

Company Number: 988708

Warwick Ward (Machinery) Limited
Financial Statements
for the year ended 30th September 2002



Chartered Accountants



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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3	Independent Auditors' Report
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5	Balance Sheet
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The directors submit their report together with the audited financial statements for the year ended 30th September 2002.

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 loss 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 £81,322. After deducting taxation and dividends, the loss of £37,869 has been transferred from reserves.

The directors recommend final dividends amounting to £75,000.

Principal Activity and Business Review

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

The directors consider the results for the year to be satisfactory.

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	
	2002	2001
	No.	No.
W Ward, Mrs S M Ward and T Ward as trustees	-	8,650
A Ward	3,333	450
M Ward	3,334	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.

During the year, the Trustees of Mrs S M Ward Voluntary Settlement and Warwick Ward Voluntary Settlement appointed the Trust capital equally between funds for the benefit of A Ward, M Ward and B Ward. B Ward is not a director of the company. The funds are appointed funds within the original settlements. A partner at Hawsons, the company's auditors, is a trustee of both the settlements. The partner concerned is not involved in the audit of the company's financial statements.

M Ward and T Ward retire by rotation but, being eligible, seek re-election.

Warwick Ward (Machinery) Limited

Directors' Report

for the year ended 30th September 2002

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:

S. M. Ward x

Mrs S M Ward, Secretary

4th December 2002

Independent Auditors' Report to the Shareholders
of Warwick Ward (Machinery) Limited

We have audited the financial statements of Warwick Ward (Machinery) Limited for the year ended 30th September 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Directors' Report 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 transactions with the company is not disclosed.

We read the Directors' Report 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 United Kingdom 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 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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hawsons

**Hawsons
Chartered Accountants
and Registered Auditors**

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

4th December 2002

Warwick Ward (Machinery) Limited

Profit and Loss Account

for the year ended 30th September 2002

	Notes	2002 £	2002 £	2001 £	2001 £
Turnover	2		4,489,190		3,374,154
Changes in stocks of finished goods and work in progress			377,920		(49,905)
			4,867,110		3,324,249
Raw materials and consumables		(3,228,326)		(1,841,774)	
Other external charges		6,607		10,274	
Staff costs	4	(986,905)		(892,998)	
Depreciation and amortisation		(76,228)		(15,205)	
Other operating charges		(408,327)		(383,062)	
			(4,693,179)		(3,122,765)
Operating profit	3		173,931		201,484
Amounts written-off investments	8		(124,916)		-
Interest receivable			32,307		40,984
Profit on ordinary activities before taxation			81,322		242,468
Taxation	5		(44,191)		(24,671)
Profit on ordinary activities after taxation			37,131		217,797
Dividends	6		(75,000)		(45,000)
Retained (loss)/profit for the Year	13		(37,869)		172,797
Retained profit brought forward			2,081,911		1,909,114
Retained profit carried forward			2,044,042		2,081,911

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.

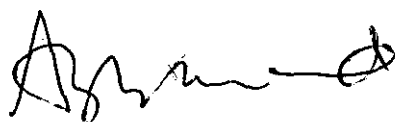
Warwick Ward (Machinery) Limited

Balance Sheet

as at 30th September 2002

	Notes	2002 £	2002 £	2001 £	2001 £
Fixed Assets					
Tangible fixed assets	7		247,094		303,971
Investments	8		-		124,916
			<u>247,094</u>		<u>428,887</u>
Current Assets					
Stock	9	1,219,350		841,430	
Debtors	10	131,834		184,082	
Cash at bank and in hand		921,836		984,919	
		<u>2,273,020</u>		<u>2,010,431</u>	
Creditors:					
Amounts falling due within one year	11	(466,072)		(347,407)	
Net Current Assets			<u>1,806,948</u>		<u>1,663,024</u>
Total Assets Less Current Liabilities			<u>2,054,042</u>		<u>2,091,911</u>
Capital and Reserves					
Share capital	12		10,000		10,000
Profit and loss account	13		2,044,042		2,081,911
Equity Shareholders' Funds	14		<u>2,054,042</u>		<u>2,091,911</u>

These accounts were approved by the board on 4th December 2002.

