

Company number: 02852052


WINKWORTH MACHINERY LIMITED

FINANCIAL STATEMENTS

31 MAY 2014

COMPANIES HOUSE

FRIDAY



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COMPANIES HOUSE

DIRECTORS AND OFFICERS

DIRECTORS

G Jamieson (Managing Director)
T Simpson
J W D Winkworth (Resigned 29.11.13)
B Soeteman (Dutch) (Non Executive – Appointed 29.11.13)

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 2014.

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 £274,535 (2013: £273,675). 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 2013:-

G Jamieson	
T Simpson	
J W D Winkworth	(resigned on 29 November 2013)
B Soeteman (Dutch)	(non-Executive - appointed on 29 November 2013)

AUDITOR

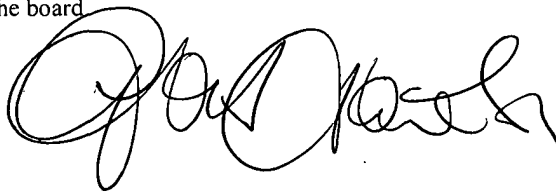
The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

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

19th February 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 2014 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.

Baker Tilly UK Audit LLP

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

25 February 2015

PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2014

	Notes	2014	2013
TURNOVER	1	4,834,974	5,475,716
Cost of sales		(2,970,191)	(3,322,431)
Gross profit		<u>1,864,783</u>	<u>2,153,285</u>
Other operating expenses (net)	2	(1,547,607)	(1,867,638)
OPERATING PROFIT		<u>317,176</u>	<u>285,647</u>
Interest receivable	3	1,152	59
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>318,328</u>	<u>285,706</u>
Tax on profit on ordinary activities	6	(43,793)	(12,031)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	13	<u>£ 274,535</u> =====	<u>£ 273,675</u> =====

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

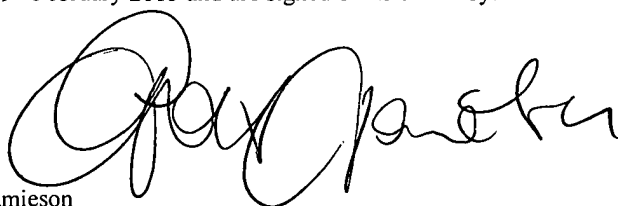
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

BALANCE SHEET (Company Registration Number: 02852052)
31 May 2014

	Note	2014	2013
FIXED ASSETS			
Tangible assets	7	104,932	88,269
CURRENT ASSETS			
Stocks	8	1,538,506	663,437
Debtors	9	2,224,257	1,771,702
Cash at bank and in hand		556,065	422,768
		<u>4,318,828</u>	<u>2,857,907</u>
CREDITORS			
Amounts falling due within one year	10	(2,563,218)	(1,360,982)
NET CURRENT ASSETS			
		<u>1,755,610</u>	<u>1,496,925</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>1,860,542</u>	<u>1,585,194</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
	11	(12,953)	(12,140)
		<u>£ 1,847,589</u>	<u>£ 1,573,054</u>
CAPITAL AND RESERVES			
Called up share capital	12	50,000	50,000
Profit and loss account	13	1,797,589	1,523,054
SHAREHOLDERS' FUNDS			
	14	<u>£ 1,847,589</u>	<u>£ 1,573,054</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 19th February 2015 and are signed on its behalf by:



G Jamieson
 Director

Financial statements for the year ended 31 May 2014**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:-

Plant and equipment	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 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 2014

	2014	2013
1. TURNOVER		
Sales were made in the following geographical markets:		
United Kingdom	2,881,905	3,037,516
Rest of the world	1,953,069	2,438,200
	<u>£ 4,834,974</u>	<u>£ 5,475,716</u>
	=====	=====
2. OTHER OPERATING EXPENSES (NET)		
Sales & Distribution costs	780,018	890,327
Administration expenses	772,937	1,003,046
Other operating income	(5,348)	(25,735)
	<u>£ 1,547,607</u>	<u>£ 1,867,638</u>
	=====	=====
3. INTEREST RECEIVABLE		
Bank interest	£ 1,152	£ 59
	=====	=====
4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	48,270	73,072
Profit on disposal of fixed assets	(3,998)	(39,456)
Auditor's remuneration:		
As auditors	13,600	13,104
Non-audit services	6,620	6,500
Operating lease rentals		
- plant and machinery	15,098	11,918
	<u>=====</u>	<u>=====</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2014

5. EMPLOYEES	2014	2013
The average monthly number of persons (excluding directors) employed by the company during the year was:	No.	No.
Office and management	13	11
Manufacturing	20	20
Selling	7	9
	<u>40</u>	<u>40</u>
	=====	=====

Staff costs for the above persons:

Wages and salaries	1,386,905	1,311,500
Social security costs	144,824	136,870
Other pension costs	35,842	37,325
	<u>£ 1,567,571</u>	<u>£ 1,485,695</u>
	=====	=====

DIRECTORS' REMUNERATION

Emoluments	274,239	269,951
Company contributions to money purchase pension schemes	16,749	16,427
	<u>£ 290,988</u>	<u>£ 286,378</u>
	=====	=====

