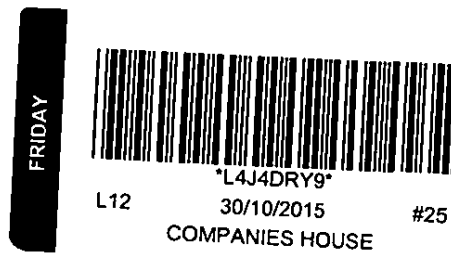


WINKWORTH MACHINERY LIMITED

FINANCIAL STATEMENTS

31 MAY 2015



DIRECTORS AND OFFICERS

DIRECTORS

G Jamieson (Managing Director)
T Simpson
B Soeteman (Dutch)

REGISTERED OFFICE

Unit 2
Stroudley Road
Basingstoke
Hampshire
RG24 8FW

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey GU1 1UN

DIRECTORS' REPORT

The directors submit their report and the financial statements of Winkworth Machinery Limited for the year ended 31 May 2015

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The profit for the year after taxation was £146,651 (2014 £274,535) This amount has been transferred to reserves The directors do not recommend the payment of a dividend

DIRECTORS

The following directors have held office since 1 June 2014 -

G Jamieson
T Simpson
B Soeteman

AUDITOR

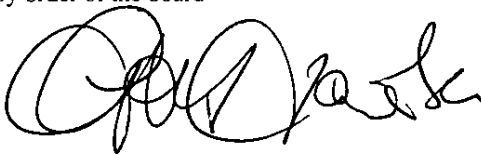
The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in the office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

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

By order of the board



G Jamieson

Director

5/10/2015

**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

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting 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 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 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 auditors' 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.

Respective responsibilities of directors and auditor

As more fully explained 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2015 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

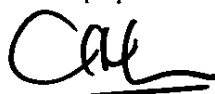
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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



Christopher Hurren FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey GU1 1UN

14 October 2015

PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2015

	Notes	2015	2014
TURNOVER	1	6,732,979	4,834,974
Cost of sales		(4,810,779)	(2,970,191)
Gross profit		<u>1,922,200</u>	<u>1,864,783</u>
Other operating expenses (net)	2	(1,617,466)	(1,547,607)
OPERATING PROFIT		<u>304,734</u>	<u>317,176</u>
Interest receivable	3	456	1,152
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>305,190</u>	<u>318,328</u>
Tax on profit on ordinary activities	6	(38,539)	(43,793)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	<u>£ 266,651</u>	<u>£ 274,535</u>

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

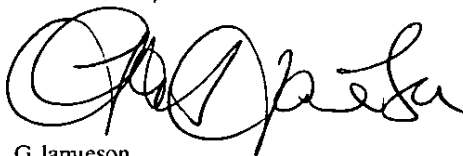
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

BALANCE SHEET (Company Registration Number 02852052)
31 May 2015

	Note	2015	2014
FIXED ASSETS			
Intangible assets	7	541,799	104,932
CURRENT ASSETS			
Stocks	8	970,177	1,538,506
Debtors	9	2,504,079	2,224,257
Cash at bank and in hand		202,938	556,065
		<u>3,677,194</u>	<u>4,318,828</u>
CREDITORS			
Amounts falling due within one year	10	(2,013,996)	(2,563,218)
NET CURRENT ASSETS			
		<u>1,663,198</u>	<u>1,755,610</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>2,204,997</u>	<u>1,860,542</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
	11	(90,757)	(12,953)
		<u>£ 2,114,240</u>	<u>£ 1,847,589</u>
CAPITAL AND RESERVES			
Called up share capital	12	50,000	50,000
Profit and loss account	13	2,064,240	1,797,589
SHAREHOLDERS' FUNDS			
	14	<u>£ 2,114,240</u>	<u>£ 1,847,589</u>

The financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies regime

The financial statements on pages 5 to 13 were approved by the board of directors and authorised for issue on 5/10/2015 and are signed on its behalf by



G Jamieson
 Director

Financial statements for the year ended 31 May 2015**ACCOUNTING POLICIES**

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

GOING CONCERN

In preparing the accounts on the going concern basis the directors have reviewed the projections for the forthcoming 12 month period from the date of signing of these financial statements. Based on the level of existing cash, projected income and expenditure, the directors are satisfied that the company have adequate resources to continue for a period of at least 12 months from approval of the financial statements, as a result the directors consider it appropriate for the financial statements to be prepared on the going concern basis

