

Warwick Ward (Machinery) Limited

Reports and financial statements

For the year ended 30th September 1995

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Chartered Accountants

Warwick Ward (Machinery) Limited

Company information

Directors

W. Ward (Chairman)

Mrs S. M. Ward

T. Ward

A. Ward

M. Ward

Secretary

Mrs S. M. Ward

Registered office

Blacker Hill Sidings

Blacker Hill

Barnsley

S74 0RE

Auditors

Hawsons

Pegasus House

463a Glossop Road

Sheffield

S10 2QD

Warwick Ward (Machinery) Limited

Directors' report

The directors present their report together with the audited financial statements for the year ended 30th September 1995.

Principal activities and business review

The principal activity of the company and its subsidiary continues to be that of dealing in plant and machinery.

During the year, a newly formed subsidiary commenced to trade in Spain. The directors consider the results for the year to be satisfactory. The level of activity in the current period has continued at an acceptable level and future prospects are encouraging.

Results and dividends

The profit for the year and the profit retained are set out in the profit and loss account on page 7.

The directors do not propose any dividend on the ordinary shares.

Directors

The present directors of the company are listed on page 1.

Messrs A. Ward and M. Ward were appointed as directors on 22nd November 1995.

Mrs S. M. Ward retires by rotation but, being eligible, seeks re-election.

Directors' interests in shares

The directors' interests in shares of the company were:

	At beginning and end of year
Ordinary shares of £1 each	
W. Ward	-
Mrs S. M. Ward	-
T. Ward	-
W. Ward, Mrs S. M. Ward and T. Ward as trustees	8,650

6,150 ordinary shares of £1 each are held by The W. Ward Voluntary Settlement and 2,500 ordinary shares of £1 each are held by The Mrs S. M. Ward Voluntary Settlement. A partner at Hawsons, the company's auditors, is a trustee of both of these settlements. The partner concerned is not involved in the audit of the company's financial statements.

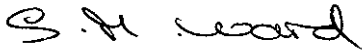
Warwick Ward (Machinery) Limited

Directors' report

Auditors

A resolution to re-appoint Hawsons as auditors will be proposed at the annual general meeting.

On behalf of the board

A handwritten signature in cursive script, appearing to read 'S. M. Ward'.

Mrs S. M. Ward

Secretary

18th April 1996

Warwick Ward (Machinery) Limited

Statement of directors' responsibilities

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 those 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 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Auditors' report to the directors of Warwick Ward (Machinery) Limited

Pursuant to Section 248 of the Companies Act 1985

We have examined the financial statements of the company and of its subsidiary for the year ended 30th September 1995.

Basis of opinion

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

Opinion

In our opinion the company is entitled to the exemption from preparing group financial statements conferred by Section 248 of the Companies Act 1985.



HAWSONS

Chartered Accountants and

Registered Auditors.

Sheffield

18th April 1996

Auditors' report to the shareholders of Warwick Ward (Machinery) Limited

We have audited the financial statements on pages 6 to 15.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HAWSONS

Chartered Accountants and

Registered Auditors.

Sheffield

18th April 1996

Warwick Ward (Machinery) Limited

Accounting policies

For the year ended 30th September 1995

Basis of accounting

The financial statements have been prepared on the historical cost basis.

Turnover

Turnover represents sales provided excluding value added tax.

Depreciation

Depreciation is provided at the following rates to write off all tangible fixed assets over their expected useful lives:

	%
Freehold land and buildings	2
Plant and machinery	20
Fixtures and fittings	20
Motor vehicles	20

Stocks

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

Deferred taxation

Provision is made for deferred taxation arising from timing differences between profits as computed for taxation purposes and profits as stated in the financial statements to the extent that it is probable that the liability will crystallise.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at year end exchange rates. All differences on exchange are dealt with through the profit and loss account.

Pension costs

Contributions to the defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Group accounts

The company has taken advantage of the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

Warwick Ward (Machinery) Limited

Profit and loss account

For the year ended 30th September 1995

	Note	1995 £	1994 £
Turnover - continuing operations	1	3,446,657	3,573,995
Net operating expenses	2	3,301,993	3,324,945
Operating profit		<u>144,664</u>	<u>249,050</u>
Bank interest receivable		23,706	16,810
Interest payable and similar charges	5	-	18,000
Profit on ordinary activities before taxation	1	<u>168,370</u>	<u>247,860</u>
Tax on profit on ordinary activities	6	44,203	62,593
Profit for the financial year retained	14	<u><u>124,167</u></u>	<u><u>185,267</u></u>

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

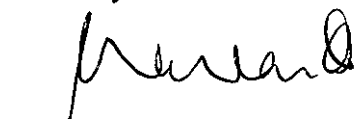
There were no discontinued operations.

