

COMPANY REGISTRATION NUMBER 01050233

ATKINSON EQUIPMENT LIMITED
GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st MARCH 2012



BREBNERS
Chartered Accountants & Statutory Auditor
Tubs Hill House
London Road
Sevenoaks
Kent
TN13 1BL

ATKINSON EQUIPMENT LIMITED
GROUP FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2012

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ATKINSON EQUIPMENT LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

C R Atkinson
J E Atkinson
S T Pearce

Registered office

Moat Works
Moat Road
West Wilts Trading Estate
Westbury
Wilts
BA13 4JF

Auditor

Brebners
Chartered Accountants
& Statutory Auditor
Tubs Hill House
London Road
Sevenoaks
Kent
TN13 1BL

ATKINSON EQUIPMENT LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31st MARCH 2012

The directors have pleasure in presenting their report and the group financial statements of the group for the year ended 31st March 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of precision engineers and a manufacturer of fuel measurement and dispensing equipment. The principal activity of the group during the year was that of precision engineers, storage, warehousing, distribution and wholesaling agents.

Business Review

The directors are pleased with the increase in turnover and profit of the group in the year despite the tough economic conditions. The directors consider that the forthcoming year will be equally challenging, but again are confident that the strong performance can be maintained.

Financial Key Performance Indicators

	2012	2011
Turnover (£)	18,079,729	16,698,431
Gross profit margin (%)	20.7%	22.4%
Profit before tax (£)	1,115,597	1,405,955

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £841,681. Particulars of dividends paid are detailed in note 12 to the group financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group uses various financial instruments including loans, cash, equity capital and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks which are described in more detail below.

The directors review and agree policies for managing the financial risks and these are summarised below.

ATKINSON EQUIPMENT LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

Market risk

Market risk encompasses three types of risk being price risk, interest rate risk and currency risk

Price risk

The group operates in a competitive market. If the group does not continue to compete effectively by developing its product range and responding to activities in the market it could lose customers and its results, cash flow and financial conditions could be adversely affected

Interest rate risk

Surplus cash generated by the group is invested in market bearing deposit accounts. Group bank borrowings incur interest at market rates. The group is therefore exposed to interest rate risk which is managed by a review of facilities available to the group

Currency risk

The group makes purchases from a small number of suppliers whose invoices are denominated in currencies other than sterling. The most frequently used currencies other than sterling are the Euro and the US Dollar, with separate bank accounts being maintained for each with any currency fluctuation being transferred to the profit and loss account

Credit risk

The group's principal assets are cash deposits and trade debtors. The credit risk associated with cash deposits is limited as the accounts are held with major UK high street banks. The principal credit risk arises therefore from trade debtors and the group manages closely its exposure to bad debts

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

The group policy throughout the year has been to hold cash balances in readily accessible cash deposits and utilise leasing facilities for tangible asset acquisitions

DIRECTORS

The directors who served the company during the year were as follows

C R Atkinson
J E Atkinson
S T Pearce

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the group financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare group financial statements for each financial year. Under that law the directors have elected to prepare the group 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 group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year.

In preparing those group financial statements, the directors are required to

ATKINSON EQUIPMENT LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st MARCH 2012

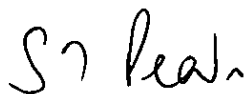
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the group financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the directors



S T Pearce
Director

Approved by the directors on 30/11/12

ATKINSON EQUIPMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

ATKINSON EQUIPMENT LIMITED

YEAR ENDED 31st MARCH 2012

We have audited the group and parent company group financial statements ("the group financial statements") of Atkinson Equipment Limited for the year ended 31st March 2012 on pages 7 to 24. 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 shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the directors are responsible for the preparation of the group 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 group 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 GROUP FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the group financial statements sufficient to give reasonable assurance that the group financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by , and the overall presentation of the group financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited group financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON GROUP FINANCIAL STATEMENTS

In our opinion the group financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31st March 2012 and of the group's 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

ATKINSON EQUIPMENT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ATKINSON EQUIPMENT LIMITED *(continued)*

YEAR ENDED 31st MARCH 2012

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company group 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



MARTIN WIDDOWSON (Senior
Statutory Auditor)
For and on behalf of
BREBNERS
Chartered Accountants
& Statutory Auditor