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost, net of depreciation and any provision for impairment

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 -

Leasehold Improvements	over 10 years
Plant and equipment	over 3 to 8 years

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future that have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax is measured on a non-discounted basis

PENSIONS

The company operates a defined contribution 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 payable by the company to the fund

TURNOVER

Turnover represents the value, net of Value Added Tax, of goods sold. Turnover is recognised upon customer acceptance of products

FOREIGN CURRENCIES

Assets and liabilities denoted in foreign currencies are translated at the rate of exchange ruling at the balance sheet date

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account

OPERATING LEASES

Assets held under "operating leases" are charged to the profit and loss account on a straight line basis over the lease term

RESEARCH AND DEVELOPMENT

All research and development costs are written off as incurred

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2015

	2015	2014
1	TURNOVER	
	Sales were made in the following geographical markets	
	United Kingdom	3,820,267
	Rest of the world	2,881,905
		1,953,069
	<u>£ 6,732,979</u>	<u>£ 4,834,974</u>
2	OTHER OPERATING EXPENSES (NET)	
	Sales & Distribution costs	889,520
	Administration expenses	780,018
	Other operating income	770,071
		(42,125)
	<u>£ 1,617,466</u>	<u>£ 1,547,607</u>
3	INTEREST RECEIVABLE	
	Bank interest	£ 456
		£ 1,152
4	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	
	Profit on ordinary activities before taxation is stated after charging/(crediting)	
	Depreciation	71,254
	Profit on disposal of fixed assets	48,270
	Auditor's remuneration	(34,648)
	As auditors	14,200
	Non-audit services	13,600
	Operating lease rentals	6,620
	- Rent	147,166
	- plant and machinery	7,828
	<u>15,098</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2015

5	EMPLOYEES	2015	2014
	The average monthly number of persons (excluding directors) employed by the company during the year was	No	No
	Office and management	15	13
	Manufacturing	23	20
	Selling	9	7
		<u>47</u>	<u>40</u>
	Staff costs for the above persons		
	Wages and salaries	1,585,655	1,386,905
	Social security costs	163,567	144,824
	Other pension costs	35,340	35,842
		<u>£ 1,784,562</u>	<u>£ 1,567,571</u>

DIRECTORS' REMUNERATION

Emoluments	271,911	274,239
Company contributions to money purchase pension schemes	17,203	16,749
	<u>£ 289,114</u>	<u>£ 290,988</u>

There were 2 directors (2014 2) who were members of money purchase pension schemes during the year

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

	2015	2014
Emoluments	147,524	135,331
Company contributions to money purchase pension schemes	10,228	9,944
	<u>£ 157,752</u>	<u>£ 145,275</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2015

6	TAXATION	2015	2014
	Current tax		
	UK corporation tax on profits of year	-	37,487
	Adjustments in respect of previous periods	(39,265)	5,493
	Total current tax	<u>(39,265)</u>	<u>42,980</u>
	Deferred tax		
	Deferred tax credit in current year	77,804	813
	Tax on profit on ordinary activities	<u>£ 38,539</u>	<u>£ 43,793</u>
	Factors affecting tax charge for the year		
	The tax assessed for the year is lower than the standard rate of corporation tax 20% (2014 23%) as explained below		
	Profit on ordinary activities before tax	305,188	318,328
	Profit on ordinary activities multiplied by the standard rate of corporation tax of 20.83% (2014 23%)	<u>63,580</u>	<u>73,215</u>
	Effects of		
	Expenses not deductible for tax purposes	14,474	1,053
	Capital allowances more than depreciation	(79,369)	(1,307)
	Adjustment to tax charge in respect of previous period	(39,265)	5,493
	Group relief surrendered / (claimed)	1,272	-
	Research & Development claim	-	(31,625)
	Other tax adjustments	43	(3,849)
	Current tax charge for the year	<u>£ (39,265)</u>	<u>£ 42,980</u>
7	TANGIBLE FIXED ASSETS		
		Plant and equipment	
	Cost		
	1 June 2014	1,585,124	
	Additions	508,123	
	Disposals	(29,993)	
	31 May 2015	<u>2,063,254</u>	
	Depreciation		
	1 June 2014	1,480,192	
	Charge in the year	71,254	
	Disposals	(29,991)	
	31 May 2015	<u>1,521,455</u>	
	Net book value		
	31 May 2015	<u>£ 541,799</u>	
	31 May 2014	<u>£ 104,932</u>	

