials and consumables | 273,060 | 435,346 |
| Work in progress | 629,453 | 654,379 |
| Finished goods and goods for sale | 365,729 | 192,898 |
| | <u>1,268,242</u> | <u>1,282,623</u> |

During the year, an impairment loss on finished goods of £30,815 (2017 £20,827) was recognised within cost of sales. No earlier stock write downs have been reversed during the current, or preceding period.

WINKWORTH MACHINERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MAY 2018

| 12. Debtors | 2018 £ | 2017 £ |
|--------------------------------|------------------|------------------|
| Due within one year | | |
| Trade debtors | 1,212,112 | 841,237 |
| Amounts owed by group | 2,030,877 | 1,985,833 |
| Corporation tax recoverable | 3,986 | 23,199 |
| Other debtors | 144,500 | 177,272 |
| Prepayments and accrued income | 116,498 | 202,271 |
| | <u>3,507,973</u> | <u>3,229,812</u> |

During the year, an impairment loss of £24,926 (2017: £73,256) was recognised in respect of trade receivables due from customers who are known to be in financial difficulty and from whom payment was overdue

| 13. Creditors: Amounts falling due within one year | 2018 £ | 2017 £ |
|--|------------------|------------------|
| Obligations under finance leases | 19,071 | 13,392 |
| Payments received on account | 1,731,677 | 1,168,562 |
| Trade creditors | 281,001 | 775,452 |
| Other taxation and social security | 137,077 | 46,266 |
| Accruals and deferred income | 497,864 | 628,621 |
| | <u>2,666,690</u> | <u>2,632,293</u> |

14. Provisions for liabilities

| Deferred Tax | 2018 £ | 2017 £ |
|--|---------------|---------------|
| Deferred tax liabilities | | |
| At 1 June | 57,636 | 79,086 |
| Reduction in provision in the year | (10,760) | (21,450) |
| At 31 May | <u>46,876</u> | <u>57,636</u> |
| The deferred tax liability is made up as follows | 2018 £ | 2017 £ |
| Accelerated capital allowances | <u>46,876</u> | <u>57,636</u> |

The deferred tax liability set out above relates to accelerated capital allowances and other timing differences that are expected to mature in the future

WINKWORTH MACHINERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MAY 2018

15. Retirement benefits

The Company operates a defined contribution pension scheme for qualifying employees. The assets of the scheme are held separately from those of the Company in independently administered funds

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Contributions payable by the Company for the year | 88,784 | 83,240 |

At the year end £8,584 (2017: £6,449) was outstanding to the Company's pension scheme.

16. Share capital and reserves

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Allotted, called up and fully paid | | |
| 50,000 (2017: 50,000) Ordinary shares of £1 each | 50,000 | 50,000 |

Ordinary share rights

The Company's ordinary shares, which carry no right to fixed income, carry the right to one vote at general meetings of the Company.

Reserves

The Company's reserves represent the following:

Profit and loss reserve – Cumulative profit and loss net of distributions to owners

17. Operating lease commitments

At 31 May 2018 the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

| | 2018 £ | 2017 £ |
|----------------------------|------------------|------------------|
| Amounts due: | | |
| within one year | 193,500 | 142,223 |
| between one and five years | 724,030 | 724,030 |
| after 5 years | 209,625 | 403,125 |
| | <u>1,127,155</u> | <u>1,269,378</u> |

18. Contingent liability

The Company and certain fellow group undertakings have given a guarantee in respect of some of the indebtedness of a fellow group company, Winkworth Holdings Limited, supported by a charge over the Company's assets. At 31 May 2018, the total amount outstanding subject to the guarantee was £ 175,500 (2017: £303,000) relating entirely to outstanding loan notes.

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19. Control

The immediate parent company is Winkworth Holdings Limited. The ultimate parent company is B.W Soeteman B.V and the ultimate controlling party is Mr B W Soeteman.

The smallest group preparing consolidated financial statements including the results of the company is Winkworth Holdings Limited. Group accounts can be obtained from Unit 2, Stroudley Road Basingstoke, Hampshire, RG24 8FW.

The largest group preparing consolidated financial statements including the results of the Company is B.W Soeteman B.V. Group accounts are available from its registered office of Bollelaan 12, 1411 JW NAARDEN, The Netherlands

20. Related party transactions

The Company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group provided that any subsidiary undertaking which is party to the transactions is wholly owned by a member of that group.

During the year, the Company was reimbursed £7,800 (2017: £10,500) for Mr G Jamieson's time as a director of PPMA Ltd. The Company also reimbursed PPMA Ltd £15,720 (2017: £7,119) for certain expenses.

In the current year the Company received commission of £Nil from Lindor Products BV (2017: £570). Lindor Machinefabrieken BV was recharged expenses from this company totalling £30,892 (2017: £2,068). Snow Pond Holdings BV charged the group a management charge totalling £22,500 (2017: £20,000) and was recharged expenses of £192 (2017: £Nil) for which there were amounts owed to Snow Pond Holdings BV at the year end of £7,500 (2017: £5,000).

All of these companies are fellow group undertakings. All transactions were at normal commercial terms.