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**ATKINSON EQUIPMENT LIMITED**  
**REPORT AND ACCOUNTS**  
**31<sup>st</sup> MARCH 2004**



**FINLEY & PARTNERS**  
Chartered Accountants  
Tubs Hill House  
London Road  
Sevenoaks, Kent

## **ATKINSON EQUIPMENT LIMITED**

### **REPORT OF THE DIRECTORS**

The directors present their report together with the audited consolidated financial statements for the year ended 31<sup>st</sup> March 2004.

#### **ACTIVITIES**

The principle activities of the group are those of marketing engineers, storage, warehousing, distribution and wholesaling agents.

#### **RESULTS AND REVIEW OF BUSINESS**

The group operating profit for the year, after taxation amounted to £94,659.

The directors do not recommend the payment of a dividend.

The directors have reviewed the state of the group's affairs and consider them to be satisfactory.

#### **DIRECTORS AND THEIR INTERESTS**

The directors who held office during the year and their beneficial interests in the share capital of the company were as follows:

**Ordinary shares of £1 each  
At 31<sup>st</sup> March 2004 and 1<sup>st</sup> April 2003**

B R Atkinson	810
Mrs P J Atkinson	770
C R Atkinson	1,645
Mrs J E Atkinson	-
S P Merrifield (resigned 25 <sup>th</sup> May 2004)	-

On the 25<sup>th</sup> June 2004 J D Cawte was appointed a director.

# **ATKINSON EQUIPMENT LIMITED**

## **REPORT OF THE DIRECTORS**

**(Continued)**

### **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the group and of the result for that year. In preparing those accounts, the directors are required to:

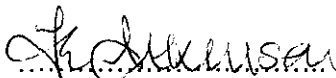
- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates which are reasonable and prudent,
- State whether applicable accounting standards have been followed,
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **AUDITORS**

A resolution proposing the reappointment of the auditors, Finley & Partners, will be submitted to the shareholders at the annual general meeting.

By order of the Board

  
Secretary

23 December 2004

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
ATKINSON EQUIPMENT LIMITED**

We have audited the group financial statements of Atkinson Equipment Limited for the year ended 31<sup>st</sup> March 2004 which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of group financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the group financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the group financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the group financial statements, if the company and the group have not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and the group are not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
ATKINSON EQUIPMENT LIMITED**

(Continued)

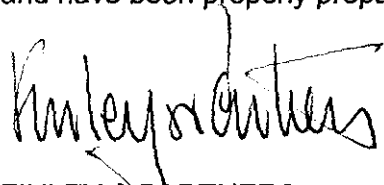
**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the group financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the group financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the group and the company's affairs as at 31<sup>st</sup> March 2004 and of the group's result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



FINLEY & PARTNERS  
Registered Auditor  
Chartered Accountants  
Sevenoaks, Kent.

23 December 2004

**ATKINSON EQUIPMENT LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2004**

	Notes	2004 £	2003 £
<b>TURNOVER</b>	2	11,759,708	10,889,340
Cost of sales		9,720,461	8,755,640
<b>GROSS PROFIT</b>		2,039,247	2,133,700
Distribution costs		746,873	717,921
Administrative expenses		1,159,447	991,380
		1,906,320	1,709,301
<b>OPERATING PROFIT</b>	3	132,927	424,399
Interest receivable and similar income	7	20,565	17,630
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		153,492	442,029
Taxation	8	58,833	138,073
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		94,659	303,956
Goodwill written off		-	5,242
		94,659	298,714
<b>PROFIT FOR THE FINANCIAL YEAR</b>			
Arising in: Parent company		(205,233)	( 37,891)
Subsidiary undertaking		299,892	336,605
		94,659	298,714
Retained profit brought forward		2,644,256	2,345,542
<b>RETAINED PROFIT CARRIED FORWARD</b>		£ 2,738,915	£ 2,644,256

All of the operations of the company and the group are classed as continuing.

The company and the group have no recognised gains or losses other than the result for the year.

