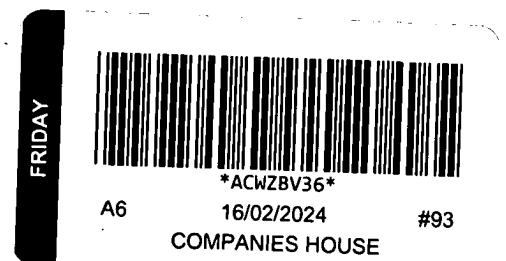


Registered number: 02852052

WINKWORTH MACHINERY LIMITED
UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2023



LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

BALANCE SHEET

AS AT 31 MAY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	5	567,566	166,555
Current assets			
Stocks	6	929,976	1,314,405
Debtors: amounts falling due after more than one year	7	144,000	144,000
Debtors: amounts falling due within one year	7	4,410,231	3,666,555
Cash at bank and in hand	8	692,407	350,808
		<u>6,176,614</u>	<u>5,475,768</u>
Creditors: amounts falling due within one year	9	(4,552,089)	(3,647,994)
Net current assets		<u>1,624,525</u>	<u>1,827,774</u>
Total assets less current liabilities		<u>2,192,091</u>	<u>1,994,329</u>
Creditors: amounts falling due after more than one year	10	(724,995)	(752,941)
Deferred tax		<u>(14,012)</u>	<u>-</u>
		<u>(14,012)</u>	<u>-</u>
Net assets		<u><u>1,453,084</u></u>	<u><u>1,241,388</u></u>
Capital and reserves			
Called up share capital	11	50,000	50,000
Profit and loss account		<u>1,403,084</u>	<u>1,191,388</u>
		<u><u>1,453,084</u></u>	<u><u>1,241,388</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

WINKWORTH MACHINERY LIMITED

REGISTERED NUMBER:02852052

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2023

The financial statements were approved and authorised for issue by the the board and were signed on its behalf by:

Richard Gale

Richard Gale
Director

Date: 13 February 2024

The notes on pages 3 to 12 form part of these financial statements.

WINKWORTH MACHINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

1. GENERAL INFORMATION

Winkworth Machinery Limited is a private company limited by shares and incorporated in England and Wales, registration number 02852052. Its registered office address and principal place of business is Unit 2, Stroudley Road, Basingstoke, Hampshire, RG24 8FW.

The financial statements are prepared in Sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £1.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

At 31 May 2023, the Company had cash of £692,407 (2022 - £350,808) and net assets of £1,518,373 (2022 - £1,241,388). The liquidity and strength of the Company position enables it to take full commercial advantage of strong relationships with customers and suppliers. As a consequence of the liquidity and Company position, the board believe that the Company is well placed to manage its business risks successfully.

At the date of approving the financial statements of the Company, the directors are sufficiently confident that the Company has adequate resources 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 are based on the level of existing cash, projected income and expenditure. These projections include assumptions that customers adhere to their agreed payment terms, and no new debt facilities are required.

Based on the above the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.3 Turnover

Turnover is recognised from the sale of mixing machinery and associated hire. Turnover is recognised upon acknowledgment of customer acceptance and delivery of machines, or where the buyers specifically request delayed delivery instructions. Turnover represents amounts receivable for goods net of VAT and trade discounts.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

WINKWORTH MACHINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. ACCOUNTING POLICIES (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 10 years straight line
Plant and machinery	- 3 to 8 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Impairment of fixed assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cashflows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

WINKWORTH MACHINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

2. ACCOUNTING POLICIES (continued)

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

WINKWORTH MACHINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

2. ACCOUNTING POLICIES (continued)

2.9 Current and deferred taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.11 Operating leases: the Company as a lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

WINKWORTH MACHINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

2. ACCOUNTING POLICIES (continued)

2.13 Foreign currency translation (continued)

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.14 Research and development

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

2.15 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.16 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.18 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.19 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

WINKWORTH MACHINERY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2023****2. ACCOUNTING POLICIES (continued)****2.20 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 45 (2022 - 38).