Tubs Hill House
London Road
Sevenoaks
Kent
TN13 1BL

5/12/12

ATKINSON EQUIPMENT LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31st MARCH 2012

	Note	2012 £	2011 £
GROUP TURNOVER	2	18,078,729	16,698,431
Cost of sales		14,328,227	12,966,250
GROSS PROFIT		<u>3,750,502</u>	<u>3,732,181</u>
Administrative expenses		2,566,902	2,264,675
Other operating income	3	(17,433)	(26,735)
OPERATING PROFIT	4	<u>1,201,033</u>	<u>1,494,241</u>
Profit on disposal of current asset investments		73,554	18,969
		<u>1,274,587</u>	<u>1,513,210</u>
Interest receivable	7	772	603
Amounts written off investments	8	(150,000)	(100,000)
Interest payable and similar charges	9	(9,762)	(7,858)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,115,597</u>	<u>1,405,955</u>
Tax on profit on ordinary activities	10	273,916	421,702
PROFIT FOR THE FINANCIAL YEAR	11	<u>841,681</u>	<u>984,253</u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account

The notes on pages 12 to 24 form part of these group financial statements


ATKINSON EQUIPMENT LIMITED

GROUP BALANCE SHEET

31st MARCH 2012

	Note	2012 £	£	2011 £	£
FIXED ASSETS					
Tangible assets	13		2,415,263		2,092,541
Investments	14		—		235,000
			<u>2,415,263</u>		<u>2,327,541</u>
CURRENT ASSETS					
Stocks	15	2,145,774		1,769,507	
Debtors	16	3,393,148		3,262,454	
Investments	17	42,175		75,113	
Cash at bank		<u>886,616</u>		<u>681,100</u>	
		6,467,713		5,788,174	
CREDITORS Amounts falling due within one year	18	<u>3,767,995</u>		<u>3,808,940</u>	
NET CURRENT ASSETS			<u>2,699,718</u>		<u>1,979,234</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,114,981</u>		<u>4,306,775</u>
CREDITORS Amounts falling due after more than one year	19		91,110		68,264
PROVISIONS FOR LIABILITIES					
Deferred taxation	21		60,503		50,824
Other provisions	22		<u>55,000</u>		<u>55,000</u>
			<u>4,908,368</u>		<u>4,132,687</u>
CAPITAL AND RESERVES					
Called-up equity share capital	26		1,866		1,866
Other reserves	27		1,634		1,634
Profit and loss account	27		<u>4,904,868</u>		<u>4,129,187</u>
SHAREHOLDERS' FUNDS	28		<u>4,908,368</u>		<u>4,132,687</u>

These group financial statements were approved by the directors and authorised for issue on 30/12/12, and are signed on their behalf by


C R Atkinson
Director

The notes on pages 12 to 24 form part of these group financial statements

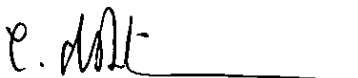
ATKINSON EQUIPMENT LIMITED

BALANCE SHEET

31st MARCH 2012

	Note	2012 £	£	2011 £	£
FIXED ASSETS					
Tangible assets	13		1,770,283		1,557,872
Investments	14		<u>70,050</u>		<u>305,050</u>
			1,840,333		1,862,922
CURRENT ASSETS					
Stocks	15	588,183		494,760	
Debtors	16	573,886		567,802	
Investments	17	42,175		75,113	
Cash at bank		<u>-</u>		<u>41,626</u>	
		1,204,244		1,179,301	
CREDITORS Amounts falling due within one year	18	<u>1,379,274</u>		<u>1,727,423</u>	
NET CURRENT LIABILITIES			(175,030)		(548,122)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,665,303		1,314,800
CREDITORS Amounts falling due after more than one year	19		69,661		-
PROVISIONS FOR LIABILITIES					
Deferred taxation	21		6,494		8,125
			<u>1,589,148</u>		<u>1,306,675</u>
CAPITAL AND RESERVES					
Called-up equity share capital	26		1,866		1,866
Other reserves	27		1,634		1,634
Profit and loss account	27		1,585,648		1,303,175
SHAREHOLDERS' FUNDS			<u>1,589,148</u>		<u>1,306,675</u>

These group financial statements were approved by the directors and authorised for issue on 30/11/12, and are signed on their behalf by


C R Atkinson
Director

Company Registration Number 01050233

The notes on pages 12 to 24 form part of these group financial statements.

