

**THE WINGHAM ENGINEERING  
COMPANY LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

28 FEBRUARY 2006



# THE WINGHAM ENGINEERING COMPANY LIMITED

## FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 2006

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Company registration number: 29196

Registered office: Unit 8  
Building 2  
Sandwich Industrial Estate  
Sandwich  
Kent  
CT13 9LY

Administrative office: Unit 8  
Building 2  
Sandwich Industrial Estate  
Sandwich  
Kent  
CT13 9LY

Directors: M McGuirk  
G A Ravenscroft  
M G Hart  
R Wilcox

Secretary: M G Hart

Bankers: Barclays Bank PLC  
9 St Georges Street  
Canterbury  
Kent  
CT1 2JX

Auditors: Grant Thornton UK LLP  
Registered Auditors  
Chartered Accountants  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

**THE WINGHAM ENGINEERING COMPANY LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 28 FEBRUARY 2006

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# THE WINGHAM ENGINEERING COMPANY LIMITED

## REPORT OF THE DIRECTORS

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The directors present their report together with the audited financial statements for the year ended 28 February 2006.

### Principal activities

The principal activities remained unchanged and comprised property management, plant hire and repair, and the sale of relocateable steel buildings.

### Business review

The financial results are set out in the profit and loss account. The retained profit for the financial year of £33,805 (2005: £39,813) has been carried forward.

### Dividends

The directors recommend a payment in full of the dividend on the 7% £10 preference shares however, the holders of 2,574 of the 7% £10 preference shares and the 448,568 1% non-cumulative second preference shares of 25p have waived their entitlement to a dividend. Therefore a dividend amounting to £645 (2005: £645) has been proposed.

Following the adoption of FRS 25 Financial Investments: Disclosure and Presentation, as detailed on page 6, the preference dividends have been included within interest payable for the year.

No dividend on the ordinary shares has been declared (2005: £nil).

### Directors

The present membership of the Board is set out below. All served on the Board throughout the year. The table below shows their interests in the 7% preference shares of £10 each.

	Share interests	
	28 February 2006	1 March 2005
M McGuirk	10	10
G A Ravenscroft	10	10
M G Hart	10	10
R Wilcox	-	-

No director held any interest in the ordinary or 1% second preference share capital of the company at any time during the year. M McGuirk, G A Ravenscroft and M G Hart are directors of the parent company. Their interests in the share capital of the parent company are disclosed in the directors' report of that company. No right to subscribe for shares in or debentures of the company was granted or exercised by the directors during the year.

# **THE WINGHAM ENGINEERING COMPANY LIMITED**

## **REPORT OF THE DIRECTORS**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Financial risk management objectives and policies**

#### **Credit risk**

The principal credit risk arises from the company's trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

The company has given an unlimited guarantee to secure bank borrowings of group and former group undertakings. If those group and former group undertakings default on those borrowings the company will be required to make good.

At 28 February 2006 these borrowings amounted to £3,672,000. The directors believe the financial condition of those group and former group undertakings is such that this guarantee will not be called upon.

**THE WINGHAM ENGINEERING COMPANY LIMITED**

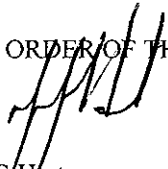
**REPORT OF THE DIRECTORS**

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**Auditors**

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



M G Hart  
Secretary  
28 September 2006

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE WINGHAM ENGINEERING COMPANY LIMITED**

We have audited the financial statements of The Wingham Engineering Company Limited for the year ended 28 February 2006 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 16. These financial statements have been prepared under 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 auditors' 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**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the 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 Report of the Directors is not consistent with the financial statements, if the company has 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 other transactions is not disclosed.

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

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE WINGHAM ENGINEERING COMPANY LIMITED**

**Qualified opinion arising from omission of treatment required by Financial Reporting Standards**

The company's investment property has not been accounted for in accordance with SSAP 19 "Accounting for investment properties." Such treatment is mandatory for properties meeting the definition of investment properties as prescribed in the standard. As a result the property continues to be carried at cost, and the financial statements do not reflect any increase or decrease in value arising since acquisition. In the absence of such a valuation, we are unable to quantify the degree of over or understatement of the value and the corresponding over or understatement of any revaluation reserve.

**Opinion**

Except for the non-revaluation of the investment property in accordance with SSAP 19 as referred to above, in our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985;

*Grant Thornton UK LLP*

**GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

**LONDON  
28 SEPTEMBER 2006**



# THE WINGHAM ENGINEERING COMPANY LIMITED

## PRINCIPAL ACCOUNTING POLICIES

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### BASIS OF PREPARATION

The financial statements have been prepared under the historical cost accounting rules set out in Schedule 4 of the Companies Act 1985 and in accordance with applicable United Kingdom accounting standards.