4. DIRECTORS' REMUNERATION

	2023	2022
	£	£
Remuneration paid to directors	94,786	350,004

5. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 June 2022	426,294	120,421	546,715
Additions	13,672	507,121	520,793
Disposals	-	(39,750)	(39,750)
At 31 May 2023	439,966	587,792	1,027,758
Depreciation			
At 1 June 2022	319,244	60,916	380,160
Charge for the year on owned assets	45,020	49,762	94,782
Disposals	-	(14,750)	(14,750)
At 31 May 2023	364,264	95,928	460,192
Net book value			
At 31 May 2023	75,702	491,864	567,566
At 31 May 2022	107,050	59,505	166,555

WINKWORTH MACHINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

6. STOCKS

	2023 £	2022 £
Raw materials and consumables	534,560	619,309
Work in progress	326,982	678,258
Finished goods and goods for resale	68,434	16,838
	<u>929,976</u>	<u>1,314,405</u>

Included within the stock balance is a provision of £137,862 (2022 - £85,947).

7. DEBTORS

	2023 £	2022 £
Due after more than one year		
Other debtors	144,000	144,000
	<u>144,000</u>	<u>144,000</u>

	2023 £	2022 £
Due within one year		
Trade debtors	1,392,729	467,940
Amounts owed by group undertakings	2,841,249	2,908,251
Other debtors	141,231	11,428
Prepayments and accrued income	8,475	173,729
Tax recoverable	26,547	72,298
Deferred taxation	-	32,909
	<u>4,410,231</u>	<u>3,666,555</u>

8. CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	692,407	350,808
Bank overdrafts	(299,015)	(295,760)
	<u>393,392</u>	<u>55,048</u>

WINKWORTH MACHINERY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2023****9. CREDITORS: Amounts falling due within one year**

	2023 £	2022 £
Bank overdrafts	299,015	295,760
Bank loans	150,000	7,751
Trade creditors	969,629	659,491
Other taxation and social security	166,180	55,132
Obligations under finance lease and hire purchase contracts	60,481	50,261
Other creditors	76,447	74,997
Accruals and deferred income	2,830,337	2,504,602
	<u>4,552,089</u>	<u>3,647,994</u>

Included in accruals and deferred income are amounts of £2,110,781 (2022 - £1,896,869) that relate to customer payments on account.

Included within bank overdrafts is an overdraft facility under the UK Government's Coronavirus Business Interruption Loan Scheme with a maximum facility of £300,000. As at 31 May 2023 an amount of £298,998 under this facility was outstanding (2022 - £295,760). The facility accrues interest at 3.25% and is 80% guaranteed by the UK Government. The facility has been repaid in full subsequent to the year end.

Included in bank loans is an amount of £150,000 (2022 - £nil) which is secured by way of a fixed charge over the Company's assets. The bank loan is repayable in 2028.

10. CREDITORS: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans	600,000	752,941
Net obligations under finance leases and hire purchase contracts	124,995	-
	<u>724,995</u>	<u>752,941</u>

Included in bank loans in the prior year was an amount of £752,941 which was secured by way of a fixed charge over the Company's assets and those of both its immediate and ultimate parent undertaking. The bank loan was repaid during the current year.

Included in bank loans is an amount of £600,000 (2022 - £nil) which is secured by way of a fixed charge over the Company's assets. The bank loan is repayable in 2028.

The bank loan is secured by a personal guarantee given by a director and beneficial owner of the Company up to a maximum of £187,500.

WINKWORTH MACHINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

11. SHARE CAPITAL

	2023 £	2022 £
Allotted, called up and fully paid		
50,000 (2022 - 50,000) Ordinary share capital shares of £1.00 each	50,000	50,000

12. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme 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 and amounted to £91,475 (2022 - £81,860). Contributions totaling £nil (2022 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

13. COMMITMENTS UNDER OPERATING LEASES

At 31 May 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	260,364	249,143
Later than 1 year and not later than 5 years	89,739	307,619
	<u>350,103</u>	<u>556,762</u>

14. RELATED PARTY TRANSACTIONS

During the year, the Company entered the following transactions with related parties:

	2023 Parent undertaking £	2023 Other related party £	2022 Parent undertaking £	2022 Other related party £
Management charges (expenditure)	-	-	15,000	-
Consultancy	-	100,000	-	-

In addition to the above, during the prior year the Company disposed of a vehicle to a director for total proceeds of £19,000, giving rise to a profit on disposal of £7,232. At the balance sheet date, £6,773 (2022 - £9,595) of the proceeds remained outstanding.

WINKWORTH MACHINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

15. ULTIMATE HOLDING COMPANY

The ultimate holding company is Winkworth 2022 Limited, a company incorporated in England and Wales.