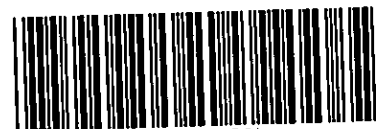


**HEGLA MACHINERY (UK) LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2012**

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# HEGLA MACHINERY (UK) LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the shareholders	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	15
Notes to the detailed profit and loss account	16

**HEGLA MACHINERY (UK) LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**The board of directors**

S Goble Esq  
M W Vollbracht Esq

**Company secretary**

G Smith Esq

**Registered office**

Sovereign Court  
230 Upper Fifth Street  
Central Milton Keynes  
MK9 2HR

**Auditor**

Keens Shay Keens MK  
Chartered Accountants  
& Statutory Auditor  
Sovereign Court  
230 Upper Fifth Street  
Central Milton Keynes  
MK9 2HR

# HEGLA MACHINERY (UK) LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements of the company for the year ended 31 December 2012

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the importation and sale of machinery and equipment

### DIRECTORS

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

S Goble Esq  
M W Vollbracht Esq

### DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 financial statements unless they are satisfied that they 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 year.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

In so far as the directors are aware

- there is no relevant audit information of which the company'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.

## HEGLA MACHINERY (UK) LIMITED

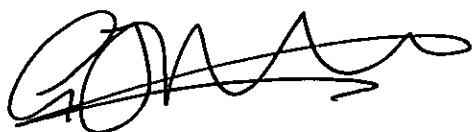
### THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

#### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'G. Smith', written over a horizontal line.

G SMITH ESQ  
Company Secretary

Approved by the directors on 18 July 2013

# **HEGLA MACHINERY (UK) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HEGLA MACHINERY (UK) LIMITED**

**YEAR ENDED 31 DECEMBER 2012**

We have audited the financial statements of HEGLA Machinery (UK) Limited for the year ended 31 December 2012. 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 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the 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 FINANCIAL STATEMENTS**

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

# HEGLA MACHINERY (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HEGLA MACHINERY (UK) LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2012

### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss 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 financial statements are prepared is consistent with the financial statements

### 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

Sovereign Court  
230 Upper Fifth Street  
Central Milton Keynes  
MK9 2HR

29 August 2013

P A DAVIS BA FCA  
(Senior Statutory Auditor)  
For and on behalf of  
KEENS SHAY KEENS MK  
Chartered Accountants  
& Statutory Auditor

# HEGLA MACHINERY (UK) LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
<b>TURNOVER</b>	<b>2</b>	<b>1,351,699</b>	<b>1,129,707</b>
Cost of sales		<u>(1,026,202)</u>	<u>(789,461)</u>
<b>GROSS PROFIT</b>		<b>325,497</b>	<b>340,246</b>
Distribution costs		<u>(30,688)</u>	<u>(51,986)</u>
Administrative expenses		<u>(310,120)</u>	<u>(379,635)</u>
<b>OPERATING LOSS</b>	<b>3</b>	<b>(15,311)</b>	<b>(91,375)</b>
Interest receivable	<b>5</b>	<b>12</b>	<b>92</b>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u><b>(15,299)</b></u>	<u><b>(91,283)</b></u>
Tax on loss on ordinary activities	<b>6</b>	<b>2,805</b>	<b>2,974</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u><b>(12,494)</b></u>	<u><b>(88,309)</b></u>

All of the activities of the company are classed as continuing

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

The notes on pages 8 to 13 form part of these financial statements



# HEGLA MACHINERY (UK) LIMITED

## BALANCE SHEET

31 DECEMBER 2012

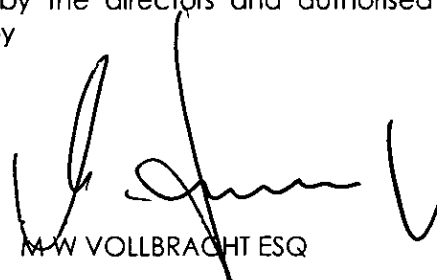
	Note	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	7	<u>2,410</u>	<u>2,580</u>
<b>CURRENT ASSETS</b>			
Stocks	8	85,236	112,354
Debtors	9	547,703	197,961
Cash at bank		<u>160,095</u>	<u>151,631</u>
		793,034	461,946
<b>CREDITORS</b> Amounts falling due within one year	10	<u>724,458</u>	<u>381,046</u>
<b>NET CURRENT ASSETS</b>		<u>68,576</u>	<u>80,900</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>70,986</u>	<u>83,480</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	13	75,000	75,000
Profit and loss account	14	<u>(4,014)</u>	<u>8,480</u>
<b>SHAREHOLDERS' FUNDS</b>	15	<u>70,986</u>	<u>83,480</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on 18 July 2013, and are signed on their behalf by



