

Warwick Ward (Machinery) Limited

Reports and financial statements

For the year ended 30th September 1996

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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 1996.

Principal activities and business review

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

The directors consider the results of the company and its subsidiary for the year to be satisfactory and are cautiously optimistic for the future.

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.

A. Ward and M. Ward were appointed as directors on 22nd November 1995. In accordance with the articles of association they retire from office and, being eligible, offer themselves for re-election.

T. 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
A. Ward	450
M. Ward	450

The interests for A. Ward and M. Ward relate to the period since appointment.

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

S. M. Ward

Mrs S. M. Ward

Secretary

27th February 1997

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 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 1996 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

27th February 1997

Warwick Ward (Machinery) Limited

Accounting policies

For the year ended 30th September 1996

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 1996

	Note	1996 £	1995 £
Turnover - continuing operations	1	4,172,748	3,446,657
Net operating expenses	2	3,953,954	3,301,993
Operating profit		218,794	144,664
Bank interest receivable		5,842	23,706
Profit on ordinary activities before taxation	1	224,636	168,370
Tax on profit on ordinary activities	6	79,958	44,203
Profit for the financial year retained	14	144,678	124,167

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.

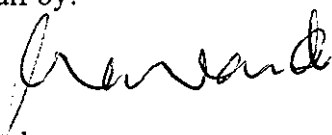
There were no discontinued operations.

Warwick Ward (Machinery) Limited

Balance sheet - 30th September 1996

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	7	345,246	328,845
Investments	8	124,916	124,916
		<u>470,162</u>	<u>453,761</u>
Current assets			
Stocks	9	944,588	883,822
Debtors	10	599,299	350,181
Cash at bank and in hand		221,709	242,605
		<u>1,765,596</u>	<u>1,476,608</u>
Creditors - amounts falling due within one year	11	412,892	252,181
Net current assets		<u>1,352,704</u>	<u>1,224,427</u>
Total assets less current liabilities		<u>1,822,866</u>	<u>1,678,188</u>
Provisions for liabilities and charges	12	8,000	8,000
Net assets employed		<u><u>1,814,866</u></u>	<u><u>1,670,188</u></u>
Capital and reserves			
Called up share capital	13	10,000	10,000
Profit and loss account	14	1,804,866	1,660,188
Shareholders' funds		<u><u>1,814,866</u></u>	<u><u>1,670,188</u></u>

The financial statements were approved by the board of directors on 27th February 1997 and were signed on its behalf by:


W. Ward
Director

Warwick Ward (Machinery) Limited

Cash flow statement

For the year ended 30th September 1996

	Note	1996 £	1995 £
Net cash inflow/(outflow) from operating activities	16	<u>36,553</u>	<u>(139,693)</u>
Returns on investments and servicing of finance			
Interest received		<u>6,556</u>	<u>24,655</u>
Net cash inflow from returns on investments and servicing of finance		<u>6,556</u>	<u>24,655</u>
Taxation			
Corporation tax (paid)		<u>(37,458)</u>	<u>(61,703)</u>
Investing activities			
Payments to acquire tangible fixed assets		(34,297)	(107,554)
Receipts from sales of tangible fixed assets		7,750	50,000
Payments to acquire investments		<u>-</u>	<u>(124,916)</u>
Net cash (outflow) from investing activities		<u>(26,547)</u>	<u>(182,470)</u>
(Decrease) in cash and cash equivalents	17	<u>(20,896)</u>	<u>(359,211)</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:

	1996 £	1995 £
United Kingdom	1,912,476	2,059,717
Europe	1,283,192	777,763
Other	977,080	609,177
	<u>4,172,748</u>	<u>3,446,657</u>

2. Net operating expenses

	1996 £	1995 £
Change in stocks of goods for resale	(60,766)	(35,709)
Goods for resale	2,940,054	2,485,967
Staff costs (note 3)	752,620	676,762
Depreciation written off tangible fixed assets (note 4)	45,818	13,069
Other operating charges	276,228	161,904
	<u>3,953,954</u>	<u>3,301,993</u>
Other operating charges include:		
Auditors' remuneration	<u>2,500</u>	<u>2,400</u>

3. Staff costs

	1996 £	1995 £
Wages and salaries	621,335	577,598
Social security costs	62,713	60,684
Other pension costs	68,572	38,480
	<u>752,620</u>	<u>676,762</u>

The average number of employees was:

	1996 Number	1995 Number
Production	17	15
Administration	8	8
	<u>25</u>	<u>23</u>

Warwick Ward (Machinery) Limited

Notes to the financial statements

3. Staff costs (continued)

Directors' remuneration was:	1996 £	1995 £
Management remuneration	<u>428,613</u>	<u>333,052</u>

Excluding pension contributions the emoluments of the chairman, who was the highest paid director, were £148,678 (1995: £144,257).