**ATKINSON EQUIPMENT LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**AT 31<sup>st</sup> MARCH 2004**

	Notes	£	2004	£	£	2003	£
<b>TANGIBLE FIXED ASSETS</b>	9			1,416,216			1,728,171
<b>CURRENT ASSETS</b>							
Stock and work in progress		898,587			868,935		
Debtors	11	2,104,879			1,997,731		
Investments		243,666			38,688		
Cash at bank and in hand		628,356			888,261		
				3,875,488		3,793,615	
<b>CREDITORS:</b> amounts falling due within one year	12	2,422,739			2,758,965		
<b>NET CURRENT ASSETS</b>				1,452,749			1,034,650
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				2,868,965			2,762,821
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>							
Deferred taxation				126,550			115,065
				£ 2,742,415		£ 2,647,756	
<b>CAPITAL AND RESERVES</b>							
Called up share capital	13			3,225			3,225
Capital redemption reserve fund	14			275			275
Profit and loss account				2,738,915			2,644,256
Shareholders' funds				£2,742,415		£ 2,647,756	

*P. M. K.*

*H. H. H.*

} Directors

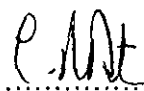

Approved by the Board 23 December 2004

# **ATKINSON EQUIPMENT LIMITED**

## **BALANCE SHEET**

**AT 31<sup>ST</sup> MARCH 2004**

	Notes	£	2004 £	£	2003 £
<b>FIXED ASSETS</b>					
Tangible assets	9		1,087,051		1,415,382
Investment	10		70,050		70,050
			<hr/>		<hr/>
			1,157,101		1,485,432
<b>CURRENT ASSETS</b>					
Stock and work in progress		343,474		308,561	
Debtors	11	1,006,481		1,032,539	
Investments		243,666		38,688	
Cash at bank and in hand		1,184		108,079	
			<hr/>	<hr/>	
			1,594,805	1,487,867	
<b>CREDITORS:</b> Amounts falling due within one year	12	604,928		881,373	
			<hr/>	<hr/>	
<b>NET CURRENT ASSETS</b>			989,877		606,494
			<hr/>		<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,146,978		2,091,926
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Deferred taxation			97,550		87,265
			<hr/>		<hr/>
			£ 2,049,428		£ 2,004,661
			<hr/>		<hr/>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		3,225		3,225
Capital redemption reserve fund	14		275		275
Profit and loss account			2,045,928		2,001,161
			<hr/>		<hr/>
Shareholders' funds			£ 2,049,428		£ 2,004,661
			<hr/>		<hr/>

  
 ..... )  
 ..... ) Directors  
  
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Approved by the Board.....<sup>23</sup> December 2004



**ATKINSON EQUIPMENT LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2004**

	<b>2004</b>		<b>2003</b>	
	£	£	£	£
<b>OPERATING PROFIT</b>		132,927		424,399
Depreciation	220,362		209,665	
Profit on disposal of tangible fixed assets	( 19,722)		( 390)	
Movement in stocks	( 29,652)		(171,550)	
Movement in debtors	(107,148)		(233,486)	
Movement in creditors	(262,726)		450,963	
		<u>(198,886)</u>		<u>255,202</u>
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>		<u>( 65,959)</u>		<u>679,601</u>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest received and similar income	20,565		17,630	
Investments	-		12,911	
		<u>20,565</u>		<u>30,541</u>
<b>TAXATION</b>		<u>(120,848)</u>		<u>(61,008)</u>
<b>CAPITAL EXPENDITURE</b>				
Payments to acquire tangible fixed assets	(145,379)		(345,210)	
Receipts from sales of tangible fixed assets	256,694		19,275	
		<u>111,315</u>		<u>(325,935)</u>
<b>NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<u>(54,927)</u>		<u>323,199</u>
Investments acquisition	(204,978)		( - )	
Minority interest acquisition	( - )		( 9,000)	
		<u>(204,978)</u>		<u>( 9,000)</u>
<b>CHANGE IN BANK AND CASH</b>		<u>(259,905)</u>		<u>314,199</u>
<b>BANK AND CASH BROUGHT FORWARD</b>		<u>888,261</u>		<u>574,062</u>
<b>BANK AND CASH BALANCES AT THE YEAR END</b>		<u>£ 628,356</u>		<u>£ 888,261</u>

# ATKINSON EQUIPMENT LIMITED

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### Accounting convention

The group financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

#### Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary at 31<sup>st</sup> March 2004 and are prepared in accordance with group accounting policies. Atkinson Equipment Limited has taken advantage of the legal dispensation under Section 230 of the Companies Act 1985 allowing it not to publish a separate profit and loss account.

#### Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life as follows:

Long leasehold buildings	-	over the term of the lease
Plant, fixtures and fittings	-	10% and 20% per annum
Motor vehicles	-	25% and 35% per annum

#### Investment property

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However this requirement conflicts with the generally accepted accounting. The directors consider that because the property is not held for consumption but for its investment potential, to depreciate it would not give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### Stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value.

#### Deferred taxation

Tax deferred by the effect of timing differences is accounted for in full under the liability method.

