

Company number : 2852052

**WINKWORTH MACHINERY LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**

**31 MAY 2004**



AS1  
COMPANIES HOUSE

Baker Tilly  
Chartered Accountants  
The Clock House  
140 London Road  
Guildford  
Surrey GU1 1UW

**DIRECTORS AND OFFICERS**

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**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**

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The directors submit their report and the financial statements of Winkworth Machinery Limited for the year ended 31 May 2004.

**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 £18,079. The amount has been transferred to the profit and loss account.

**DIRECTORS**

The following directors have held office since 28 May 2003:-

J F Winkworth  
P E Winkworth  
P L Winkworth

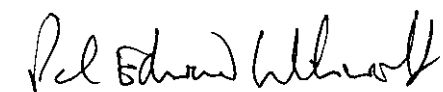
**DIRECTORS' INTERESTS**

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

26 November 2004

**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF  
FINANCIAL STATEMENTS**

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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 31 May 2004 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

26 November 2004

**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
for the year ended 31 May 2004

|  | Notes | 2004            | 2003           |
|--|-------|-----------------|----------------|
| <b>GROSS PROFIT</b>                                      |       | 1,631,841       | 1,500,207      |
| Other operating expenses (net)                           | 1     | 1,609,979       | 1,498,835      |
| <b>OPERATING PROFIT</b>                                  |       | <u>21,862</u>   | <u>1,372</u>   |
| Interest receivable                                      |       | 1,864           | 2,207          |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> | 2     | 23,726          | 3,579          |
| Taxation   | 4     | 5,647           | 2,119          |
| <b>RETAINED PROFIT FOR THE YEAR</b>                      | 12    | <u>£ 18,079</u> | <u>£ 1,460</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

31 May 2004

|   | Notes | 2004             | 2003             |
|---|-------|------------------|------------------|
| <b>FIXED ASSETS</b>                           |       |                  |                  |
| Tangible assets                               | 5     | 239,242          | 284,009          |
| <b>CURRENT ASSETS</b>                         |       |                  |                  |
| Stocks  | 6     | 691,480          | 591,796          |
| Debtors                                       | 7     | 699,742          | 775,834          |
| Cash at bank and in hand                      |       | 96,146           | 70,152           |
|   |       | <u>1,487,368</u> | <u>1,437,782</u> |
| <b>CREDITORS</b>                              |       |                  |                  |
| Amounts falling due within one year           | 8     | 1,365,834        | 1,373,283        |
| <b>NET CURRENT ASSETS</b>                     |       |                  |                  |
|   |       | <u>121,534</u>   | <u>64,499</u>    |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>  |       |                  |                  |
|   |       | <u>£ 360,776</u> | <u>£ 348,508</u> |
| <b>CREDITORS</b>                              |       |                  |                  |
| Amounts falling due after more than one year  | 9     | 250,000          | 250,000          |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b> |       |                  |                  |
|   | 10    | 3,127            | 8,938            |
| <b>CAPITAL AND RESERVES</b>                   |       |                  |                  |
| Called up equity share capital                | 11    | 50,000           | 50,000           |
| Profit and loss account                       | 12    | 57,649           | 39,570           |
| <b>EQUITY SHAREHOLDERS' FUNDS</b>             |       |                  |                  |
|   | 13    | <u>107,649</u>   | <u>89,570</u>    |
|   |       | <u>£ 360,776</u> | <u>£ 348,508</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

26 November 2004

**Abbreviated financial statements for the year ended 31 May 2004****ACCOUNTING POLICIES**

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**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 |
|---------------------|-------------------|

**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 31 May 2004**

**ACCOUNTING POLICIES**

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**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 31 May 2004**

|   | 2004               | 2003               |
|---|--------------------|--------------------|
| <b>1. OTHER OPERATING EXPENSES (NET)</b>  |                    |                    |
| Distribution costs  | 669,327            | 596,910            |
| Administration expenses   | 941,001            | 912,444            |
| Other operating income  | (349)              | (10,519)           |
|   | <u>£ 1,609,979</u> | <u>£ 1,498,835</u> |
|   | =====              | =====              |
| <b>2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>   |                    |                    |
| Profit on ordinary activities before taxation is stated after charging/(crediting):                     |                    |                    |
| Depreciation  | 98,686             | 102,538            |
| (Profit) on disposal of fixed assets  | (349)              | (10,519)           |
| Exchange loss/(gain)  | 16,368             | (9,634)            |
| Auditors' remuneration  | 12,920             | 12,160             |
|   | <u>=====</u>       | <u>=====</u>       |
| <b>3. EMPLOYEES</b>   |                    |                    |
| The average weekly number of persons (including directors) employed by the company during the year was: | No.                | No.                |
| Office and management   | 13                 | 14                 |
| Manufacturing   | 22                 | 23                 |
| Selling   | 7                  | 7                  |
|   | <u>42</u>          | <u>44</u>          |
|   | =====              | =====              |
| Staff costs for the above persons:  |                    |                    |
| Wages and salaries  | 1,087,350          | 1,074,025          |
| Social security costs   | 113,858            | 110,521            |
| Other pension costs   | 40,068             | 43,207             |
|   | <u>£ 1,241,276</u> | <u>£ 1,227,753</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 31 May 2004**