✓ 
A Ward

✓ 
Mrs S M Ward
Directors

Warwick Ward (Machinery) Limited

Cash Flow Statement

for the year ended 30th September 2002

	Notes	2002 £	2001 £
Cash Flow from Operating Activities	15	34,330	240,927
Returns on Investments and Servicing of Finance	16	32,307	41,162
Taxation		(46,416)	41,229
Capital Expenditure and Financial Investment	16	(38,304)	(63,235)
Equity Dividends paid		(45,000)	-
(Decrease)/Increase in Cash in the year	17	<u>(63,083)</u>	<u>260,083</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/Increase in Cash in the year		(63,083)	260,083
Net funds at 1st October 2001		<u>984,919</u>	<u>724,836</u>
Net funds at 30th September 2002	17	<u>921,836</u>	<u>984,919</u>

1 Principal Accounting Policies

Accounting Convention

The financial statements have been prepared under the historical cost convention.

Consolidation

The company and its subsidiaries comprise a medium sized group. The company has taken advantage of the exemption given by Section 248 of the Companies Act 1985 not to prepare group accounts and therefore these accounts are those of an individual undertaking.

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.

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:

	2002 £	2001 £
United Kingdom	2,893,850	1,855,805
Europe	416,878	567,903
Other	1,178,462	950,446
	<u>4,489,190</u>	<u>3,374,154</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2002

3 Operating profit

	2002 £	2001 £
Operating profit is stated after charging or crediting:		
Amounts payable to the auditors in respect of audit services	3,500	3,400
Depreciation - owned assets	32,607	44,395
Loss/(Profit) on disposal of fixed assets	43,621	(29,190)

4 Directors and Employees

Staff costs during the year were as follows:

	2002 £	2001 £
Wages and salaries	874,949	785,123
Social security costs	84,227	78,527
Other pension costs	27,729	29,348
	<u>986,905</u>	<u>892,998</u>

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

	2002 Number	2001 Number
Administration	11	11
Production	19	19
	<u>30</u>	<u>30</u>

Remuneration in respect of directors was as follows:

	2002 £	2001 £
Aggregate amount of emoluments paid in respect of qualifying services	537,029	439,561
Aggregate value of company contributions to money purchase pension schemes	18,615	23,391
	<u>555,644</u>	<u>462,952</u>

Other directors disclosures in respect of qualifying services:

	2002 Number	2001 Number
The number of directors to whom retirement benefits are accruing under money purchase pension schemes	<u>5</u>	<u>5</u>

Highest paid director disclosures in respect of qualifying services:

	2002 £	2001 £
Aggregate emoluments	164,307	100,518
Aggregate value of company contributions to money purchase pension schemes	<u>3,658</u>	<u>5,000</u>

Notes to the Financial Statements

for the year ended 30th September 2002

5	Tax on Profit on Ordinary Activities	2002	2001
		£	£
	Based on the profit for the year:		
	UK Corporation tax	41,000	40,500
	Prior year adjustments - corporation tax	3,191	(15,829)
	Total current tax	<u>44,191</u>	<u>24,671</u>
	Reconciliation of tax charge	2002	2001
		£	£
	Profit on ordinary activities before tax	<u>81,322</u>	<u>242,468</u>
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2001 : 30%)	15,858	72,740
	<i>Effects of:</i>		
	Expenses not deductible for tax purposes	25,973	253
	Corporation tax buffer	189	(5,963)
	Capital allowances in excess of depreciation and amortisation	5,415	(12,088)
	Marginal relief	-	(13,734)
	Expenses allowable for tax purposes	(6,435)	(708)
	Adjustments to tax charge in respect of previous period	3,191	(15,829)
	Current tax charge for year	<u>44,191</u>	<u>24,671</u>
6	Dividends	2002	2001
		£	£
	Equity		
	Ordinary £1 shares - proposed dividend of £7.50 per share (2001 : £4.50)	<u>75,000</u>	<u>45,000</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2002

