

Company Number: 988708

Warwick Ward (Machinery) Limited
Financial Statements
for the year ended 30th September 2003



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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The directors submit their report together with the audited financial statements for the year ended 30th September 2003.

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 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 £229,552. After deducting taxation and dividends, the profit of £35,741 has been transferred to reserves.

The directors recommend final dividends amounting to £150,000.

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	
	2003	2002
	No.	No.
A Ward	3,333	3,333
M Ward	3,334	3,334

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.

The Trustees of Mrs S M Ward Voluntary Settlement and Warwick Ward Voluntary Settlement have 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.

Mrs S M Ward and W Ward retire by rotation but, being eligible, seek re-election.

Charitable Donations

During the year payments of a charitable nature amounted to £1,275.

Warwick Ward (Machinery) Limited

Directors' Report

for the year ended 30th September 2003

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

Mrs S M Ward, Secretary

1-12-2003

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 2003 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.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

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 misstatement 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.

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

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 2003 and of its profit 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

1 December 2003

Warwick Ward (Machinery) Limited

Profit and Loss Account

for the year ended 30th September 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Turnover	2		4,710,808		4,489,190
Changes in stocks of finished goods and work in progress			267,903		377,920
			<u>4,978,711</u>		<u>4,867,110</u>
Raw materials and consumables		(3,142,353)		(3,228,326)	
Other external charges		26,833		6,607	
Staff costs	4	(1,366,640)		(986,905)	
Depreciation and amortisation		(24,370)		(76,228)	
Other operating charges (including in 2003 an exceptional receipt of debts previously provided for amounting to £144,010)	9	<u>(272,254)</u>		<u>(408,327)</u>	
			<u>(4,778,784)</u>		<u>(4,693,179)</u>
Operating profit	3		199,927		173,931
Amounts written-off investments			-		(124,916)
Interest receivable			29,625		32,307
Profit on ordinary activities before taxation			229,552		81,322
Taxation	5		<u>(43,811)</u>		<u>(44,191)</u>
Profit on ordinary activities after taxation			185,741		37,131
Dividends	6		<u>(150,000)</u>		<u>(75,000)</u>
Retained profit/(loss) for the Year	15		35,741		(37,869)
Retained profit brought forward			2,044,042		2,081,911
Retained profit carried forward			<u>2,079,783</u>		<u>2,044,042</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.

Warwick Ward (Machinery) Limited

Balance Sheet

as at 30th September 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed Assets					
Tangible fixed assets	7		231,026		247,094
Current Assets					
Stock	10	1,487,253		1,219,350	
Debtors	11	336,149		131,834	
Cash at bank and in hand		922,294		921,836	
		<u>2,745,696</u>		<u>2,273,020</u>	
Creditors:					
Amounts falling due within one year	12	<u>(878,939)</u>		<u>(466,072)</u>	
Net Current Assets			<u>1,866,757</u>		<u>1,806,948</u>
Total Assets Less Current Liabilities			<u>2,097,783</u>		<u>2,054,042</u>
Provision for Liabilities and Charges					
Deferred taxation	13		<u>(8,000)</u>		<u>-</u>
Net Assets			<u><u>2,089,783</u></u>		<u><u>2,054,042</u></u>
Capital and Reserves					
Share capital	14		10,000		10,000
Profit and loss account	15		<u>2,079,783</u>		<u>2,044,042</u>
Equity Shareholders' Funds	16		<u><u>2,089,783</u></u>		<u><u>2,054,042</u></u>

These accounts were approved by the board on 1-12-2003

A Ward

M Ward
Directors

Warwick Ward (Machinery) Limited**Cash Flow Statement****for the year ended 30th September 2003**

	Notes	2003 £	2002 £
Cash Flow from Operating Activities	17	91,654	34,330
Returns on Investments and Servicing of Finance	18	30,192	32,307
Taxation		(38,086)	(46,416)
Capital Expenditure and Financial Investment	18	(8,302)	(38,304)
Equity Dividends paid		(75,000)	(45,000)
Increase/(Decrease) in Cash in the year	19	<u>458</u>	<u>(63,083)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(Decrease) in Cash in the year		458	(63,083)
Net funds at 1st October 2002		<u>921,836</u>	<u>984,919</u>
Net funds at 30th September 2003	19	<u>922,294</u>	<u>921,836</u>

1 Principal Accounting Policies

Accounting Convention

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

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

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.