S GOBLE ESQ



M W VOLLBRACHT ESQ

Company Registration Number 04520818

The notes on pages 8 to 13 form part of these financial statements

# HEGLA MACHINERY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

### 1 ACCOUNTING POLICIES

#### **Basis of accounting**

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

#### **Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

#### **Fixed assets**

All fixed assets are initially recorded at cost

#### **Depreciation**

Depreciation 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

Plant & Machinery	-	33.3% - 50% straight line
Fixtures & Fittings	-	15% reducing balance
Computer Equipment	-	50% straight line

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

#### **Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments

# HEGLA MACHINERY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

### 1 ACCOUNTING POLICIES *(continued)*

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions 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

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

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

#### **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 instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

### 2 TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2012	2011
	£	£
United Kingdom	1,309,923	1,075,436
Europe	41,776	54,271
	<u>1,351,699</u>	<u>1,129,707</u>

# HEGLA MACHINERY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

### 3. OPERATING LOSS

Operating loss is stated after charging/(crediting)

	2012	2011
	£	£
Depreciation of owned fixed assets	245	384
Auditor's fees	3,500	3,500
Net profit on foreign currency translation	<u>(13,419)</u>	<u>(3,488)</u>

### 4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Aggregate remuneration	<u>83,225</u>	<u>81,635</u>

### 5. INTEREST RECEIVABLE

	2012	2011
	£	£
Bank interest receivable	<u>12</u>	<u>92</u>

### 6. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2012	2011
	£	£
Current tax		
UK Corporation tax based on the results for the year at 20% (2011 - 21%)	<u>(2,805)</u>	<u>(2,974)</u>
Total current tax	<u>(2,805)</u>	<u>(2,974)</u>

#### (b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2011 - 21%)

	2012	2011
	£	£
Loss on ordinary activities before taxation	<u>(15,299)</u>	<u>(91,283)</u>
Loss on ordinary activities by rate of tax	<u>(3,060)</u>	<u>(19,169)</u>
Expenses not deductible for tax purposes	340	646
Capital allowances for the period in excess of depreciation	(82)	(84)
Unrelieved tax losses	-	15,633
Change in tax rate during year	<u>(3)</u>	<u>-</u>
Total current tax (note 6(a))	<u>(2,805)</u>	<u>(2,974)</u>

# HEGLA MACHINERY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

### 7. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Computer Equipment £	Total £
<b>COST</b>				
At 1 January 2012	17,502	6,357	7,913	31,772
Additions	75	–	–	75
<b>At 31 December 2012</b>	<b>17,577</b>	<b>6,357</b>	<b>7,913</b>	<b>31,847</b>
<b>DEPRECIATION</b>				
At 1 January 2012	17,437	4,696	7,059	29,192
Charge for the year	–	245	–	245
<b>At 31 December 2012</b>	<b>17,437</b>	<b>4,941</b>	<b>7,059</b>	<b>29,437</b>
<b>NET BOOK VALUE</b>				
<b>At 31 December 2012</b>	<b>140</b>	<b>1,416</b>	<b>854</b>	<b>2,410</b>
At 31 December 2011	65	1,661	854	2,580

### 8. STOCKS

	2012 £	2011 £
Stock	85,236	112,354

### 9. DEBTORS

	2012 £	2011 £
Trade debtors	532,713	184,501
Corporation tax repayable	5,779	2,974
Other debtors	9,211	10,486
	<b>547,703</b>	<b>197,961</b>

### 10. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	1,928	3,180
Amounts owed to group undertakings	605,551	294,863
Other taxation and social security	87,226	32,638
Other creditors	29,753	50,365
	<b>724,458</b>	<b>381,046</b>

# HEGLA MACHINERY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

### 11 COMMITMENTS UNDER OPERATING LEASES

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

	2012		2011	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	11,777	-	220
Within 2 to 5 years	12,676	-	12,420	20,179
	<u>12,676</u>	<u>11,777</u>	<u>12,420</u>	<u>20,399</u>

### 12. RELATED PARTY TRANSACTIONS

Details of related party transactions occurring during the year are as follows

Name of related party	Nature of relationship	Transaction Details	Amount	Balance	
			£	Euros	£ conversion
HEGLA Fahrzeugbau GmbH & Co KG, Satteldorf	Connected	Purchases	100,855	(100,831)	(80,995)
HEGLA Maschinenbau GmbH & Co KG, Kretzschau	Connected	Purchases	67,891	(83,007)	(68,356)
HEGLA GmbH & Co KG, Beverungen	Parent	Purchases	777,760	(557,831)	(449,334)
HEGLA GmbH & Co KG, Wartung und Service, Beverungen	Connected	Purchases	4,373	(8,645)	(6,866)

