

Co's House

Company Number: 988708

Warwick Ward (Machinery) Limited

Financial Statements

for the year ended 30th September 1998



Chartered Accountants

Pegasus House, 463a Glossop Road, Sheffield S10 2QD Telephone (0114) 266 7141

Warwick Ward (Machinery) Limited

Company Information

Company No: 988708

Registered Office

Blacker Hill Sidings
Blacker Hill
Barnsley
S74 0RE

Directors

W. Ward
Mrs S. M. Ward
T. Ward
A. Ward
M. Ward

Secretary

Mrs S. M. Ward

Auditors

Hawsons
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

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Warwick Ward (Machinery) Limited

Directors' Report

for the year ended 30th September 1998

The directors submit their report together with the audited financial statements for the year ended 30th September 1998.

Directors' Statement

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 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 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 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.

Results and Dividends

The profit on the ordinary activities of the company before taxation amounted to £280,246. After deducting taxation, the profit of £209,129 has been transferred to reserves.

The directors do not recommend a dividend.

Principal Activity 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.

Directors and their Interests

The directors who served throughout the year are listed on the company information page. Their beneficial interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	1998	1997
	No.	No.
W. Ward, Mrs S. M. Ward and T. Ward as trustees	8,650	8,650
A. Ward	450	450
M. Ward	450	450

W. Ward, Mrs. S. M. Ward and T. Ward had no interest in the shares of the company at any time during the financial year.

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 these settlements. The partner concerned is not involved in the audit of the company's financial statements.

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

Year 2000 Compliance

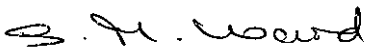
As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The company is well advanced in assessing the risks to the business resulting from the date change to the Year 2000. Once this assessment is completed we can consider the likely impact on our activities and develop prioritised action plans. The directors consider that there is a low risk of problems for the company and do not expect costs to be significant in ensuring Year 2000 compliance.

Auditors

The Auditors, Hawsons Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:



Mrs S. M. Ward, Secretary

9th April 1999

Warwick Ward (Machinery) Limited

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 30th September 1998

We have audited the financial statements on pages 4 to 12 prepared following the accounting policies set out on page 7.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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.

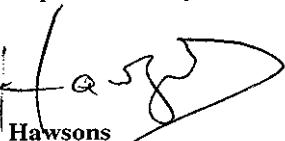
Basis of Opinion

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 information and explanations which we consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 1998 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

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

9th April 1999

Warwick Ward (Machinery) Limited

Profit and Loss Account

for the year ended 30th September 1998

	Notes	1998 £	1998 £	1997 £	1997 £
Turnover	2		4,026,697		3,898,945
Changes in stocks of finished goods and work in progress			(118,756)		181,667
			<u>3,907,941</u>		<u>4,080,612</u>
Raw materials and consumables		(2,305,162)		(2,798,934)	
Other external charges		(207,063)		(146,309)	
Staff costs	4	(899,419)		(772,104)	
Depreciation and amortisation		(44,692)		(55,404)	
Other operating charges		(184,871)		(212,034)	
			<u>(3,641,207)</u>		<u>(3,984,785)</u>
Operating profit	3		266,734		95,827
Interest receivable			13,512		5,365
Profit on ordinary activities before taxation			280,246		101,192
Taxation	5		(71,117)		(16,086)
Profit on ordinary activities after taxation			<u>209,129</u>		<u>85,106</u>
Retained profit for the Year	12		209,129		85,106
Retained profit brought forward			1,889,972		1,804,866
Retained profit carried forward			<u><u>2,099,101</u></u>		<u><u>1,889,972</u></u>

All amounts relate to continuing activities.

There have been no recognised gains or losses other than the results for the financial year and all profits or losses have been accounted for on an historical cost basis.

The notes on pages 7 to 12 form part of these financial statements.

