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Company number : 2852052

WINKWORTH MACHINERY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
27 MAY 2003



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 2003.

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 results for the year were satisfactory and the company is well placed to take advantage of future developments.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £1,460. The amount has been transferred to the profit and loss account.

DIRECTORS

The following directors have held office since 28 May 2002:-

J F Winkworth
P E Winkworth
P L Winkworth

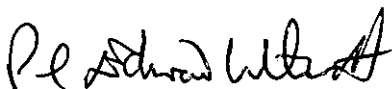
DIRECTORS' INTERESTS

All the directors are directors of Winkworth Holdings Limited, "The Parent Company" and their interests in the shareholding of that company are shown in its accounts.

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

28 November 2003

**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
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 5 to 13 together with the financial statements of the company for the year ended 27 May 2003 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 whether the company is entitled 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 you.

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 5 to 13 are properly prepared in accordance with that provision.

BAKER TILLY

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

28 November 2003

ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 27 May 2003

	Notes	2003	2002
GROSS PROFIT		1,500,207	1,653,020
Other operating expenses (net)	1	1,498,835	1,586,097
OPERATING PROFIT		<u>1,372</u>	<u>66,923</u>
Interest receivable		2,207	2,600
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>3,579</u>	<u>69,523</u>
Taxation	4	2,119	19,145
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>1,460</u>	<u>50,378</u>
Dividends	5	-	50,000
RETAINED PROFIT FOR THE YEAR	13	<u>£ 1,460</u>	<u>£ 378</u>

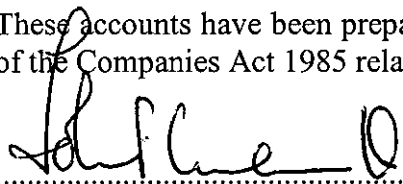
The operating profit for the year arises from the company's continuing operations.

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 2003

	Notes	2003	2002
FIXED ASSETS			
Tangible assets	6	284,009	319,628
CURRENT ASSETS			
Stocks	7	591,796	482,020
Debtors	8	775,834	988,106
Cash at bank and in hand		70,152	108,620
		<u>1,437,782</u>	<u>1,578,746</u>
CREDITORS			
Amounts falling due within one year	9	1,373,283	1,551,834
NET CURRENT ASSETS			
		<u>64,499</u>	<u>26,912</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>£ 348,508</u>	<u>£ 346,540</u>
CREDITORS			
Amounts falling due after more than one year	10	250,000	250,000
PROVISIONS FOR LIABILITIES AND CHARGES			
	11	8,938	8,430
CAPITAL AND RESERVES			
Called up equity share capital	12	50,000	50,000
Profit and loss account	13	39,570	38,110
		<u>£ 348,508</u>	<u>£ 346,540</u>

These accounts have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to medium sized companies.



..... J F Winkworth - Director

28 November 2003

Abbreviated financial statements for the year ended 27 May 2003**ACCOUNTING POLICIES**

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

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:-

Plant and machinery	over 3 to 8 years
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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 Group'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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

PENSIONS

The company operates a 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 paid by the company to the fund.

Abbreviated financial statements for the year ended 27 May 2003

ACCOUNTING POLICIES

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

FOREIGN CURRENCIES

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.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 27 May 2003

	2003	2002
1. OTHER OPERATING EXPENSES (NET)		
Distribution costs	596,910	637,546
Administration expenses	912,444	956,785
Other operating income	(10,519)	(8,234)
	<u>£ 1,498,835</u>	<u>£ 1,586,097</u>
2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	102,538	121,776
(Profit) on disposal of fixed assets	(10,519)	(8,234)
Exchange gain	(9,634)	(3,540)
Auditors' remuneration	12,160	11,795
	<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	14	12
Manufacturing	23	26
Selling	7	7
	<u>44</u>	<u>45</u>
Staff costs for the above persons:		
Wages and salaries	1,074,025	1,093,386
Social security costs	110,521	105,469
Other pension costs	43,207	36,956
	<u>£ 1,227,753</u>	<u>£ 1,235,811</u>

DIRECTORS' REMUNERATION

The directors' are wholly remunerated from the parent company, Winkworth Holdings Limited.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 27 May 2003