There were 2 directors (2013: 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:

	2014	2013
Emoluments	135,331	114,303
Company contributions to money purchase pension schemes	9,944	9,788
	<u>£ 145,275</u>	<u>£ 124,091</u>
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2014

6.	TAXATION	2014	2013
	Current tax:		
	UK corporation tax on profits of year	37,487	41,074
	Adjustments in respect of previous periods	5,493	(15,796)
	Total current tax	<u>42,980</u>	<u>25,278</u>
	Deferred tax:		
	Deferred tax credit in current year	813	(13,247)
	Tax on profit on ordinary activities	<u>£ 43,793</u>	<u>£ 12,031</u>
	Factors affecting tax charge for the year		
	The tax assessed for the year is lower than the standard rate of corporation tax 23% (2012: 24%) as explained below:		
	Profit on ordinary activities before tax	318,328	285,706
	Profit on ordinary activities multiplied by the standard rate of corporation tax of 23% (2013: 24%)	<u>73,215</u>	<u>68,569</u>
	Effects of:		
	Expenses not deductible for tax purposes	1,053	2,109
	Capital allowances more than depreciation	(1,307)	6,012
	Adjustment to tax charge in respect of previous period	5,493	(15,796)
	Effect of marginal rate/change in tax rate	-	-
	Research & Development claim	(31,625)	(30,000)
	Other tax adjustments	(3,849)	(5,616)
	Current tax charge for the year	<u>£ 42,980</u>	<u>£ 25,278</u>
	7. TANGIBLE FIXED ASSETS		
		Plant and equipment	
	Cost:		
	1 June 2013	1,587,645	
	Additions	64,934	
	Disposals	(67,455)	
	31 May 2014	<u>1,585,124</u>	
	Depreciation:		
	1 June 2014	1,499,376	
	Charge in the year	48,270	
	Disposals	(67,454)	
	31 May 2014	<u>1,480,192</u>	
	Net book value:		
	31 May 2014	<u>£ 104,932</u>	
	31 May 2013	<u>£ 88,269</u>	

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2014

8. STOCKS	2014	2013
Raw materials and consumables	239,275	169,081
Work in progress	996,786	146,284
Finished goods and goods for resale	302,445	348,072
	<u>£ 1,538,506</u>	<u>£ 663,437</u>
	=====	=====
9. DEBTORS		
Trade debtors	580,392	672,068
Amounts due from group undertakings	1,491,040	1,011,773
Other debtors	29,238	24,520
Prepayments	123,587	63,341
	<u>£ 2,224,257</u>	<u>£ 1,771,702</u>
	=====	=====
10. CREDITORS		
Amounts falling due within one year:		
Payments received on account	1,430,187	508,223
Trade creditors	491,207	446,224
Amounts due to group undertakings	33,850	-
Corporation tax	37,487	41,074
Other taxation and social security costs	82,431	75,839
Other Creditors	30,504	-
Accruals	457,552	289,622
	<u>£ 2,563,218</u>	<u>£ 1,360,982</u>
	=====	=====
11. PROVISIONS FOR LIABILITIES AND CHARGES		
	Deferred taxation	
Balance at 1 June 2013	12,140	
Transfer - profit and loss	813	
Balance at 31 May 2014	<u>12,953</u>	
	=====	

The provision for deferred tax arises due to accelerated capital allowances.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2014

12.	SHARE CAPITAL	2014	2013
	Allotted, issued and fully paid: 50,000 ordinary shares of £1 each	£ 50,000 =====	£ 50,000 =====
13.	PROFIT AND LOSS ACCOUNT		
	1 June 2013	1,523,054	1,249,379
	Retained profit for the year	274,535	273,675
	31 May 2014	£ 1,797,589 =====	£ 1,523,054 =====
14.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
	Profit for the financial year	274,535	273,675
	Opening shareholders' funds	1,573,054	1,299,379
	Closing shareholders' funds	£ 1,847,589 =====	£ 1,573,054 =====
15.	COMMITMENTS UNDER OPERATING LEASES		
	At 31 May 2014 the company had annual commitments under non-cancellable operating leases as follows:		
	Other:		
	Expiring within one year	10,787	9,519
	Expiring between 2 and 5 years	18,878	-
		£ 29,665 =====	£ 9,519 =====
16.	RELATED PARTY TRANSACTIONS		
	During the year Winkworth Machinery Limited (the company) was reimbursed £750 (2013: £750) for Mr G Jamieson's time as a director of PPMA Ltd. The company also reimbursed PPMA Ltd £70,026 (2013: £66,137) for certain expenses. At the year end the company owed PPMA Ltd £4,929 (2013: £3,254)		
	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.		
17.	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 2014 the total amount outstanding subject to the guarantees was £991,667. This amount includes a bank loan, totalling £666,667 and directors loan notes totalling £325,000.		
18.	ULTIMATE CONTROLLING PARTY		
	On 29 November 2013, the Ultimate Controlling Party changed from JWD Winkworth to Mr B W Soeteman.		
	The company's immediate parent company is Winkworth Mixers Limited and the company is included in the consolidated financial statements of Winkworth Holdings Limited.		