| 4. TAXATION   | 2004              | 2003              |
|---|-------------------|-------------------|
| Current tax:  |                   |                   |
| UK corporation tax on profits of year   | 11,459            | 1,104             |
| Adjustments in respect of previous periods  | (1)               | 507               |
|   | <u>11,458</u>     | <u>1,611</u>      |
| Total current tax   |                   |                   |
| Deferred tax:   |                   |                   |
| Deferred tax (credit)/charge in current year  | (5,811)           | 508               |
|   | <u>£ 5,647</u>    | <u>£ 2,119</u>    |
| Tax on profit on ordinary activities  | =====             | =====             |
| <b>Factors affecting tax charge for the year</b>  |                   |                   |
| The tax assessed for the year is higher than the standard rate of corporation tax for small companies (19%) as explained below: |                   |                   |
| Profit on ordinary activities before tax  | 23,726            | 3,579             |
|   | <u>          </u> | <u>          </u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax for small companies 19% (2003: 19%)            | 4,508             | 680               |
| Effects of:   |                   |                   |
| Expenses not deductible for tax purposes  | 1,140             | 1,511             |
| Capital allowances less than depreciation   | 5,811             | (928)             |
| Adjustment to tax charge in respect of previous period  | (1)               | 507               |
| Effect of marginal rate   | -                 | (159)             |
|   | <u>£ 11,458</u>   | <u>£ 1,611</u>    |
| Current tax charge for the year   | =====             | =====             |

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**for the year ended 31 May 2004**

**5. TANGIBLE FIXED ASSETS**

|                    | Plant and<br>equipment |             |
|--------------------|------------------------|-------------|
| Cost:              |                        |             |
| 28 May 2003        | 1,396,073              |             |
| Additions          | 53,920                 |             |
| Disposals          | (8,342)                |             |
|                    | <u>1,441,651</u>       |             |
| 31 May 2004        | <u>1,441,651</u>       |             |
| Depreciation:      |                        |             |
| 28 May 2003        | 1,112,064              |             |
| Charge in the year | 98,686                 |             |
| Disposals          | (8,341)                |             |
|                    | <u>1,202,409</u>       |             |
| 31 May 2004        | <u>1,202,409</u>       |             |
| Net book value:    |                        |             |
| 31 May 2004        | £ 239,242              |             |
|                    | =====                  |             |
| 27 May 2003        | £ 284,009              |             |
|                    | =====                  |             |
|                    | <b>2004</b>            | <b>2003</b> |

**6. STOCKS**

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| Raw materials and consumables       | 85,759           | 131,724          |
| Work in progress                    | 124,963          | 66,019           |
| Finished goods and goods for resale | 480,758          | 394,053          |
|                                     | <u>£ 691,480</u> | <u>£ 591,796</u> |
|                                     | =====            | =====            |

**7. DEBTORS**

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| Trade debtors                  | 636,407          | 728,644          |
| Other debtors                  | 37,806           | 17,780           |
| Prepayments and accrued income | 25,529           | 29,410           |
|                                | <u>£ 699,742</u> | <u>£ 775,834</u> |
|                                | =====            | =====            |

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**for the year ended 31 May 2004**

|  | 2004               | 2003               |
|--|--------------------|--------------------|
| <b>8. CREDITORS</b>                      |                    |                    |
| Amounts falling due within one year:     |                    |                    |
| Payments received on account             | 341,950            | 302,248            |
| Trade creditors                          | 322,888            | 362,553            |
| Due to parent company                    | 503,887            | 535,497            |
| Corporation tax                          | 11,459             | 1,104              |
| Other taxation and social security costs | 95,376             | 93,367             |
| Other creditors                          | 6,540              | 16,688             |
| Accruals                                 | 83,734             | 61,826             |
|  | <u>£ 1,365,834</u> | <u>£ 1,373,283</u> |
|  | =====              | =====              |

**9. CREDITORS**

|  |           |           |
|--|-----------|-----------|
| Amounts falling due in more than one year: |           |           |
| Parent company loan                        | £ 250,000 | £ 250,000 |
|  | =====     | =====     |

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.

**10. PROVISIONS FOR LIABILITIES AND CHARGES**

|                            | Deferred<br>taxation |
|----------------------------|----------------------|
| Balance at 28 May 2003     | 8,938                |
| Transfer - profit and loss | (5,811)              |
| Balance at 31 May 2004     | <u>£ 3,127</u>       |
|                            | =====                |

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

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
for the year ended 31 May 2004

| 11. EQUITY SHARE CAPITAL                                   | 2004      | 2003     |
|--|-----------|----------|
| 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 |
|  | =====     | =====    |
| <br>12. PROFIT AND LOSS ACCOUNT                            |           |          |
| 28 May 2003  | 39,570    | 38,110   |
| Retained profit for the year                               | 18,079    | 1,460    |
|  | -----     | -----    |
| 31 May 2004  | £ 57,649  | £ 39,570 |
|  | =====     | =====    |
| <br>13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS |           |          |
|  | 2004      | 2003     |
| Profit for the financial year                              | 18,079    | 1,460    |
| Opening shareholders' funds                                | 89,570    | 88,110   |
|  | -----     | -----    |
| Closing shareholders' funds                                | £ 107,649 | £ 89,570 |
|  | =====     | =====    |

14. 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, P E Winkworth, is a director and shareholder of Mixer Hire Limited. The company provided management, storage, servicing and administration services of £178,068 (2003:£171,785) to Mixer Hire Limited. It also made sales of machinery to Mixer Hire Limited of £51,950 (2003:£133,247). At the year end Mixer Hire Limited owed £35,659 (2003:£72,065). Winkworth Holdings Limited provided management and administration services of £648,000 (2003:£620,000). At the year end Winkworth Holdings Limited was owed £503,887 (2003:£535,497).

The above transactions were at normal commercial prices.