4. TAXATION	2003	2002
Current tax:		
UK corporation tax on profits of year	1,104	21,886
Adjustments in respect of previous periods	507	-
Total current tax	<u>1,611</u>	<u>21,886</u>
Deferred tax:		
Deferred tax charge/(credit) in current year	508	(2,741)
Tax on profit on ordinary activities	<u>£ 2,119</u>	<u>£ 19,145</u>
Factors affecting tax charge for the year		
The tax assessed for the year is higher than the standard rate of corporation tax for small companies (20%) as explained below:		
Profit on ordinary activities before tax	3,579	69,523
Profit on ordinary activities multiplied by the standard rate of corporation tax for small companies (20%)	680	13,905
Effects of:		
Expenses not deductible for tax purposes	1,511	1,800
Capital allowances less than depreciation	(928)	2,741
Adjustment to tax charge in respect of previous period	507	-
Effect of marginal rate	(159)	3,440
Current tax charge for the year	<u>£ 1,611</u>	<u>£ 21,886</u>
5. DIVIDENDS		
Interim paid - £1 per share	<u>£ -</u>	<u>£ 50,000</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 27 May 2003

6. TANGIBLE FIXED ASSETS

	Plant and equipment	
Cost:		
28 May 2002	1,400,957	
Additions	67,445	
Disposals	(72,329)	
27 May 2003	<u>1,396,073</u>	
Depreciation:		
28 May 2002	1,081,329	
Charge in the year	102,538	
Disposals	(71,803)	
27 May 2003	<u>1,112,064</u>	
Net book value:		
27 May 2003	<u>£ 284,009</u>	
27 May 2002	<u>£ 319,628</u>	
	2003	2002

7. STOCKS

Raw materials and consumables	131,724	98,994
Work in progress	66,019	69,665
Finished goods and goods for resale	394,053	313,361
	<u>£ 591,796</u>	<u>£ 482,020</u>

8. DEBTORS

Trade debtors	728,644	946,710
Other debtors	17,780	9,787
Prepayments and accrued income	29,410	31,609
	<u>£ 775,834</u>	<u>£ 988,106</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 27 May 2003

	2003	2002
9. CREDITORS		
Amounts falling due within one year:		
Payments received on account	302,248	331,511
Trade creditors	362,553	334,615
Due to parent company	535,497	600,447
Corporation tax	1,104	21,886
Other taxation and social security costs	93,367	117,183
Other creditors	16,688	25,836
Accruals	61,826	120,356
	<u>£ 1,373,283</u>	<u>£ 1,551,834</u>

10. CREDITORS

Amounts falling due in more than one year:

Parent company loan	£ 250,000	£ 250,000
	<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.

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation
Balance at 28 May 2002	8,430
Transfer - profit and loss	508
Balance at 27 May 2003	<u>£ 8,938</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 27 May 2003

12. EQUITY SHARE CAPITAL	2003	2002
Authorised:		
50,000 ordinary shares of £1 each	£ 50,000	£ 50,000
	<u> </u>	<u> </u>
Allotted, issued and fully paid:		
50,000 ordinary shares of £1 each	£ 50,000	£ 50,000
	<u> </u>	<u> </u>
13. PROFIT AND LOSS ACCOUNT		
28 May 2002	38,110	37,732
Retained profit for the year	1,460	378
	<u> </u>	<u> </u>
27 May 2003	£ 39,570	£ 38,110
	<u> </u>	<u> </u>
14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2003	2002
Profit for the financial year	1,460	50,378
Dividends	-	(50,000)
	<u> </u>	<u> </u>
Net addition to shareholders' funds	1,460	378
Opening shareholders' funds	88,110	87,732
	<u> </u>	<u> </u>
Closing shareholders' funds	£ 89,570	£ 88,110
	<u> </u>	<u> </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 of Winkworth Holdings Limited and one of the directors, PE Winkworth, is a director and shareholder of Mixer Hire Limited. The company provided management, storage, servicing and administration services of £171,785 (2002:£131,200) to Mixer Hire Limited. It also made sales of machinery to Mixer Hire Limited of £133,247 (2002:£125,469). At the year end Mixer Hire Limited owed £72,065 (2002:£110,073) Winkworth Holdings Limited provided management and administration services of £620,000 (2002:£650,379). At the year end Winkworth Holdings Limited owed £535,497 (2002:£650,447).

The above transactions were at normal commercial prices.