Warwick Ward (Machinery) Limited

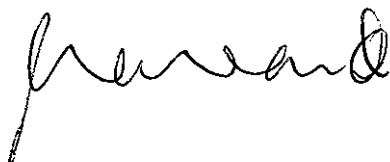
Balance Sheet

as at 30th September 1998

	Notes	1998 £	1998 £	1997 £	1997 £
Fixed Assets					
Tangible fixed assets	6		312,358		319,924
Investments	7		124,916		124,916
			<u>437,274</u>		<u>444,840</u>
Current Assets					
Stock	8	1,007,499		1,126,255	
Debtors	9	661,044		819,292	
Cash at bank and in-hand		496,616		114,546	
		<u>2,165,159</u>		<u>2,060,093</u>	
Creditors:					
Amounts falling due within one year	10	(493,332)		(604,961)	
Net Current Assets			<u>1,671,827</u>		<u>1,455,132</u>
Total Assets Less Current Liabilities			<u>2,109,101</u>		<u>1,899,972</u>
Capital and Reserves					
Share capital	11		10,000		10,000
Profit and loss account	12		2,099,101		1,889,972
Equity Shareholders' Funds	13		<u>2,109,101</u>		<u>1,899,972</u>

These accounts were approved by the board on 9th April 1999.

W. Ward



Mrs S. M. Ward
Directors



Warwick Ward (Machinery) Limited**Cash Flow Statement****for the year ended 30th September 1998**

	Notes	1998 £	1997 £
Cash flow from operating activities	14	435,682	25,226
Returns on investments and servicing of finance	15	11,631	5,494
Taxation		(28,117)	(66,586)
Capital expenditure and financial investment	15	(37,126)	(71,297)
Increase/(Decrease) in cash in the year	16	<u>382,070</u>	<u>(107,163)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(Decrease) in cash in the year		382,070	(107,163)
Net funds at 1st October 1997		<u>114,546</u>	<u>221,709</u>
Net funds at 30th September 1998	16	<u>496,616</u>	<u>114,546</u>

The notes on pages 7 to 12 form part of the financial statements.

1 Principal Accounting Policies

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Turnover

Turnover represents sales provided excluding value added tax.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

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

Stocks

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

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All differences on exchange are dealt with through the profit and loss account.

Contribution to Pension Funds

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

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.

2 Turnover

Turnover and profit on ordinary activities before taxation are all in respect of sales from continuing operations.

The geographical analysis of turnover is as follows:

	1998	1997
	£	£
United Kingdom	2,128,995	2,542,022
Europe	1,032,250	739,467
Other	865,452	617,456
	<u>4,026,697</u>	<u>3,898,945</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 1998

3 Operating profit

	1998 £	1997 £
<i>Operating profit is stated after charging or crediting:</i>		
Amounts payable to the auditors in respect of audit services	3,000	2,600
Depreciation - owned assets	52,692	53,629
(Profit)/Loss on disposal of fixed assets	(8,000)	1,775
Loss on foreign exchange	4,531	42,104

4 Directors and Employees

Staff costs during the year were as follows:

	1998 £	1997 £
Wages and salaries	786,233	646,250
Social security costs	81,706	67,180
Other pension costs	31,480	58,674
	899,419	772,104

The average monthly number of employees, including directors, during the year was as follows:

	1998 Number	1997 Number
Administration	8	8
Production	18	17
	26	25

Remuneration in respect of directors was as follows:

	1998 £	1997 £
Aggregate amount of emoluments paid in respect of qualifying services	431,492	333,147
Aggregate value of company contributions to money purchase pension schemes	31,480	58,674
Benefits in kind	47,585	44,911
	510,557	436,732

Other directors disclosures in respect of qualifying services:

	1998 Number	1997 Number
The number of directors to whom retirement benefits are accruing under money purchase pension schemes	5	5

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 1998

Highest paid director disclosures in respect of qualifying services:

	1998	1997
	£	£
Aggregate emoluments	181,611	142,070
Aggregate value of company contributions to money purchase pension schemes	15,000	30,000

5 Tax on Profit on Ordinary Activities

	1998	1997
	£	£
<i>Based on the profit for the year:</i>		
U.K. Corporation tax at 27% (1997: 27%)	80,500	37,500
Deferred tax credit	-	(8,000)
	80,500	29,500
Prior year adjustments - corporation tax	(9,383)	(13,414)
	71,117	16,086