Included within creditors is a balance owed to S Goble Esq, who is a Director of the company, for £286 relating to expenses

### 13 SHARE CAPITAL

#### Authorised share capital:

	2012 £	2011 £
75,000 Ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>

#### Allotted, called up and fully paid

	2012		2011	
	No	£	No	£
75,000 Ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>

# HEGLA MACHINERY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

### 14 PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
Balance brought forward	8,480	96,789
Loss for the financial year	(12,494)	(88,309)
Balance carried forward	<u>(4,014)</u>	<u>8,480</u>

### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Loss for the financial year	(12,494)	(88,309)
Opening shareholders' funds	<u>83,480</u>	<u>171,789</u>
Closing shareholders' funds	<u>70,986</u>	<u>83,480</u>

### 16 ULTIMATE PARENT COMPANY

The ultimate parent company is HEGLA GmbH & Co KG, Beverungen a company incorporated in Germany

**HEGLA MACHINERY (UK) LIMITED**

**MANAGEMENT INFORMATION**

**YEAR ENDED 31 DECEMBER 2012**

**The following pages do not form part of the statutory financial statements  
which are the subject of the independent auditor's report on pages 4 to 5**



**HEGLA MACHINERY (UK) LIMITED****DETAILED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	£	£
<b>TURNOVER</b>	<b>1,351,699</b>	<b>1,129,707</b>
<b>COST OF SALES</b>		
Opening stock - finished goods	(112,354)	(106,477)
Purchases	(950,786)	(695,123)
Direct wages	(38,855)	(52,467)
Installation costs	(4,669)	(13,191)
Hegla service costs	(4,774)	(34,557)
	<u>(1,111,438)</u>	<u>(901,815)</u>
Closing stock - finished goods	<u>85,236</u>	<u>112,354</u>
	<u>(1,026,202)</u>	<u>(789,461)</u>
<b>GROSS PROFIT</b>	<b><u>325,497</u></b>	<b><u>340,246</u></b>
<b>OVERHEADS</b>		
Freight and carriage	(30,688)	(51,986)
Administrative expenses	(310,120)	(379,635)
	<u>(340,808)</u>	<u>(431,621)</u>
<b>OPERATING LOSS</b>	<b>(15,311)</b>	<b>(91,375)</b>
Bank interest receivable	<u>12</u>	<u>92</u>
<b>LOSS ON ORDINARY ACTIVITIES</b>	<b><u>(15,299)</u></b>	<b><u>(91,283)</u></b>

# HEGLA MACHINERY (UK) LIMITED

## NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2012

	2012 £	2011 £
<b>ADMINISTRATIVE EXPENSES</b>		
<b>Personnel costs</b>		
Directors' salaries	72,450	72,450
Directors' national insurance contributions	8,979	10,170
Wages and salaries	71,177	106,319
Employer's National Insurance	10,761	19,685
	<u>163,367</u>	<u>208,624</u>
<b>Establishment expenses</b>		
Rent, rates and water	12,676	13,320
Rates	2,948	3,411
Light and heat	2,172	1,892
Insurance	5,375	6,252
Repairs and maintenance	1,932	2,491
	<u>25,103</u>	<u>27,366</u>
<b>General expenses</b>		
Motor expenses	23,806	21,256
Travel and subsistence	46,252	68,175
Car hire	-	3,866
Telephone	5,182	6,017
Hire of equipment	2,014	1,299
Printing, stationery and postage	1,886	1,459
Staff welfare	9,338	8,886
Sundry expenses	(453)	61
General expenses	730	332
Advertising	21,001	11,477
Entertaining	1,038	1,951
Computer consumables	278	110
Management charges payable	9,718	10,393
Accountancy fees	7,517	3,852
Auditor's remuneration	3,500	3,500
Depreciation	245	384
	<u>132,052</u>	<u>143,018</u>
<b>Financial costs</b>		
Bad debts written off	2,341	3,337
Bank charges	676	778
Foreign currency (gains)/losses	(13,419)	(3,488)
	<u>(10,402)</u>	<u>627</u>
	<u>310,120</u>	<u>379,635</u>
<b>INTEREST RECEIVABLE</b>		
Bank interest receivable	<u>12</u>	<u>92</u>