ATKINSON EQUIPMENT LIMITED
GROUP CASH FLOW CASH FLOW STATEMENT
YEAR ENDED 31st MARCH 2012

	2012	2011
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	971,340	784,998
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	772	603
Interest element of hire purchase	<u>(9,762)</u>	<u>(7,858)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(8,990)	(7,255)
TAXATION	(398,610)	(376,066)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Payments to acquire tangible fixed assets	(633,070)	(346,320)
Receipts from sale of fixed assets	82,774	61,753
Acquisition of investments	(37,500)	(85,000)
Disposal of investments	122,500	—
Disposal of current asset investments	73,554	18,969
Payment to acquire other current asset investments	<u>32,938</u>	<u>(33,734)</u>
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(358,804)	(384,332)
EQUITY DIVIDENDS PAID	(66,000)	(66,000)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING	138,936	(48,655)
FINANCING		
Capital element of hire purchase	1,513	19,624
NET CASH INFLOW FROM FINANCING	1,513	19,624
INCREASE/(DECREASE) IN CASH	<u>140,449</u>	<u>(29,031)</u>
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	2012	2011
	£	£
Operating profit	1,201,033	1,494,241
Depreciation	224,862	182,353
Loss/(Profit) on disposal of fixed assets	2,712	(2,364)
Increase in stocks	(376,267)	(224,089)
Increase in debtors	(130,694)	(334,967)
Increase/(decrease) in creditors	49,694	(349,176)
Increase in provisions	—	19,000
Net cash inflow from operating activities	<u>971,340</u>	<u>784,998</u>

The notes on pages 12 to 24 form part of these group financial statements

ATKINSON EQUIPMENT LIMITED
GROUP CASH FLOW CASH FLOW STATEMENT
YEAR ENDED 31st MARCH 2012

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2012		2011	
	£	£	£	£
Increase/(decrease) in cash in the period	140,449		(29,031)	
Cash outflow in respect of hire purchase	<u>(1,513)</u>		<u>(19,624)</u>	
		138,936		(48,655)
Change in net funds		138,936		(48,655)
Net funds at 1 April 2011		520,448		569,103
Net funds at 31 March 2012		<u>659,384</u>		<u>520,448</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2011 £	Cash flows £	At 31 Mar 2012 £
Net cash			
Cash in hand and at bank	681,100	205,516	886,616
Overdrafts	<u>—</u>	<u>(65,067)</u>	<u>(65,067)</u>
	681,100	140,449	821,549
Debt			
Hire purchase agreements	<u>(160,652)</u>	<u>(1,513)</u>	<u>(162,165)</u>
Net funds	<u>520,448</u>	<u>138,936</u>	<u>659,384</u>

The notes on pages 12 to 24 form part of these group financial statements

ATKINSON EQUIPMENT LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2012

1. ACCOUNTING POLICIES

Basis of accounting

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

Basis of preparation

The consolidated profit and loss account for the year ended 31st March 2012 shows a profit after tax of £841,681 and the group balance sheet at that date shows shareholders funds of £4,908,368

The group is in a strong position for the future, with significant net cash reserves amounting to £821,549 at the balance sheet date

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over three years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover excludes intra group transactions and value added tax and represents the amounts receivable in the ordinary course of business from goods and services provided.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - over three years

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery - between 10% and 33% per annum straight line

Fixtures & Fittings - between 10% and 33% per annum straight line

Motor Vehicles - between 25% and 35% per annum straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

ATKINSON EQUIPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2012

1 ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the consolidated profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the consolidated profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the consolidated profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transaction or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

ATKINSON EQUIPMENT LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2012

1 ACCOUNTING POLICIES (continued)**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Investments

Investments are stated at the lower of cost and net realisable value.

2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below.

	2012 £	2011 £
United Kingdom	<u>18,078,729</u>	<u>16,698,431</u>

An analysis by class of business is given below.

