

COMPANY REGISTRATION NUMBER 01050233

ATKINSON EQUIPMENT LIMITED
GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st MARCH 2010

TUESDAY



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COMPANIES HOUSE

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

ATKINSON EQUIPMENT LIMITED
GROUP FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2010

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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 2010

The directors have pleasure in presenting their report and the group financial statements of the group for the year ended 31st March 2010

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of marketing engineers. The principal activity of the group during the year was that of marketing engineers, storage, warehousing, distribution and wholesaling agents.

Business Review

The directors are pleased with the continued consistent performance of the group in difficult economic conditions, maintained as a consequence of the strong customer base. 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

	2010	2009
Turnover (£)	14,568,310	14,285,202
Gross profit margin (%)	22.1%	19.9%
Profit before tax (£)	1,054,963	529,767

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £696,256. 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 2010

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
P J Atkinson
S T Pearce
J D Cawte

S T Pearce was appointed as a director on 6th April 2009

P J Atkinson resigned as a director on 19th March 2010

J D Cawte resigned as a director on 25th May 2009

ATKINSON EQUIPMENT LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st MARCH 2010

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

- select suitable accounting policies and then apply them consistently,
- make judgements and 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.

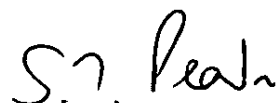
In so far as the directors are aware

- 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

PURCHASE OF OWN SHARES

During the year the company repurchased 1359 ordinary shares of £1 each, representing 42.1% of the issued share capital at the time. The aggregate consideration paid was £1,200,000 and the shares were purchased in order to secure the future of the business.

Signed on behalf of the directors



S T Pearce
Director

Approved by the directors on 26 November 2010

ATKINSON EQUIPMENT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ATKINSON EQUIPMENT LIMITED
YEAR ENDED 31st MARCH 2010

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 2010 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 page 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 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 directors, and the overall presentation of the group financial statements.

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 2010 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 2010

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

30/11/2010.

ATKINSON EQUIPMENT LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31st MARCH 2010

	Note	2010 £	2009 £
GROUP TURNOVER	2	14,568,310	14,285,202
Cost of sales		11,339,857	11,448,340
GROSS PROFIT		3,228,453	2,836,862
Administrative expenses		2,204,482	2,282,595
Other operating income	3	(26,451)	(12,825)
OPERATING PROFIT	4	1,050,422	567,092
Interest receivable	7	11,470	22,655
Amounts written off investments	8	—	(58,266)
Interest payable and similar charges	9	(6,929)	(1,714)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,054,963	529,767
Tax on profit on ordinary activities	10	358,707	208,369
PROFIT FOR THE FINANCIAL YEAR	11	696,256	321,398

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 2010

	Note	2010 £	£	2009 £	£
FIXED ASSETS					
Intangible assets	13		—		125,000
Tangible assets	14		1,987,963		2,000,342
Investments	15		250,000		250,000
			<u>2,237,963</u>		<u>2,375,342</u>
CURRENT ASSETS					
Stocks	16	1,545,418		1,404,825	
Debtors	17	2,927,487		2,605,798	
Investments	18	41,379		41,425	
Cash at bank and in hand		744,350		446,300	
		<u>5,258,634</u>		<u>4,498,348</u>	
CREDITORS: Amounts falling due within one year	19	<u>4,149,626</u>		<u>2,856,053</u>	
NET CURRENT ASSETS			<u>1,109,008</u>		<u>1,642,295</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,346,971</u>		<u>4,017,637</u>
CREDITORS: Amounts falling due after more than one year	20		69,537		61,279
PROVISIONS FOR LIABILITIES					
Deferred taxation	22		27,000		34,000
Other provisions	23		36,000		—
			<u>3,214,434</u>		<u>3,922,358</u>
CAPITAL AND RESERVES					
Called-up equity share capital	27		1,866		3,225
Other reserves	28		1,634		275
Profit and loss account	28		3,210,934		3,918,858
SHAREHOLDERS' FUNDS	29		<u>3,214,434</u>		<u>3,922,358</u>

These group financial statements were approved by the directors and authorised for issue on 26.11.10, 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 2010