# ATKINSON EQUIPMENT LIMITED

## NOTES TO THE ACCOUNTS

(Continued)

### 1. ACCOUNTING POLICIES (continued)

#### Foreign currencies

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the exchange rate in operation on the date on which the transaction occurred. Exchange differences are taken to the profit and loss account.

#### Investments

Investments held on recognised stock exchanges are stated at the lower of cost and net realisable value.

#### Goodwill on consolidation

Goodwill arising on consolidation, consisting of the excess of the fair value of consideration over the fair value of the tangible assets of the subsidiary at the date of acquisition has been written off in full against consolidated reserves.

### 2. TURNOVER

Group turnover comprises the invoice value of goods and services supplied, exclusive of value added tax and inter-company transactions. The turnover and result before taxation are attributable to the principal activities of the group which are carried on in the United Kingdom.

Turnover comprises the following activities

	2004 £	2003 £
Marketing engineers	2,607,357	2,560,836
Distribution and wholesaling agents	9,152,351	8,328,504
	<hr/>	<hr/>
	£ 11,759,708	£ 10,889,340
	<hr/>	<hr/>

### 3. OPERATING PROFIT

Operating profit is stated after charging:

	Notes	2004 £	2003 £
Auditors' remuneration		15,000	15,000
Depreciation and profit on disposals		200,640	209,275
Staff costs	4	2,042,048	1,928,593
Directors' remuneration and pension contributions	6	643,619	453,973
		<hr/>	<hr/>

# **ATKINSON EQUIPMENT LIMITED**

## **NOTES TO THE ACCOUNTS**

**(Continued)**

### **4. STAFF COSTS**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Staff costs, excluding directors, may be analysed as follows:		
Wages and salaries	1,797,831	1,692,730
Social security costs (including directors)	230,430	221,490
Pension contributions	13,787	14,373
	<hr/>	<hr/>
	<b>£ 2,042,048</b>	<b>£ 1,928,593</b>
	<hr/>	<hr/>
The average weekly number of employees during the year was	88	87
	<hr/>	<hr/>

### **5. PENSION SCHEME**

The group operates defined contribution pension schemes, the assets of which are held separately from those of the group in independently administered funds. Contributions to the schemes are recognised in the period in which they are incurred and amounted to £247,995 in the year ended 31<sup>st</sup> March 2004 (2003: £39,641).

### **6. DIRECTORS' REMUNERATION**

The remuneration of the highest paid director was as follows:

	<b>2004</b>	<b>2003</b>
Remuneration	£ 139,393	£ 127,206
	<hr/>	<hr/>
Pension contributions	£ 112,838	£ 4,853
	<hr/>	<hr/>

### **7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Interest and dividends receivable	15,001	12,410
Rent receivable	5,564	5,220
	<hr/>	<hr/>
	<b>£ 20,565</b>	<b>£ 17,630</b>
	<hr/>	<hr/>

# **ATKINSON EQUIPMENT LIMITED**

## **NOTES TO THE ACCOUNTS**

**(Continued)**

### **8. TAXATION**

	<b>2004</b>	<b>2003</b>
	£	£
Current tax charge for the year	48,000	121,500
Transfer to deferred taxation account	11,485	20,565
Prior years' adjustment	( 652)	( 3,992)
	<u>£58,833</u>	<u>£ 138,073</u>

Reconciliation of current tax charge for the year

	<b>2004</b>	<b>2003</b>
	£	£
Profit on ordinary activities	153,492	442,029
	<u>          </u>	<u>          </u>
Taxation on ordinary activities at 30%	46,048	132,610
Effects of:		
Non deductible expenses	1,952	8,605
Excess of capital allowances over depreciation	( - )	(10,565)
Marginal rate relief	( - )	( 9,150)
	<u>          </u>	<u>          </u>
	1,952	( 11,110)
	<u>£ 48,000</u>	<u>£ 121,500</u>

# **ATKINSON EQUIPMENT LIMITED**

## **NOTES TO THE ACCOUNTS**

**(Continued)**

### **9. TANGIBLE FIXED ASSETS**

**(a) The Group**

	<b>Freehold Investment Properties</b>	<b>Long Leasehold Buildings</b>	<b>Plant Fixtures &amp; Fittings</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost:</b>					
At 1 <sup>st</sup> April 2003	291,972	639,911	1,291,402	758,670	2,981,955
Additions	-	-	15,441	129,938	145,379
Disposals	(196,148)	( - )	( 43,000)	(168,904)	( 408,052)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2004	95,824	639,911	1,263,843	719,704	2,719,282
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation:</b>					
At 1 <sup>st</sup> April 2003	-	93,436	760,799	399,549	1,253,784
Charge for the year	-	7,613	109,779	102,970	220,362
Eliminated on Disposals	( - )	( - )	( 40,365)	(130,715)	( 171,080)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2004	-	101,049	830,213	371,804	1,303,066
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value:</b>					
At 31 <sup>st</sup> March 2004	£ 95,824	£ 538,862	£ 433,630	£ 347,900	£ 1,416,216
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2003	£ 291,972	£ 546,475	£ 530,603	£ 359,121	£ 1,728,171
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# **ATKINSON EQUIPMENT LIMITED**