	2012 £	2011 £
Marketing engineers	2,844,692	2,418,773
Distribution and wholesaling agents	<u>15,234,037</u>	<u>14,279,658</u>
	<u>18,078,729</u>	<u>16,698,431</u>

3 OTHER OPERATING INCOME

	2012 £	2011 £
Rent receivable	<u>17,433</u>	<u>26,735</u>

ATKINSON EQUIPMENT LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2012

4 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Depreciation of owned fixed assets	140,995	123,165
Depreciation of assets held under hire purchase agreements	83,867	59,188
Loss/(Profit) on disposal of fixed assets	2,712	(2,364)
Auditor's remuneration		
- as auditor	31,000	28,600
- for other services	6,504	6,100
Operating lease costs		
- Other	182,894	177,331
Net profit on foreign currency translation	<u>(4,128)</u>	<u>(3,034)</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2012	2011
	No	No
Direct staff	49	47
Administrative staff	39	36
	<u>88</u>	<u>83</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	2,452,883	2,278,541
Social security costs	276,507	254,003
Other pension costs	18,290	14,816
Other pension costs		
Pensions paid to former employees	73,000	73,000
	<u>2,820,680</u>	<u>2,620,360</u>

6 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	213,788	215,742
Value of company pension contributions to money purchase schemes	2,794	699
Excess retirement benefits funded by the company		
Pensions to former director	73,000	73,000
	<u>289,582</u>	<u>289,441</u>

ATKINSON EQUIPMENT LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2012

6. DIRECTORS' REMUNERATION *(continued)***Remuneration of highest paid director**

	2012 £	2011 £
Total remuneration (excluding pension contributions)	114,804	114,804
Value of company pension contributions to money purchase schemes	1,000	—
	<u>115,804</u>	<u>114,804</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012 No	2011 No
Money purchase schemes	<u>3</u>	<u>1</u>

7. INTEREST RECEIVABLE

	2012 £	2011 £
Bank interest receivable	<u>772</u>	<u>603</u>

8. AMOUNTS WRITTEN OFF INVESTMENTS

	2012 £	2011 £
Impairment of other investments	<u>150,000</u>	<u>100,000</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Finance charges	<u>9,762</u>	<u>7,858</u>

ATKINSON EQUIPMENT LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2012

10 TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 26% (2011 - 28%)	258,339	403,062
(Over)/under provision in prior year	5,898	(5,184)
Total current tax	<u>264,237</u>	<u>397,878</u>
Deferred tax		
Origination and reversal of timing differences (note 21)		
Capital allowances	9,679	23,824
Tax on profit on ordinary activities	<u>273,916</u>	<u>421,702</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26% (2011 - 28%)

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>1,115,597</u>	<u>1,405,955</u>
Profit on ordinary activities by rate of tax	290,055	393,667
Disallowable expenses	(16,730)	38,044
Depreciation in excess of capital allowances	(12,593)	(17,626)
Marginal relief	-	(11,023)
Other adjustments	(2,393)	-
(Over)/under provision in prior year	5,898	(5,184)
Total current tax (note 10(a))	<u>264,237</u>	<u>397,878</u>

11. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the group financial statements of the parent company was £348,473 (2011 - £91,951)

12 DIVIDENDS**Equity dividends**

	2012 £	2011 £
Paid		
Equity dividends on ordinary shares	<u>66,000</u>	<u>66,000</u>

ATKINSON EQUIPMENT LIMITED
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13 TANGIBLE FIXED ASSETS

Group	Freehold Investment Properties £	Long Leasehold Buildings £	Plant, Furniture and Office Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION						
At 1 Apr 2011	898,378	646,196	1,148,357	144,591	767,134	3,604,656
Additions	95,529	—	237,074	91,579	208,888	633,070
Disposals	—	(6,285)	(28,525)	(21,881)	(126,028)	(182,719)
At 31 Mar 2012	993,907	639,911	1,356,906	214,289	849,994	4,055,007
DEPRECIATION						
At 1 Apr 2011	—	154,599	903,472	104,269	349,775	1,512,115
Charge for the year	—	8,867	89,908	11,403	114,684	224,862
On disposals	—	(2,238)	(25,597)	(13,347)	(56,051)	(97,233)
At 31 Mar 2012	—	161,228	967,783	102,325	408,408	1,639,744
NET BOOK VALUE						
At 31 Mar 2012	993,907	478,683	389,123	111,964	441,586	2,415,263
At 31 Mar 2011	898,378	491,597	244,885	40,322	417,359	2,092,541