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 not to prepare a cash flow statement on the grounds that the ultimate parent undertaking produces a consolidated cash flow statement.

The principal accounting policies of the company have remained unchanged from the previous year apart from the adoption of FRS 25 'IAS 32) Financial Instruments: Disclosure and Presentation'. This change is described in more detail below.

### CHANGE IN ACCOUNTING POLICIES

In preparing the financial statements for the current year, the company has adopted *FRS 25 Financial Instruments: Disclosure and Presentation*. This requires financial instruments to be presented in accordance with their substance. Therefore shares, which previously were always presented as part of shareholders' funds regardless of the substance of the instrument, must now be presented as a liability when in substance that share is equivalent to a liability. The financial effect of this change in accounting policy is to reclassify preference shares with an issued value of £147,092 as long term financial liabilities. In addition the dividends paid on those preference shares, of £645 (2005: £645), are now reclassified as interest.

### GROUP ACCOUNTS

The company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts on the grounds that it is a wholly owned subsidiary of another body corporate registered in England and Wales. These financial statements present information about the company as an individual undertaking and not about its group.

### INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated in the company's balance sheet at cost less amounts written off.

### TANGIBLE FIXED ASSETS AND DEPRECIATION

Under SSAP 19 "Accounting for investment properties," properties meeting the definition of an investment property must be accounted for in accordance with this standard. This would result in investment properties needing to be stated at their open market value in order to ensure the financial statements show a true and fair view. As detailed in note 6, in the opinion of the directors, the cost of obtaining a valuation of the investment property would be excessive. Therefore the property continues to be held at cost and is not depreciated.

Depreciation is provided on the net cost of other fixed assets at rates and on bases designed to write off the assets over their estimated useful lives. The following rates and bases have been applied:

Plant and machinery	2% per month on cost
Fixtures, fittings and equipment	25% per annum on cost

# **THE WINGHAM ENGINEERING COMPANY LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represent a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

### **STOCKS**

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

### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

# THE WINGHAM ENGINEERING COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 28 FEBRUARY 2006

	Note	2006 £	2005 as restated £
<b>Turnover</b>	1	<b>1,542,010</b>	1,679,216
Cost of sales		<u>(1,042,752)</u>	<u>(1,125,381)</u>
<b>Gross profit</b>		<b>499,258</b>	553,835
Other operating charges		<u>(452,683)</u>	<u>(496,258)</u>
<b>Operating profit</b>		<b>46,575</b>	57,577
Interest payable	3	<u>(5,645)</u>	<u>(10,639)</u>
<b>Profit on ordinary activities before taxation</b>	2	<b>40,930</b>	46,938
Tax on profit on ordinary activities	5	<u>(7,125)</u>	<u>(7,125)</u>
<b>Retained profit for the financial year</b>		<u><b>33,805</b></u>	<u>39,813</u>

## STATEMENT OF RETAINED EARNINGS

Retained profits at 1 March 2005	<b>426,326</b>	386,513
Retained profit for the financial year	<u><b>33,805</b></u>	<u>39,813</u>
<b>Retained profits at 28 February 2006</b>	<u><b>460,131</b></u>	<u>426,326</u>

All transactions arose from continuing operations.

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

# THE WINGHAM ENGINEERING COMPANY LIMITED

## BALANCE SHEET AT 28 FEBRUARY 2006

	Note	2006 £	2005 as restated £
<b>Fixed assets</b>			
Tangible assets	6	201,266	263,401
Investment	7	5,000	5,000
		<u>206,266</u>	<u>268,401</u>
<b>Current assets</b>			
Stocks	8	103,752	176,415
Debtors	9	473,096	425,330
Cash at bank and in hand		57,381	1,231
		<u>634,229</u>	<u>602,976</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(207,431)</u>	<u>(248,341)</u>
<b>Net current assets</b>		<u>426,798</u>	<u>354,635</u>
<b>Total assets less current liabilities</b>		<u>633,064</u>	<u>623,036</u>
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(150,505)</u>	<u>(174,282)</u>
		<u>482,559</u>	<u>448,754</u>
<b>Capital and reserves</b>			
Called up share capital	12	22,428	22,428
Profit and loss account		<u>460,131</u>	<u>426,326</u>
<b>Shareholders' funds</b>	13	<u>482,559</u>	<u>448,754</u>

The financial statements were approved by the Board of Directors on 28 September 2006.