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

	1996 Number	1995 Number
£25,001 - £30,000	2	-
£45,001 - £50,000	-	1
£50,001 - £55,000	1	-
£100,001 - £105,000	-	1
£105,001 - £110,000	<u>1</u>	<u>-</u>

4. Depreciation written off tangible fixed assets

	1996 £	1995 £
Charge for year	50,154	29,572
Adjustment on disposals	(4,336)	(16,503)
	<u>45,818</u>	<u>13,069</u>

6. Tax on profit on ordinary activities

	1996 £	1995 £
U.K. Corporation tax at 28.3% (1995: 25%)	80,000	37,500
Deferred taxation	-	8,000
Adjustments in respect of earlier years	(42)	(1,297)
	<u>79,958</u>	<u>44,203</u>

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	52,739	188,279	39,638	485,229
Additions	-	-	78,716	6,003	84,719
Disposals	-	-	(45,660)	-	(45,660)
At end of year	<u>204,573</u>	<u>52,739</u>	<u>221,335</u>	<u>45,641</u>	<u>524,288</u>
Depreciation					
At beginning of year	51,390	41,974	35,486	27,534	156,384
Charge for the year	4,092	3,671	39,166	3,225	50,154
Disposals	-	-	(27,496)	-	(27,496)
At end of year	<u>55,482</u>	<u>45,645</u>	<u>47,156</u>	<u>30,759</u>	<u>179,042</u>
Net book value					
At end of year	<u>149,091</u>	<u>7,094</u>	<u>174,179</u>	<u>14,882</u>	<u>345,246</u>
At beginning of year	<u>153,183</u>	<u>10,765</u>	<u>152,793</u>	<u>12,104</u>	<u>328,845</u>

8. Fixed asset investments

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

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

For local reasons, the year end of Warwick Ward Iberica SL is not coterminous with that of Warwick Ward (Machinery) Limited. No final accounts have been prepared for Warwick Ward Iberica SL, although the unaudited internal management accounts for the eighteen months ended 31st October 1996 show roughly a break even position and consequently capital and reserves principally comprise share capital subscribed of £124,916.

Warwick Ward (Machinery) Limited

Notes to the financial statements

9. Stocks	1996 £	1995 £
Goods for resale	<u>944,588</u>	<u>883,822</u>
10. Debtors	1996 £	1995 £
Due within one year:		
Trade debtors	109,631	126,209
Amounts owed by subsidiary undertaking	469,855	190,899
Other debtors	16,695	29,234
Prepayments	3,118	3,839
	<u>599,299</u>	<u>350,181</u>
11. Creditors		
Amounts falling due within one year:	1996 £	1995 £
Trade creditors	170,366	54,224
Corporation tax	80,000	37,500
Other taxation and social security	24,602	22,654
Accruals and deferred income	137,924	137,803
	<u>412,892</u>	<u>252,181</u>
12. Provisions for liabilities and charges	1996 £	1995 £
Deferred taxation		
The amount provided represents the full potential liability arising from timing differences due to:		
Excess of capital allowances over depreciation	<u>8,000</u>	<u>8,000</u>

Warwick Ward (Machinery) Limited

Notes to the financial statements

13. Share capital		Authorised	Allotted and fully paid	
	1996 Number	1995 Number	1996 £	1995 £
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
14. Profit and loss account				£
At beginning of year				1,660,188
Retained profit for the year				144,678
At end of year				1,804,866
15. Reconciliation of movements in shareholders' funds			1996 £	1995 £
Profit for the financial year			144,678	124,167
Shareholders' funds at beginning of year			1,670,188	1,546,021
Shareholders' funds at end of year			1,814,866	1,670,188
16. Reconciliation of operating profit to net cash (outflow) inflow from operating activities				
			1996 £	1995 £
Operating profit			218,794	144,664
Depreciation			50,154	29,572
(Profit) on sale of tangible fixed assets			(4,336)	(16,503)
(Increase) in stocks			(60,766)	(35,709)
(Increase) in debtors			(235,082)	(244,655)
Increase (decrease) in creditors			67,789	(17,062)
Net cash inflow/(outflow) from operating activities			36,553	(139,693)

Warwick Ward (Machinery) Limited

Notes to the financial statements

17.	Analysis of changes in cash and cash equivalents during the year	1996	1995
		£	£
	Cash at bank and in hand at beginning of year	242,605	601,816
	Net cash (outflow)	(20,896)	(359,211)
	Cash at bank and in hand at end of year	<u>221,709</u>	<u>242,605</u>

18. Pension costs

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