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2015

8	STOCKS	2015	2014
	Raw materials and consumables	483,179	239,275
	Work in progress	330,551	996,786
	Finished goods and goods for resale	156,447	302,445
		<u>£ 970,177</u>	<u>£ 1,538,506</u>
9	DEBTORS		
	Trade debtors	474,126	580,392
	Amounts due from group undertakings	1,695,655	1,491,040
	Other debtors	202,929	29,238
	Prepayments	131,369	123,587
		<u>£2,504,079</u>	<u>£ 2,224,257</u>
10	CASH AT BANK AND IN HAND		
	Included within cash at bank and in hand is £64,509 of funds lodged with a financial institution and held until the warranty period of certain sales have expired		
11	CREDITORS		
	Amounts falling due within one year		
	Payments received on account	956,350	1,430,187
	Trade creditors	650,486	491,207
	Amounts due to group undertakings	-	33,850
	Corporation tax	-	37,487
	Other taxation and social security costs	47,941	82,431
	Other Creditors	24,034	30,504
	Accruals and Deferred Income	335,185	457,552
		<u>£ 2,013,996</u>	<u>£ 2,563,218</u>
12	PROVISIONS FOR LIABILITIES AND CHARGES		
		Deferred taxation	
	Balance at 1 June 2014	12,953	
	Transfer - profit and loss	77,804	
	Balance at 31 May 2015	<u>£ 90,757</u>	

The provision for deferred tax arises due to accelerated capital allowances

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2015

13	SHARE CAPITAL	2015	2014
	Allotted, issued and fully paid 50,000 ordinary shares of £1 each	£ 50,000	£ 50,000
		<u>£ 50,000</u>	<u>£ 50,000</u>
14	PROFIT AND LOSS ACCOUNT		
	1 June 2014	1,797,589	1,523,054
	Retained profit for the year	266,651	274,535
	31 May 2015	£ 2,064,240	£ 1,797,589
		<u>£ 2,064,240</u>	<u>£ 1,797,589</u>
15	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
	Profit for the financial year	266,651	274,535
	Opening shareholders' funds	1,847,589	1,573,054
	Closing shareholders' funds	£ 2,114,240	£ 1,847,589
		<u>£ 2,114,240</u>	<u>£ 1,847,589</u>
16	COMMITMENTS UNDER OPERATING LEASES		
	At 31 May 2015 the company had annual commitments under non-cancellable operating leases as follows		
	Land and buildings		
	Expiring within one year	96,750	-
	Expiring between 2 and 5 years	580,500	-
	Other		
	Expiring within one year	13,214	10,787
	Expiring between 2 and 5 years	16,721	18,878
		£ 707,185	£ 29,665
		<u>£ 707,185</u>	<u>£ 29,665</u>

17 RELATED PARTY TRANSACTIONS

At the year end the company owed £175,000 (2014 £175,000) to Snow Pond UK Limited, a fellow group company

During the year Winkworth Machinery Limited (the company) was reimbursed £3,000 (2014 £750) for Mr G Jamieson's time as a director of PPMA Ltd. The company also reimbursed PPMA Ltd £62,182 (2014 £70,025) for certain expenses. At the year end the company owed PPMA Ltd £11,926 (2014 £4,929). In addition, the company received £22,960 of commission from Lindor Products BV, and recharged expenses to Lindor Machinefabrieken BV totalling £10,726, recharged expenses from this company totalling £18,709 and the group was charged management charge from Snow Pond Holdings BV. All of these companies are fellow group undertakings.

The above transactions were on normal commercial terms.

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 '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 transaction is wholly owned by a member of that group.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2015**

18 CONTINGENT LIABILITY

The company and certain of its 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 2015 the total amount outstanding subject to the guarantees was £725,000 (2014 £991,667). This amount includes a bank loan, totalling £400,000 (2014 £666,667) and loan notes totalling £303,000 (2014 £325,000).

19 ULTIMATE CONTROLLING PARTY

The company's immediate parent company is Winkworth Holdings Limited and the company is included in the consolidated financial statements of Winkworth Holdings Limited. The ultimate controlling party is Mr BW Soeteman.