G A Ravenscroft Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# THE WINGHAM ENGINEERING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 2006

### 1 TURNOVER

Turnover comprises amounts invoiced in respect of goods and services supplied during the year, excluding value added tax. All turnover arose within the United Kingdom.

	2006 £	2005 £
An analysis by activity is:		
General engineering	692,217	843,473
Property management income	29,946	24,463
Plant hire and repairs	819,847	811,280
	<u>1,542,010</u>	<u>1,679,216</u>

### 2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging/(crediting):

	2006 £	2005 £
Auditors' remuneration:		
Audit services	11,250	11,240
Non-audit services	1,000	1,000
Depreciation:		
Tangible fixed assets owned	57,244	54,074
Tangible fixed assets held under finance leases	28,427	49,619
Hire of plant and machinery under operating leases	90,683	79,166
Profit on disposal of tangible fixed assets	<u>(13,239)</u>	<u>(15,168)</u>

### 3 INTEREST PAYABLE

	2006 £	2005 as restated £
Finance charges in respect of finance leases	5,000	9,994
Preference share dividend on 921 7% preference shares of £10	<u>645</u>	<u>645</u>
	<u>5,645</u>	<u>10,639</u>

Dividends on 2,574 7% £10 preference shares and 448,568 1% non-cumulative second preference shares of 25p have been waived.

# THE WINGHAM ENGINEERING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 2006

### 4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2006 £	2005 £
Wages and salaries	304,860	294,169
Social security costs	31,654	31,525
Pension costs	29,825	24,941
	<u>366,339</u>	<u>350,635</u>

The average number of employees of the company during the year was:

	2006 Number	2005 Number
Management and administration	6	6
Production	13	12
	<u>19</u>	<u>18</u>

Remuneration in respect of directors was as follows:

	2006 £	2005 £
Emoluments	<u>44,346</u>	<u>45,556</u>

During the year 1 director (2005: 1) participated in a defined benefit pension scheme operated by a group undertaking, Ramac Holdings (Trading) Limited. The company incurred a cost of £28,498 (2005: £23,650) in respect of pension contributions payable on behalf of the director.

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and represents:

	2006 £	2005 as restated £
United Kingdom corporation tax at 30% (2005: 30%)	<u>7,125</u>	<u>7,125</u>
Profit on ordinary activities before taxation	40,930	46,938
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2005: 30%)	12,279	14,081
Change of tax rates	(4,125)	(4,125)
Excess of depreciation over capital allowances	5,915	4,942
Other	194	194
Losses claimed under group relief	<u>(7,138)</u>	<u>(7,967)</u>
	<u>7,125</u>	<u>7,125</u>

A deferred tax asset of £15,778 (2005: £9,863) has not been recognised in the financial statements.

# THE WINGHAM ENGINEERING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 2006

### 6 TANGIBLE FIXED ASSETS

	Freehold investment properties £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 March 2005	86,775	536,547	263,277	886,599
Additions	-	19,684	6,298	25,982
Disposals	-	(40,926)	(12,900)	(53,826)
At 28 February 2006	<u>86,775</u>	<u>515,305</u>	<u>256,675</u>	<u>858,755</u>
Depreciation				
At 1 March 2005	-	413,467	209,731	623,198
Provided in the year	-	61,247	24,424	85,671
Disposals	-	(38,481)	(12,899)	(51,380)
At 28 February 2006	<u>-</u>	<u>436,233</u>	<u>221,256</u>	<u>657,489</u>
Net book amount at 28 February 2006	<u>86,775</u>	<u>79,072</u>	<u>35,419</u>	<u>201,266</u>
Net book amount at 28 February 2005	<u>86,775</u>	<u>123,080</u>	<u>53,546</u>	<u>263,401</u>

Included within plant, machinery and fixtures, fittings and equipment at 28 February 2006 are assets held under finance lease agreements with a net book value of £51,568 (2005: £93,145). The depreciation charged on these assets during the year was £28,427 (2005: £46,619).

In the opinion of the directors the cost of obtaining a valuation of the investment property would be excessive. Therefore the property is held at cost.

### 7 INVESTMENT

	2006 £	2005 £
Investment in subsidiary	<u>5,000</u>	<u>5,000</u>

The investment represents a 100% shareholding in Oaks Plant Hire Limited, a dormant company registered in England and Wales.