The Group and Company freehold investment properties were valued by the directors at 31st March 2012 and are shown at their open market value at an amount of £993,907

If these freehold investment properties were included on a historical cost basis they would be shown at an amount of £993,907 (2011 £898,378)

Hire purchase agreements

Included within the net book value of £2,415,263 is £288,061 (2011 - £240,269) relating to assets held under hire purchase agreements. The depreciation charged to the group financial statements in the year in respect of such assets amounted to £83,867 (2011 - £59,188)

ATKINSON EQUIPMENT LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
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13 TANGIBLE FIXED ASSETS (continued)

Company	Freehold Investment Properties £	Long Leasehold Buildings £	Plant, Furniture and Office Equipment £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 April 2011	898,378	639,911	973,866	25,100	2,537,255
Additions	95,529	—	191,702	—	287,231
Disposals	—	—	(8,250)	—	(8,250)
At 31 March 2012	993,907	639,911	1,157,318	25,100	2,816,236
DEPRECIATION					
At 1 April 2011	—	153,621	808,646	17,116	979,383
Charge for the year	—	7,607	63,944	1,996	73,547
On disposals	—	—	(6,977)	—	(6,977)
At 31 March 2012	—	161,228	865,613	19,112	1,045,953
NET BOOK VALUE					
At 31 March 2012	993,907	478,683	291,705	5,988	1,770,283
At 31 March 2011	898,378	486,290	165,220	7,984	1,557,872

Hire purchase agreements

Included within the net book value of £1,770,283 is £154,700 (2011 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the group financial statements in the year in respect of such assets amounted to £23,800 (2011 - £Nil).

14 INVESTMENTS

Group	Unquoted Investments £
COST	
At 1st April 2011	335,000
Additions	37,500
Disposals	(122,500)
At 31st March 2012	250,000
AMOUNTS WRITTEN OFF	
At 1st April 2011	100,000
Written off in year	150,000
At 31st March 2012	250,000
NET BOOK VALUE	
At 31st March 2012	—
At 31st March 2011	235,000

ATKINSON EQUIPMENT LIMITED
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Company	Group companies £	Unquoted Investments £	£
COST			
At 1st April 2011	70,050	335,000	405,050
Additions	-	37,500	37,500
Disposals	-	(122,500)	(122,500)
At 31st March 2012	<u>70,050</u>	<u>250,000</u>	<u>320,050</u>
AMOUNTS WRITTEN OFF			
At 1st April 2011	-	100,000	100,000
Written off in year	-	150,000	150,000
At 31st March 2012	<u>-</u>	<u>250,000</u>	<u>250,000</u>
NET BOOK VALUE			
At 31st March 2012	<u>70,050</u>	<u>-</u>	<u>70,050</u>
At 31st March 2011	<u>70,050</u>	<u>235,000</u>	<u>305,050</u>

The investment in the subsidiary undertaking represents the cost of 100% of the issued share capital of Taylor Davis Limited, a company registered in England and Wales. The principal activity of Taylor Davis Limited is that of distribution and wholesaling agents.

Taylor Davis Limited holds 100% of the issued share capital of Graham Tyson Limited, a company registered in England and Wales. The principal activity of Graham Tyson Limited is that of storage, warehousing, distribution and wholesaling agents.

15. STOCKS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Finished goods	<u>2,145,774</u>	<u>1,769,507</u>	<u>588,183</u>	<u>494,760</u>

16. DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	3,270,411	3,195,667	501,972	546,162
Prepayments and accrued income	<u>122,737</u>	<u>66,787</u>	<u>71,914</u>	<u>21,640</u>
	<u>3,393,148</u>	<u>3,262,454</u>	<u>573,886</u>	<u>567,802</u>

17. INVESTMENTS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Other investments	<u>42,175</u>	<u>75,113</u>	<u>42,175</u>	<u>75,113</u>

ATKINSON EQUIPMENT LIMITED
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18. CREDITORS Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Overdrafts	65,067	–	65,067	–
Trade creditors	2,524,233	2,113,513	230,563	284,944
Amounts owed to group undertakings	–	–	546,432	572,811
Hire purchase agreements	71,055	92,388	18,563	–
Other creditors including taxation and social security				
Corporation tax	107,328	241,701	9,603	70,329
PAYE and social security	96,213	89,508	39,123	37,478
VAT	399,281	484,294	51,082	66,453
Other creditors	264,433	–	264,435	–
Accruals and deferred income	240,385	787,536	154,406	695,408
	<u>3,767,995</u>	<u>3,808,940</u>	<u>1,379,274</u>	<u>1,727,423</u>