Warwick Ward (Machinery) Limited

Balance sheet - 30th September 1995

	Note	1995 £	1994 £
Fixed assets			
Tangible assets	7	328,845	278,817
Investments	8	124,916	-
		<u>453,761</u>	<u>278,817</u>
Current assets			
Stocks	9	883,822	848,113
Debtors	10	350,181	106,475
Cash at bank and in hand		242,605	601,816
		<u>1,476,608</u>	<u>1,556,404</u>
Creditors - amounts falling due within one year	11	252,181	289,200
Net current assets		<u>1,224,427</u>	<u>1,267,204</u>
Total assets less current liabilities		<u>1,678,188</u>	<u>1,546,021</u>
Provisions for liabilities and charges	12	8,000	-
Net assets employed		<u><u>1,670,188</u></u>	<u><u>1,546,021</u></u>
Capital and reserves			
Called up share capital	13	10,000	10,000
Profit and loss account	14	1,660,188	1,536,021
Shareholders' funds		<u><u>1,670,188</u></u>	<u><u>1,546,021</u></u>

The financial statements were approved by the board of directors on 18th April 1996 and were signed on its behalf by:



W. Ward
Director

Warwick Ward (Machinery) Limited

Cash flow statement

For the year ended 30th September 1995

	Note	1995 £	1994 £
Net cash (outflow)/inflow from operating activities	16	<u>(139,693)</u>	<u>355,711</u>
Returns on investments and servicing of finance			
Interest received		24,655	15,018
Interest paid		-	(18,000)
Net cash inflow/(outflow) from returns on investments and servicing of finance		<u>24,655</u>	<u>(2,982)</u>
Taxation			
Corporation tax (paid)		<u>(61,703)</u>	<u>(36,816)</u>
Investing activities			
Payments to acquire tangible fixed assets		(107,554)	(64,090)
Receipts from sales of tangible fixed assets		50,000	37,100
Payments to acquire investments		<u>(124,916)</u>	<u>-</u>
Net cash (outflow) from investing activities		<u>(182,470)</u>	<u>(26,990)</u>
(Decrease)/Increase in cash and cash equivalents	17	<u>(359,211)</u>	<u>288,923</u>

Warwick Ward (Machinery) Limited

Notes to the financial statements

1. Turnover and profit on ordinary activities before taxation

Turnover and profit on ordinary activities before taxation are all in respect of sales from continuing operations. Turnover is supplied to the following geographical markets:

	1995 £	1994 £
United Kingdom	2,059,717	2,028,845
Europe	777,763	188,776
Other	609,177	1,356,374
	<u>3,446,657</u>	<u>3,573,995</u>

2. Net operating expenses

	1995 £	1994 £
Change in stocks of goods for resale	(35,709)	(2,810)
Goods for resale	2,485,967	2,579,121
Staff costs (note 3)	676,762	570,045
Depreciation and other amounts written off tangible and intangible fixed assets (note 4)	13,069	21,964
Other operating charges	161,904	156,625
	<u>3,301,993</u>	<u>3,324,945</u>
Other operating charges include: Auditors' remuneration	<u>2,400</u>	<u>2,300</u>

3. Staff costs

	1995 £	1994 £
Wages and salaries	577,598	461,227
Social security costs	60,684	46,338
Other pension costs	38,480	62,480
	<u>676,762</u>	<u>570,045</u>

The average number of employees was:

	1995 Number	1994 Number
Production	15	14
Administration	8	8
	<u>23</u>	<u>22</u>

Warwick Ward (Machinery) Limited

Notes to the financial statements

3. Staff costs (continued)

Directors' remuneration was:	1995	1994
	£	£
Management remuneration	333,052	273,405

Excluding pension contributions the emoluments of the chairman, who was the highest paid director, were £144,257 (1994: £104,132).