7 Tangible Fixed Assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£	£
At 1st October 2001	235,462	62,030	183,021	64,667	545,180
Additions	-	2,014	30,054	783	32,851
Disposals	-	-	(81,297)	-	(81,297)
At 30th September 2002	235,462	64,044	131,778	65,450	496,734
Depreciation					
At 1st October 2001	78,399	56,598	55,713	50,499	241,209
Charged for the year	4,709	2,160	21,799	3,939	32,607
Eliminated on disposal	-	-	(24,176)	-	(24,176)
At 30th September 2002	83,108	58,758	53,336	54,438	249,640
Net Book Value					
At 30th September 2002	152,354	5,286	78,442	11,012	247,094
At 30th September 2001	157,063	5,432	127,308	14,168	303,971

8 Fixed Asset Investments

	Shares in Group Undertakings £
Cost	
At beginning and end of year	124,916
Amounts Written Off	
Provided during the year	124,916
At 30th September 2002	124,916
Net Book Value	
At 30th September 2002	-
At 1st October 2001	124,916

The investment represents 75% of the ordinary share capital of Warwick Ward Iberica SL, a company incorporated in Spain. This company did carry on the business of plant and machinery dealers. Warwick Ward Iberica SL has a year end of 31st December. The company has been in administration throughout the year ended 30th September 2002 and is effectively dormant.

9 Stocks

	2002 £	2001 £
Goods for resale	1,219,350	841,430

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2002

10	Debtors	2002	2001
		£	£
	Trade debtors	88,973	163,851
	Amounts owed by group undertakings	-	5,000
	Other debtors	35,901	14,265
	Prepayments and accrued income	6,960	966
		<u>131,834</u>	<u>184,082</u>
11	Creditors: Amounts falling due within one year	2002	2001
		£	£
	Trade creditors	128,596	122,159
	Corporation tax	38,275	40,500
	Other taxes and social security	34,411	41,583
	Proposed dividends	75,000	45,000
	Other creditors	-	18,953
	Accruals and deferred income	189,790	79,212
		<u>466,072</u>	<u>347,407</u>
12	Share Capital		
	Authorised	2002	2001
		£	£
	10,000 Ordinary shares of £1 each (2001: 10,000)	<u>10,000</u>	<u>10,000</u>
	Allotted, called up and fully paid	2002	2001
		£	£
	10,000 Ordinary shares of £1 each (2001: 10,000)	<u>10,000</u>	<u>10,000</u>
13	Reserves		Profit and Loss Account
			£
	At 1st October 2001		2,081,911
	Loss for the year		(37,869)
	At 30th September 2002		<u>2,044,042</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2002

14 Reconciliation of the Movement in Shareholders' Funds

	2002 £	2001 £
Profit for the financial year	37,131	217,797
Dividends	(75,000)	(45,000)
	<u>(37,869)</u>	<u>172,797</u>
(Decrease)/Increase in shareholders' funds	(37,869)	172,797
Opening shareholders' funds	2,091,911	1,919,114
Closing shareholders' funds	<u>2,054,042</u>	<u>2,091,911</u>

15 Reconciliation of Operating Profit to Operating Cash Flows

	2002 £	2001 £
Operating profit	173,931	201,484
Depreciation charges	32,607	44,395
Loss/(Profit) on disposal of fixed assets	43,621	(29,190)
(Increase)/Decrease in stocks	(377,920)	49,905
Decrease/(Increase) in debtors	52,248	(55,748)
Increase in creditors	109,843	30,081
Net Cash Inflow from Operating Activities	<u>34,330</u>	<u>240,927</u>

16 Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

Returns on Investments and Servicing of Finance

	2002 £	2001 £
Interest received	32,307	41,162
Net Cash Inflow for Returns on Investments and Servicing of Finance	<u>32,307</u>	<u>41,162</u>

Capital Expenditure and Financial Investment

	2002 £	2001 £
Purchase of tangible fixed assets	(51,804)	(115,985)
Proceeds from the sale of fixed assets	13,500	52,750
Net Cash (Outflow) for Capital Expenditure and Financial Investment	<u>(38,304)</u>	<u>(63,235)</u>

17 Analysis of changes in net funds

	At 1st October 2001 £	Cash flows £	At 30th September 2002 £
Cash in hand and at bank	984,919	(63,083)	921,836

18 Pensions - Defined Contribution Scheme

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

19 Related Party Transactions

The balance due from Warwick Ward Iberica SL at 30th September 2002 was £Nil, net of a provision of £283,235.

20 Ultimate controlling party

The company has no ultimate controlling party.