	Note	2010 £	£	2009 £	£
FIXED ASSETS					
Tangible assets	14		1,573,928		1,612,735
Investments	15		320,050		320,050
			<u>1,893,978</u>		<u>1,932,785</u>
CURRENT ASSETS					
Stocks	16	349,176		394,036	
Debtors	17	439,921		595,817	
Investments	18	41,379		41,425	
Cash at bank and in hand		10,508		14,310	
		<u>840,984</u>		<u>1,045,588</u>	
CREDITORS: Amounts falling due within one year	19	<u>1,447,238</u>		<u>317,814</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(606,254)</u>		<u>727,774</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,287,724</u>		<u>2,660,559</u>
PROVISIONS FOR LIABILITIES					
Deferred taxation	22		7,000		8,000
			<u>1,280,724</u>		<u>2,652,559</u>
CAPITAL AND RESERVES					
Called-up equity share capital	27		1,866		3,225
Other reserves	28		1,634		275
Profit and loss account	28		1,277,224		2,649,059
SHAREHOLDERS' FUNDS			<u>1,280,724</u>		<u>2,652,559</u>

These group financial statements were approved by the directors and authorised for issue on 26.11.10, 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 2010

	2010		2009	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		2,379,579		1,024,252
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	11,470		22,655	
Interest paid	—		(402)	
Interest element of hire purchase	<u>(6,929)</u>		<u>(1,312)</u>	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		4,541		20,941
TAXATION		(380,320)		(304,008)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire tangible fixed assets	(175,899)		(514,755)	
Receipts from sale of fixed assets	16,754		30,243	
Acquisition of investments	—		(250,000)	
Payment to acquire other current asset investments	<u>46</u>		<u>—</u>	
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(159,099)		(734,512)
EQUITY DIVIDENDS PAID		(204,180)		(175,440)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		1,640,521		(168,767)
FINANCING				
Purchase of own equity shares	(1,359)		—	
Premium on purchase of own equity shares	(1,198,641)		—	
Capital element of hire purchase	<u>19,279</u>		<u>15,730</u>	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(1,180,721)		15,730
INCREASE/(DECREASE) IN CASH		<u>459,800</u>		<u>(153,037)</u>

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

ATKINSON EQUIPMENT LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31st MARCH 2010

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating profit	1,050,422	567,092
Amortisation	125,000	125,000
Depreciation	172,854	205,761
(Profit)/Loss on disposal of fixed assets	(1,330)	2,791
(Increase)/decrease in stocks	(140,593)	109,974
(Increase)/decrease in debtors	(321,689)	152,064
Increase/(decrease) in creditors	1,458,915	(138,430)
Increase in provisions	36,000	—
Net cash inflow from operating activities	<u>2,379,579</u>	<u>1,024,252</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2010 £	2009 £
Increase/(decrease) in cash in the period	459,800	(153,037)
Cash outflow in respect of hire purchase	<u>(19,279)</u>	<u>(15,730)</u>
	440,521	(168,767)
Change in net funds	440,521	(168,767)
Net funds at 1 April 2009	128,582	297,349
Net funds at 31 March 2010	<u>569,103</u>	<u>128,582</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2009 £	Cash flows £	At 31 Mar 2010 £
Net cash			
Cash in hand and at bank	446,300	298,050	744,350
Overdrafts	(195,969)	161,750	(34,219)
	<u>250,331</u>	<u>459,800</u>	<u>710,131</u>
Debt			
Hire purchase agreements	(121,749)	(19,279)	(141,028)
Net funds	<u>128,582</u>	<u>440,521</u>	<u>569,103</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 2010

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 shows a profit after tax of £696,256 and the group balance sheet shows shareholders funds of £3,214,434

The group is in a strong position for the future, with significant net cash reserves amounting to £710,131 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 inter-company 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
 Long Leasehold Buildings - over the term of the lease

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 2010

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 2010

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.

	2010 £	2009 £
United Kingdom	<u>14,568,310</u>	<u>14,285,202</u>

An analysis by class of business is given below.