### 8 STOCKS

	2006 £	2005 £
Raw materials and consumables	70,452	72,635
Finished goods and goods for resale	<u>33,300</u>	<u>103,780</u>
	<u>103,752</u>	<u>176,415</u>

# THE WINGHAM ENGINEERING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 2006

### 9 DEBTORS

	2006 £	2005 £
Trade debtors	250,499	278,365
Amounts owed by group undertakings	11,638	47,601
Other debtors	199,009	94,789
Prepayments and accrued income	11,950	4,575
	<u>473,096</u>	<u>425,330</u>

### 10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank overdraft	-	45,969
Trade creditors	98,670	52,497
Amounts owed to group undertakings	323	23,115
Corporation tax	7,125	7,125
Other taxation and social security	30,070	32,103
Other creditors	4,850	-
Proposed dividend	645	645
Accruals and deferred income	41,935	40,193
Current portion of finance lease liabilities (note 11)	23,813	46,694
	<u>207,431</u>	<u>248,341</u>

### 11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 as restated £
Finance leases liabilities	27,226	73,884
Less: amounts falling due within one year (note 10)	(23,813)	(46,694)
Amounts falling due in the second to fifth years	3,413	27,190
Shares classed as financial liabilities (note 12)	147,092	147,092
	<u>150,505</u>	<u>174,282</u>

All amounts due under finance lease agreements are secured on the assets acquired in the relevant leases.



# THE WINGHAM ENGINEERING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 2006

### 12 SHARE CAPITAL

	2006 £	2005 £
Authorised:		
2,758,168 ordinary shares of 5p each shares classed as financial liabilities		
3,495 7% preference shares of £10 each	34,950	34,950
448,568 1% non-cumulative second preference shares of 25p each	112,142	112,142
2,758,168 ordinary shares of 5p each	137,908	137,908
	<u>285,000</u>	<u>285,000</u>
Allotted, issued and fully paid:		
448,568 ordinary shares of 5p each	<u>22,428</u>	<u>22,428</u>
Shares classed as financial liabilities:		
- 3,495 7% preference shares of £10 each	34,950	34,950
- 448,568 1% non-cumulative second preference shares of 25p each	112,142	112,142
	<u>147,092</u>	<u>147,092</u>

The 7% preference shares of £10 each carry the right to receive a cumulative preferential dividend at the rate of 7% per annum in priority to the payment of any dividend on the ordinary shares. They also carry the right, on the winding up of the Company, to receive out of the surplus assets of the Company any arrears or deficiency of cumulative preferential dividend in priority to any distribution amongst the holders of the ordinary shares.

The 1% non-cumulative second preference shares of 25p each carry the right to a fixed non-cumulative preferential dividend at the rate of 1% per annum and the right in a winding up to the return of capital paid, subject to the rights of the holders of preference shares, but to no further participation in the profits or assets of the Company.

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 as restated £
Profit for the financial year	33,805	39,813
Opening shareholders' funds	<u>448,941</u>	<u>408,941</u>
Closing shareholders' funds	<u>482,559</u>	<u>448,754</u>

### 14 CAPITAL COMMITMENTS

The company had no capital commitments contracted for at 28 February 2006 or 28 February 2005.

# THE WINGHAM ENGINEERING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 2006

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### 15 CONTINGENT LIABILITIES

The company has given an unlimited guarantee to secure bank borrowings of group and former group undertakings. At 28 February 2006 these borrowings amounted to £3,672,000 (2005: £5,903,000).

### 16 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The ultimate controlling party is M McGuirk, a director and majority shareholder of Ramac Holdings (Trading) Limited, the ultimate parent undertaking.

As a wholly owned subsidiary of Ramac Holdings (Trading) Limited, the company is exempt from the requirements of Financial Reporting Standard No 8 to disclose transactions with other members of the group headed by Ramac Holdings (Trading) Limited. Group accounts are available from Companies House.

During the year the company conducted business with Middlebroad Limited (a company in which M McGuirk is a 35% shareholder) and its subsidiary undertaking and Ramac Group Limited, (a company in which M McGuirk is a 95% shareholder) and its subsidiary undertakings.