The bank overdraft is secured by a fixed charge on the group's freehold investment properties and long leasehold buildings and by a fixed and floating charge over the assets and undertakings of the group

19 CREDITORS Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Hire purchase agreements	<u>91,110</u>	<u>68,264</u>	<u>69,661</u>	<u>–</u>

20. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts payable within 1 year	71,055	92,388	18,563	–
Amounts payable between 1 and 2 years	21,449	68,264	–	–
Amounts payable between 3 and 5 years	69,661	–	69,661	–
	<u>162,165</u>	<u>160,652</u>	<u>88,224</u>	<u>–</u>

21 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Provision brought forward	50,824	27,000	8,125	7,000
Increase/(Decrease) in provision	9,679	23,824	(1,631)	1,125
Provision carried forward	<u>60,503</u>	<u>50,824</u>	<u>6,494</u>	<u>8,125</u>

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21 DEFERRED TAXATION *(continued)*

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2012		2011	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	<u>60,503</u>	<u>-</u>	<u>50,824</u>	<u>-</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

Company	2012		2011	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	<u>6,494</u>	<u>-</u>	<u>8,125</u>	<u>-</u>

22 OTHER PROVISIONS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Provision for dilapidations in respect of leasehold properties	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>-</u>

23 COMMITMENTS UNDER OPERATING LEASES

At 31st March 2012 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2012 £	2011 £
Operating leases which expire		
Within 1 year	23,645	59,795
Within 2 to 5 years	175,382	23,345
After more than 5 years	11,000	11,000
	<u>210,027</u>	<u>94,140</u>

At 31st March 2012 the company had annual commitments under non-cancellable operating leases as set out below

Company	Land and buildings	
	2012 £	2011 £
Operating leases which expire		
After more than 5 years	<u>11,000</u>	<u>11,000</u>

ATKINSON EQUIPMENT LIMITED
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24 CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

The company has guaranteed the bank overdrafts of the subsidiary undertakings which are reflected in the consolidated accounts

The company is part of group VAT scheme with a subsidiary undertaking, both companies are therefore jointly and severally liable for the VAT liability of the Group

25 RELATED PARTY DISCLOSURES**Transactions**

During the year dividends of £66,000 (2011 £66,000) were paid to C R Atkinson, director

Also during the year the company transferred unquoted investments for an amount of £190,531 to C R Atkinson at open market value

At 31st March 2012 an amount of £264,435 (2011 £541,505) was due to C R Atkinson

G Atkinson resides in a freehold investment property owned by the group Rent receivable during the year amounted to £2,600 (2011 £2,650) G R Atkinson is C R Atkinson's son

In accordance with FRS8, exemption is taken not to disclose transactions in the year between group undertakings where all of the voting rights are controlled within the group and the results of the group undertakings are included in these consolidated financial statements

Control

The company is under the control and ultimate control of C R Atkinson

26 SHARE CAPITAL**Allotted, called up and fully paid**

	2012		2011	
	No	£	No	£
1,866 Ordinary shares of £1 each	<u>1,866</u>	<u>1,866</u>	<u>1,866</u>	<u>1,866</u>

27 RESERVES**Group**

	Capital redemption reserve	Profit and loss account
	£	£
Balance brought forward	1,634	4,129,187
Profit for the year	—	841,681
Equity dividends	—	(66,000)
Balance carried forward	<u>1,634</u>	<u>4,904,868</u>

ATKINSON EQUIPMENT LIMITED
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27. RESERVES (continued)

Company	Capital redemption reserve £	Profit and loss account £
Balance brought forward	1,634	1,303,175
Profit for the year	–	348,473
Equity dividends	–	(66,000)
Balance carried forward	<u>1,634</u>	<u>1,585,648</u>

28 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	841,681	984,253
Equity dividends	(66,000)	(66,000)
Net addition to shareholders' funds	775,681	918,253
Opening shareholders' funds	4,132,687	3,214,434
Closing shareholders' funds	<u>4,908,368</u>	<u>4,132,687</u>