	2010 £	2009 £
Marketing engineers	1,822,020	2,028,960
Distribution and wholesaling agents	<u>12,746,290</u>	<u>12,256,242</u>
	<u>14,568,310</u>	<u>14,285,202</u>

3 OTHER OPERATING INCOME

	2010 £	2009 £
Rent receivable	<u>26,451</u>	<u>12,825</u>

ATKINSON EQUIPMENT LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2010

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2010 £	2009 £
Amortisation of intangible assets	125,000	125,000
Depreciation of owned fixed assets	131,105	161,444
Depreciation of assets held under hire purchase agreements	41,749	44,317
(Profit)/Loss on disposal of fixed assets	(1,330)	2,791
Auditor's remuneration		
- as auditor	28,606	30,000
- for other services	12,394	10,000
Operating lease costs		
- Other	151,432	162,903
Net loss/(profit) on foreign currency translation	<u>658</u>	<u>(316)</u>

5. PARTICULARS OF EMPLOYEES

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

	2010 No	2009 No
Direct staff	46	51
Administrative staff	<u>36</u>	<u>32</u>
	<u>82</u>	<u>83</u>

The aggregate payroll costs of the above were

	2010 £	2009 £
Wages and salaries	2,096,987	2,177,338
Social security costs	218,671	195,560
Other pension costs	21,428	16,643
	<u>2,337,086</u>	<u>2,389,541</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2010 £	2009 £
Remuneration receivable	206,810	142,920
Value of company pension contributions to money purchase schemes	<u>7,950</u>	<u>3,000</u>
	<u>214,760</u>	<u>145,920</u>

ATKINSON EQUIPMENT LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2010

6. DIRECTORS' REMUNERATION *(continued)*

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

	2010	2009
	No	No
Money purchase schemes	<u>3</u>	<u>1</u>

7. INTEREST RECEIVABLE

	2010	2009
	£	£
Bank interest receivable	780	13,563
Other interest	<u>10,690</u>	<u>9,092</u>
	<u>11,470</u>	<u>22,655</u>

8. AMOUNTS WRITTEN OFF INVESTMENTS

	2010	2009
	£	£
Impairment of other investments	<u>-</u>	<u>58,266</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
Finance charges	6,929	1,312
Other similar charges payable	<u>-</u>	<u>402</u>
	<u>6,929</u>	<u>1,714</u>

ATKINSON EQUIPMENT LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2010

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

	2010 £	2009 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	336,866	220,574
(Over)/under provision in prior year	<u>28,841</u>	<u>(1,305)</u>
Total current tax	365,707	219,269
Deferred tax		
Origination and reversal of timing differences (note 22)		
Capital allowances	<u>(7,000)</u>	<u>(10,900)</u>
Tax on profit on ordinary activities	<u>358,707</u>	<u>208,369</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>1,054,963</u>	<u>529,767</u>
Profit on ordinary activities by rate of tax	295,390	148,334
Disallowable expenses	43,507	67,783
Depreciation in excess of capital allowances	10,826	11,177
Adjustment for companies taxed at the lower rate	(12,857)	-
Marginal rate relief	-	(6,720)
(Over)/under provision in prior year	<u>28,841</u>	<u>(1,305)</u>
Total current tax (note 10(a))	<u>365,707</u>	<u>219,269</u>

11. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the group financial statements of the parent company was £32,345 (2009 - £259,952)

12. DIVIDENDS**Equity dividends**

	2010 £	2009 £
Paid		
Equity dividends on ordinary shares	<u>204,180</u>	<u>175,440</u>

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13. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1st April 2009 and 31st March 2010	<u>346,408</u>
AMORTISATION	
At 1st April 2009	221,408
Charge for the year	<u>125,000</u>
At 31st March 2010	<u>346,408</u>
NET BOOK VALUE	
At 31st March 2010	<u>—</u>
At 31st March 2009	<u>125,000</u>