Other directors' emoluments, excluding pension contributions, fell within the following ranges:

	1995	1994
	Number	Number
£40,001 - £45,000	-	1
£45,001 - £50,000	1	-
£65,001 - £70,000	-	1
£100,001 - £105,000	1	-

4. Depreciation written off tangible fixed assets

	1995	1994
	£	£
Charge for year	29,572	37,194
Adjustment on disposals	(16,503)	(15,230)
	13,069	21,964

5. Interest payable and similar charges

	1995	1994
	£	£
Other borrowings repayable within five years	-	18,000

6. Tax on profit on ordinary activities

	1995	1994
	£	£
U.K. Corporation tax at 25% (1994: 25%)	37,500	63,000
Deferred taxation	8,000	-
Adjustments in respect of earlier years	(1,297)	(407)
	44,203	62,593

Warwick Ward (Machinery) Limited

Notes to the financial statements

7. Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At beginning of year	204,573	51,583	157,135	27,661	440,952
Additions	-	1,156	99,964	11,977	113,097
Disposals	-	-	(68,820)	-	(68,820)
At end of year	<u>204,573</u>	<u>52,739</u>	<u>188,279</u>	<u>39,638</u>	<u>485,229</u>
Depreciation					
At beginning of year	47,298	38,154	49,983	26,700	162,135
Charge for the year	4,092	3,820	20,826	834	29,572
Disposals	-	-	(35,323)	-	(35,323)
At end of year	<u>51,390</u>	<u>41,974</u>	<u>35,486</u>	<u>27,534</u>	<u>156,384</u>
Net book value					
At end of year	<u>153,183</u>	<u>10,765</u>	<u>152,793</u>	<u>12,104</u>	<u>328,845</u>
At beginning of year	<u>157,275</u>	<u>13,429</u>	<u>107,152</u>	<u>961</u>	<u>278,817</u>

8. Fixed asset investments

	Shares in group under- takings £
Cost	
Additions	124,916
At end of year	<u>124,916</u>
Net book value	
At end of year	<u>124,916</u>
At beginning of year	<u>-</u>

Warwick Ward (Machinery) Limited

Notes to the financial statements

8. Fixed asset investments (continued)

The investment represents 100% of the ordinary share capital of Warwick Ward Iberica SL, a company incorporated in Spain. This company carried on the business of plant and machinery dealers.

The company only commenced to trade shortly before 30th September 1995 and no accounts as of that date are available. The directors consider that the result for the period of trading up to 30th September 1995 is immaterial. Therefore the company's capital and reserves as of that date basically comprises the share capital subscribed of £124,916.

9. Stocks	1995 £	1994 £
Goods for resale	<u>883,822</u>	<u>848,113</u>
10. Debtors	1995 £	1994 £
Due within one year:		
Trade debtors	126,209	102,018
Amounts owed by subsidiary undertaking	190,899	-
Other debtors	29,234	-
Prepayments	3,839	4,457
	<u>350,181</u>	<u>106,475</u>
11. Creditors		
Amounts falling due within one year:	1995 £	1994 £
Trade creditors	54,224	39,724
Corporation tax	37,500	63,000
Other taxation and social security	22,654	57,323
Other creditors	-	86,250
Accruals and deferred income	137,803	42,903
	<u>252,181</u>	<u>289,200</u>

Warwick Ward (Machinery) Limited

Notes to the financial statements

12. Provisions for liabilities and charges			1995	1994
			£	£
Deferred taxation				
The amount provided represents the full potential liability arising from timing differences due to:				
Excess of capital allowances over depreciation			8,000	-
			<u> </u>	<u> </u>
13. Share capital		Authorised	Allotted and fully paid	
	1995	1994	1995	1994
	Number	Number	£	£
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
14. Profit and loss account				
				£
At beginning of year				1,536,021
Retained profit for the year				124,167
				<u> </u>
At end of year				1,660,188
				<u> </u>
15. Reconciliation of movements in shareholders' funds			1995	1994
			£	£
Profit for the financial year			124,167	185,267
Shareholders' funds at beginning of year			1,546,021	1,360,754
			<u> </u>	<u> </u>
Shareholders' funds at end of year			1,670,188	1,546,021
			<u> </u>	<u> </u>

Warwick Ward (Machinery) Limited

Notes to the financial statements

16. Reconciliation of operating profit to net cash (outflow) inflow from operating activities

	1995 £	1994 £
Operating profit	144,664	249,050
Depreciation	29,572	37,194
(Profit) on sale of tangible fixed assets	(16,503)	(15,230)
(Increase) in stocks	(35,709)	(2,810)
(Increase)/Decrease in debtors	(244,655)	91,664
Increase in creditors	(17,062)	(4,157)
Net cash (outflow)/inflow from operating activities	<u>(139,693)</u>	<u>355,711</u>

17. Analysis of changes in cash and cash equivalents during the year

	1995 £	1994 £
Cash at bank and in hand at beginning of year	601,816	312,893
Net cash (outflow)/inflow	<u>(359,211)</u>	<u>288,923</u>
Cash at bank and in hand at end of year	<u>242,605</u>	<u>601,816</u>

18. Pension costs

The company operates a defined contribution pension scheme, the assets of which are held in a separate trustee administered fund.