## **NOTES TO THE ACCOUNTS**

**(Continued)**

### **9. TANGIBLE FIXED ASSETS (continued)**

(b) Parent company

	<b>Freehold Investment Properties</b>	<b>Long Leasehold Buildings</b>	<b>Plant Fixtures &amp; Fittings</b>	<b>Motor Vehicles</b>	<b>Total</b>
	£	£	£	£	£
Cost:					
At 1 <sup>st</sup> April 2003	291,972	639,911	1,069,152	239,227	2,240,262
Additions	-	-	3,117	14,600	17,717
Disposals	(196,148)	( - )	(43,000)	(88,736)	(327,884)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2004	95,824	639,911	1,029,269	165,091	1,930,095
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:					
At 1 <sup>st</sup> April 2003	-	93,436	614,120	117,324	824,880
Charge for the year	-	7,613	88,152	34,391	130,156
Eliminated on Disposals	( - )	( - )	( 40,365)	( 71,627)	( 111,992)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2004	-	101,049	661,907	80,088	843,044
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:					
At 31 <sup>st</sup> March 2004	£ 95,824	£ 538,862	£ 367,362	£ 85,003	£ 1,087,051
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> March 2003	£ 291,972	£ 546,475	£ 455,032	£ 121,903	£ 1,415,382
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### **10. INVESTMENT**

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.

# **ATKINSON EQUIPMENT LIMITED**

## **NOTES TO THE ACCOUNTS**

**(Continued)**

### **11. DEBTORS**

	<b>2004</b>		<b>2003</b>	
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amount owed by subsidiary undertaking	-	239,280	-	249,995
Trade debtors	2,037,016	412,312	1,938,963	496,292
Prepayments	67,863	24,889	58,768	21,252
Other debtors	-	80,000	-	15,000
Dividend receivable	-	250,000	-	250,000
	<hr/>	<hr/>	<hr/>	<hr/>
	£ 2,104,879	£ 1,006,481	£ 1,997,731	£ 1,032,539
	<hr/>	<hr/>	<hr/>	<hr/>

### **12. CREDITORS: Amounts falling due within one year**

	<b>2004</b>		<b>2003</b>	
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank overdraft (secured)	-	78,205	-	-
Trade creditors	1,550,160	188,122	1,841,899	481,847
Taxation and social Security	445,751	79,886	550,205	132,729
Accruals	426,828	258,715	366,861	266,797
	<hr/>	<hr/>	<hr/>	<hr/>
	£ 2,422,739	£ 604,928	£ 2,758,965	£ 881,373
	<hr/>	<hr/>	<hr/>	<hr/>

### **13. SHARE CAPITAL**

	<b>2004</b>		<b>2003</b>	
Authorised				
5,000 Ordinary shares of £1 each	£	5,000	£	5,000
	<hr/>		<hr/>	
Allotted, issued and fully paid				
3,225 Ordinary shares of £1 each	£	3,225	£	3,225
	<hr/>		<hr/>	



# ATKINSON EQUIPMENT LIMITED

## NOTES TO THE ACCOUNTS

(Continued)

### 14. CAPITAL REDEMPTION RESERVE FUND

The reserve fund represents the nominal amount of the company's own shares which have been acquired.

### 15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2004		2003	
	Group £	Company £	Group £	Company £
Shareholders' funds at 1 <sup>st</sup> April 2003	2,647,756	2,004,661	2,352,800	1,787,310
Profit/(loss) on ordinary activities	153,492	(274,948)	442,029	( 38,994)
Taxation	( 58,833)	69,715	( 138,073)	6,345
Dividend receivable	-	250,000	-	250,000
Minority interest acquisition	( - )	( - )	( 9,000)	( - )
Shareholders' funds at 31 <sup>st</sup> March 2004	<u>£ 2,742,415</u>	<u>£ 2,049,428</u>	<u>£ 2,647,756</u>	<u>£ 2,004,661</u>

### 16. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

(a) The company has guaranteed any overdraft arising in the subsidiary undertaking.

(b) The subsidiary undertaking has given security to H M Customs & Excise in respect of deferred duty amounting to £20,000.