14. 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 2009	898,378	639,911	1,296,443	204,968	721,950	3,761,650
Additions	—	—	36,728	802	138,369	175,899
Disposals	—	—	(151,148)	(29,990)	(70,103)	(251,241)
At 31 Mar 2010	<u>898,378</u>	<u>639,911</u>	<u>1,182,023</u>	<u>175,780</u>	<u>790,216</u>	<u>3,686,308</u>
DEPRECIATION						
At 1 Apr 2009	—	138,403	1,081,416	175,098	366,391	1,761,308
Charge for the year	—	7,609	55,527	4,931	104,787	172,854
On disposals	—	—	(150,981)	(29,990)	(54,846)	(235,817)
At 31 Mar 2010	<u>—</u>	<u>146,012</u>	<u>985,962</u>	<u>150,039</u>	<u>416,332</u>	<u>1,698,345</u>
NET BOOK VALUE						
At 31 Mar 2010	<u>898,378</u>	<u>493,899</u>	<u>196,061</u>	<u>25,741</u>	<u>373,884</u>	<u>1,987,963</u>
At 31 Mar 2009	<u>898,378</u>	<u>501,508</u>	<u>215,027</u>	<u>29,870</u>	<u>355,559</u>	<u>2,000,342</u>

The Group and Company freehold investment properties were valued by the directors and are shown at their open market value in existing use at 31st March 2010 of £898,378

If freehold investment properties were included on a historical cost basis they would be shown at £898,378 (2009 £898,378)

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14. TANGIBLE FIXED ASSETS (continued)**Hire purchase agreements**

Included within the net book value of £1,987,963 is £187,977 (2009 - £147,359) 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 £41,749 (2009 - £44,317)

Company	Freehold Investment Properties £	Long Leasehold Buildings £	Plant, Furniture and Office Equipment £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 April 2009	898,378	639,911	1,143,259	76,864	2,758,412
Additions	—	—	8,728	10,500	19,228
Disposals	—	—	(113,699)	(15,125)	(128,824)
At 31 March 2010	898,378	639,911	1,038,288	72,239	2,648,816
DEPRECIATION					
At 1 April 2009	—	138,403	956,927	50,347	1,145,677
Charge for the year	—	7,609	41,034	8,613	57,256
On disposals	—	—	(113,534)	(14,511)	(128,045)
At 31 March 2010	—	146,012	884,427	44,449	1,074,888
NET BOOK VALUE					
At 31 March 2010	898,378	493,899	153,861	27,790	1,573,928
At 31 March 2009	898,378	501,508	186,332	26,517	1,612,735

Hire purchase agreements

Included within the net book value of £1,573,928 is £Nil (2009 - £20,202) 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 £Nil (2009 - £6,734)

15. INVESTMENTS

Group	Unquoted Investment £
COST	
At 1st April 2009 and 31st March 2010	250,000
NET BOOK VALUE	
At 31st March 2010 and 31st March 2009	250,000

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Company	Group companies £	Unquoted Investment £	£
COST			
At 1st April 2009 and 31st March 2010	<u>70,050</u>	<u>250,000</u>	<u>320,050</u>
NET BOOK VALUE			
At 31st March 2010 and 31st March 2009	<u>70,050</u>	<u>250,000</u>	<u>320,050</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.

16. STOCKS

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Finished goods	<u>1,545,418</u>	<u>1,404,825</u>	<u>349,176</u>	<u>394,036</u>

17. DEBTORS

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	2,816,585	2,268,499	375,122	283,939
Amounts owed by group undertakings	—	—	—	16,835
Other debtors	45,456	73,198	44,896	73,196
Directors current accounts	—	194,816	—	194,816
Prepayments and accrued income	65,446	69,285	19,903	27,031
	<u>2,927,487</u>	<u>2,605,798</u>	<u>439,921</u>	<u>595,817</u>

18. INVESTMENTS

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Other investments	<u>41,379</u>	<u>41,425</u>	<u>41,379</u>	<u>41,425</u>

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19. CREDITORS: Amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Overdrafts	34,219	195,969	34,219	20,511
Trade creditors	2,371,706	1,754,128	134,323	59,328
Amounts owed to group undertakings	—	—	317,233	8,148
Hire purchase agreements	71,491	60,470	—	9,632
Other creditors including taxation and social security				
Corporation tax	219,889	234,502	26,638	14,102
PAYE and social security	76,868	73,609	29,537	30,501
VAT	391,515	304,029	37,629	31,904
Accruals and deferred income	983,938	233,346	867,659	143,688
	<u>4,149,626</u>	<u>2,856,053</u>	<u>1,447,238</u>	<u>317,814</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

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

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Hire purchase agreements	<u>69,537</u>	<u>61,279</u>	<u>—</u>	<u>—</u>

21. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Amounts payable within 1 year	71,491	60,470	—	9,632
Amounts payable between 1 and 2 years	<u>69,537</u>	<u>61,279</u>	<u>—</u>	<u>—</u>
	<u>141,028</u>	<u>121,749</u>	<u>—</u>	<u>9,632</u>

22. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Provision brought forward	34,000	44,900	8,000	15,000
Decrease in provision	<u>(7,000)</u>	<u>(10,900)</u>	<u>(1,000)</u>	<u>(7,000)</u>
Provision carried forward	<u>27,000</u>	<u>34,000</u>	<u>7,000</u>	<u>8,000</u>

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22. DEFERRED TAXATION (continued)

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

Group	2010		2009	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	<u>27,000</u>	<u>-</u>	<u>34,000</u>	<u>-</u>

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

Company	2010		2009	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	<u>7,000</u>	<u>-</u>	<u>8,000</u>	<u>-</u>

23. OTHER PROVISIONS

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Provision for dilapidations to leasehold properties	<u>36,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

24. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2010 the group had annual commitments under non-cancellable operating leases as set out below

Group	Land and buildings	
	2010 £	2009 £
Operating leases which expire		
Within 2 to 5 years	89,693	85,649
After more than 5 years	<u>11,000</u>	<u>-</u>
	<u>100,693</u>	<u>85,649</u>

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24. COMMITMENTS UNDER OPERATING LEASES (continued)

At 31st March 2010 the company had annual commitments under non-cancellable operating leases as set out below

Company	Land and buildings	
	2010 £	2009 £
Operating leases which expire		
After more than 5 years	<u>11,000</u>	<u>-</u>

Subsequent to the balance sheet date the Group entered into a new agreement that gives rise to annual commitments under operating leases of £24,745 in respect of a property where the lease expires between two and five years

25. 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

26. RELATED PARTY DISCLOSURES**Transactions**

Dividends paid in the year of £204,180 (2009 £175,440) were paid to P J Atkinson and C R Atkinson, directors

During the year Mr C R Atkinson, director, advanced the company funds by way of an interest free loan. The amount outstanding at 31st March 2010 was £740,735 (2009 debtor of £15,232)

A loan provided to B R Atkinson, a director, was fully repaid in the year (2009 £179,586). The loan bears interest at base rate plus 1%, and is unsecured. Interest of £10,690 was paid to the company during the year.

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

27. SHARE CAPITAL**Allotted, called up and fully paid:**

	2010		2009	
	No	£	No	£
1,866 Ordinary shares (2009 - 3,225) of £1 each	<u>1,866</u>	<u>1,866</u>	<u>3,225</u>	<u>3,225</u>

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27. SHARE CAPITAL (continued)

During the year the company purchased 1,359 ordinary shares of £1 each for an amount of £1,200,000. An amount of £1,359 was credited to the capital redemption reserve. Upon purchase the shares were cancelled.

28. RESERVES

Group	Capital redemption reserve £	Profit and loss account £
Balance brought forward	275	3,918,858
Profit for the year	—	696,256
Equity dividends	—	(204,180)
Other movements		
Purchase of own shares	<u>1,359</u>	<u>(1,200,000)</u>
Balance carried forward	<u>1,634</u>	<u>3,210,934</u>
Company	Capital redemption reserve £	Profit and loss account £
Balance brought forward	275	2,649,059
Profit for the year	—	32,345
Equity dividends	—	(204,180)
Other movements		
Purchase of own shares	<u>1,359</u>	<u>(1,200,000)</u>
Balance carried forward	<u>1,634</u>	<u>1,277,224</u>

29. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	£	2009 £	£
Profit for the financial year		696,256		321,398
Purchase of own ordinary shares	(1,359)		—	
Premium on purchase of own ordinary shares	(1,198,641)		—	
Equity dividends	<u>(204,180)</u>		<u>(175,440)</u>	
		<u>(1,404,180)</u>		<u>(175,440)</u>
Net (reduction)/addition to shareholders' funds		(707,924)		145,958
Opening shareholders' funds		<u>3,922,358</u>		<u>3,776,400</u>
Closing shareholders' funds		<u>3,214,434</u>		<u>3,922,358</u>