At the balance sheet date the following amounts were due to The Wingham Engineering Company Limited:

	2006 £	2005 £
Ramac Group Limited and its subsidiary undertakings	199,009	94,789
Middlebroad Limited and its subsidiary undertaking	223	-
	<u>199,232</u>	<u>94,789</u>

During the year the following sales were made by The Wingham Engineering Company Limited to:

	2006 £	2005 £
Middlebroad Limited and its subsidiary undertaking	<u>1,705</u>	<u>1,427</u>

**THE WINGHAM ENGINEERING COMPANY LIMITED****OPERATING STATEMENT**

For the year ended 28 FEBRUARY 2006

	2006 £	2005 £
<b>Manufacturing</b>		
<b>Turnover</b>	<u>692,217</u>	<u>843,473</u>
<b>Cost of work done</b>		
Materials	402,054	488,435
Wages and allied costs	59,037	57,709
Plant hire	30,504	26,517
Works expenses	2,935	4,857
Transport and warehouse costs	<u>27,887</u>	<u>29,242</u>
	<u>522,417</u>	<u>606,760</u>
<b>Manufacturing profit</b>	<u>169,800</u>	<u>236,713</u>
<b>Rents</b>		
Gross rents	29,946	24,463
Repairs to buildings	<u>(1,180)</u>	<u>(7,245)</u>
	<u>28,766</u>	<u>17,218</u>
<b>Gross profit</b>	<u>198,566</u>	<u>253,931</u>
<b>Overhead expenses</b>		
Statement attached	<u>(176,779)</u>	<u>(227,014)</u>
<b>Profit on ordinary activities before taxation</b>	<u>21,787</u>	<u>26,917</u>

**THIS PAGE DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS**

**THE WINGHAM ENGINEERING COMPANY LIMITED****STATEMENT OF OVERHEAD EXPENSES**

For the year ended 28 FEBRUARY 2006

	2006	2005
<b>Establishment</b>		
Rent and rates	3,908	3,282
	<u>3,908</u>	<u>3,282</u>
<b>Administration</b>		
Pension costs	1,327	1,291
Salaries and allied costs	40,892	39,755
Motor running expenses	14,296	11,868
Legal and professional	3,292	4,159
Telephone, printing, postage and stationery	6,274	7,963
Travel expenses	5,255	8,215
Insurance	10,066	10,212
General expenses	5,147	1,351
Management charge	46,500	46,500
Audit and accountancy	5,500	5,640
Internal accounting charges	5,000	5,000
Advertising	23,964	27,318
Bad debt expense	-	50,000
	<u>167,513</u>	<u>219,272</u>
<b>Finance</b>		
Depreciation	5,048	3,736
Discounts received	(261)	(113)
Bank charges	275	192
Profit on disposal of fixed assets	(349)	-
Preference share dividend	645	645
	<u>5,358</u>	<u>4,460</u>
	<u>176,779</u>	<u>227,014</u>

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**THE WINGHAM ENGINEERING COMPANY LIMITED****OPERATING STATEMENT**

For the year ended 28 FEBRUARY 2006

	2006 £	2005 £
<b>Plant hire</b>		
<b>Turnover</b>	<u>819,847</u>	<u>811,280</u>
<b>Cost of work done</b>		
Material and plant repairs	65,849	72,076
Wages and allied costs	236,585	228,230
Plant hire	60,179	52,649
Plant depreciation	61,247	68,849
Site expenses	8,668	8,929
Transportation costs	3,908	497
Purchases for resale	95,609	94,915
Profit on disposal of plant	<u>(12,890)</u>	<u>(14,769)</u>
	<u>519,155</u>	<u>(511,376)</u>
<b>Gross profit</b>	<b>300,692</b>	<b>299,904</b>
<b>Overhead expenses</b>		
Statement attached	(281,549)	(279,883)
<b>Profit on ordinary activities before taxation</b>	<u><u>19,143</u></u>	<u><u>20,021</u></u>

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# THE WINGHAM ENGINEERING COMPANY LIMITED

## STATEMENT OF OVERHEAD EXPENSES

For the year ended 28 FEBRUARY 2006

	2006 £	2005 £
<b>Establishment</b>		
Rent and rates	35,463	35,378
Light and heat	4,528	3,841
Repairs and renewals	1,753	3,074
	<u>41,744</u>	<u>42,293</u>
<b>Administration</b>		
Pension costs	28,498	23,650
Motor expenses	66,572	70,167
Legal and professional	1,527	667
Telephone, printing, postage and stationery	9,259	6,552
Insurance	20,030	18,030
General expenses	5,942	5,630
Management charge	55,000	54,000
Audit and accountancy	6,750	6,600
Advertising	13,140	11,752
	<u>206,718</u>	<u>197,048</u>
<b>Finance</b>		
Bank charges	2,608	2,231
Bad debts	6,812	(1,612)
Depreciation	19,376	31,108
Profit on disposal of fixed assets	-	(399)
Finance lease charges	5,000	9,994
Discounts received	(709)	(780)
	<u>33,087</u>	<u>40,542</u>
	<u>281,549</u>	<u>279,883</u>

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