6 Tangible Fixed Assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1st October 1997	233,375	52,739	208,977	45,641	540,732
Additions	-	3,000	44,000	3,126	50,126
Disposals	-	-	(25,000)	-	(25,000)
At 30th September 1998	233,375	55,739	227,977	48,767	565,858
Depreciation					
At 1st October 1997	59,670	49,316	77,467	34,355	220,808
Charged for the year	4,668	3,428	40,641	3,955	52,692
Eliminated on disposal	-	-	(20,000)	-	(20,000)
At 30th September 1998	64,338	52,744	98,108	38,310	253,500
Net Book Value					
At 30th September 1998	169,037	2,995	129,869	10,457	312,358
At 30th September 1997	173,705	3,423	131,510	11,286	319,924

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 1998

7 Fixed Asset Investments

Cost and net book value

At beginning and end of year

Shares in
Group
Undertakings
£
124,916

The investment represents 75% 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.

Warwick Ward Iberica SL has a year end of 31st December. The management accounts for Warwick Ward Iberica SL for the nine months ended 30th September 1998 show a profit for the period of £16,258 and reserves and share capital of £66,273.

8 Stocks

Goods for resale

1998	1997
£	£
1,007,499	1,126,255

9 Debtors

Trade debtors
Amounts owed by group undertakings
Other debtors
Prepayments and accrued income

1998	1997
£	£
158,940	158,220
481,419	651,519
18,448	-
2,237	9,553
661,044	819,292

10 Creditors: Amounts falling due within one year

Trade creditors
Corporation tax
Other taxes and social security
Accruals and deferred income

1998	1997
£	£
142,961	389,475
80,500	37,500
31,260	47,362
238,611	130,624
493,332	604,961

11 Share Capital

Authorised

10,000 Ordinary shares of £1 each (1997: 10,000)

1998	1997
£	£
10,000	10,000

Allotted and fully paid

10,000 Ordinary shares of £1 each (1997: 10,000)

1998	1997
£	£
10,000	10,000

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 1998

12 Reserves

	Profit and Loss Account £
At 1st October 1997	1,889,972
Profit for the year	209,129
At 30th September 1998	<u>2,099,101</u>

13 Reconciliation of the Movement in Shareholders' Funds

	1998 £	1997 £
Profit for the financial year	209,129	85,106
Increase in shareholders' funds	209,129	85,106
Opening shareholders' funds	1,899,972	1,814,866
Closing shareholders' funds	<u>2,109,101</u>	<u>1,899,972</u>

14 Reconciliation of Operating Profit to Operating Cash Flows

	1998	1997
Operating profit	266,734	95,827
Depreciation charges	52,692	53,629
(Profit)/Loss on disposal of fixed assets	(8,000)	1,775
Decrease/(Increase) in stocks	118,756	(181,667)
Decrease/(Increase) in debtors	160,129	(234,872)
(Decrease)/Increase in creditors	(154,629)	290,534
Net Cash Inflow from Operating Activities	<u>435,682</u>	<u>25,226</u>

15 Analysis of Cash Flows for headings netted in the Cash Flow Statement

Returns on investments and servicing of finance

	1998 £	1997 £
Interest received	11,631	5,494
Net cash inflow for returns on investments and servicing of finance	<u>11,631</u>	<u>5,494</u>

Capital expenditure and financial investment

	1998 £	1997 £
Purchase of tangible fixed assets	(50,126)	(104,547)
Proceeds from the sale of fixed assets	13,000	33,250
Net cash (outflow) for capital expenditure and financial investment	<u>(37,126)</u>	<u>(71,297)</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 1998

16 Analysis of changes in net funds

	At 1st October 1997	Cashflows	At 30th September 1998
	£	£	£
Cash in hand, at bank	114,546	382,070	496,616

17 Pensions - Defined Contribution Scheme

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

18 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	Amounts Written Off
			£	£	£
Warwick Ward Iberica SL	75% owned subsidiary	Sales to subsidiary	605,457	481,419	-

19 Ultimate controlling party

The company has no ultimate controlling party.