Deferred Taxation

In accordance with Financial Reporting Standard 19 'Deferred Tax', provision is made at current tax rates for tax deferred in respect of all material timing differences. The company has not adopted a policy of discounting deferred tax assets and liabilities.

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:

	2003	2002
	£	£
United Kingdom	3,337,274	2,893,850
Europe	473,112	416,878
Rest of the World	900,422	1,178,462
	<u>4,710,808</u>	<u>4,489,190</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2003

3 Operating profit

	2003 £	2002 £
Operating profit is stated after charging or crediting:		
Amounts payable to the auditors in respect of audit services	3,600	3,500
Depreciation	32,609	32,607
(Profit)/Loss on disposal of fixed assets	(8,239)	43,621

4 Directors and Employees

Staff costs during the year were as follows:

	2003 £	2002 £
Wages and salaries	1,200,556	874,949
Social security costs	132,721	84,227
Other pension costs	33,363	27,729
	<u>1,366,640</u>	<u>986,905</u>

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

	2003 Number	2002 Number
Administration	12	11
Production	19	19
	<u>31</u>	<u>30</u>

Remuneration in respect of directors was as follows:

	2003 £	2002 £
Aggregate amount of emoluments paid in respect of qualifying services	775,578	537,029
Aggregate value of company contributions to money purchase pension schemes	22,988	18,615
	<u>798,566</u>	<u>555,644</u>

Other directors disclosures in respect of qualifying services:

	2003 Number	2002 Number
The number of directors to whom retirement benefits are accruing under money purchase pension schemes	<u>5</u>	<u>5</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2003

Highest paid director disclosures in respect of qualifying services:

	2003	2002
	£	£
Aggregate emoluments	304,068	164,307
Aggregate value of company contributions to money purchase pension schemes	3,744	3,658

5 Tax on Profit on Ordinary Activities

	2003	2002
	£	£
Based on the profit for the year:		
U.K. Corporation tax	36,000	41,000
Prior year adjustments - corporation tax	(189)	3,191
	35,811	44,191
Deferred tax charge	8,000	-
	43,811	44,191

Reconciliation of tax charge

	2003	2002
	£	£
Profit on ordinary activities before taxation	229,552	81,322
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2002: 19.5%)	43,615	15,858
<i>Effects of:</i>		
Expenses not deductible for tax purposes	458	25,973
Capital allowances in excess of depreciation	(2,304)	5,415
Adjustments in respect of previous periods	(189)	3,191
Income not taxable	(12,704)	-
Corporation tax buffer	6,935	189
Expenses allowable for tax purposes	-	(6,435)
Current tax charge for year	35,811	44,191

6 Dividends

	2003	2002
	£	£
Equity		
Ordinary shares - final proposed of £15.00 per share (2002 £7.50)	150,000	75,000

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2003

7 Tangible Fixed Assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£	£
At 1st October 2002	235,462	64,044	131,778	65,450	496,734
Additions	-	2,136	34,600	7,566	44,302
Disposals	-	-	(59,062)	-	(59,062)
At 30th September 2003	235,462	66,180	107,316	73,016	481,974
Depreciation					
At 1st October 2002	83,108	58,758	53,336	54,438	249,640
Charged for the year	4,709	2,053	21,278	4,569	32,609
Eliminated on disposal	-	-	(31,301)	-	(31,301)
At 30th September 2003	87,817	60,811	43,313	59,007	250,948
Net Book Value					
At 30th September 2003	147,645	5,369	64,003	14,009	231,026
At 30th September 2002	152,354	5,286	78,442	11,012	247,094

8 Fixed Asset Investments

At the start of the year, the company held an investment in Warwick Ward Iberica SL, a company incorporated in Spain, with a cost of £124,916. This amount had been fully written-off in 2002.

The investment represented 75% of the ordinary share capital of Warwick Ward Iberica SL. Warwick Ward Iberica SL was liquidated during the year after having been in administration since 2000. The investment has therefore been treated as disposed of during the year.

9 Exceptional Item

During the year the company received £144,010 on the liquidation of Warwick Ward Iberica SL. This amount related to loans and sales ledger balances with Warwick Ward Iberica SL which had previously been provided against in full.

10 Stocks

	2003	2002
	£	£
Goods for resale	1,487,253	1,219,350

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2003

11	Debtors	2003	2002
		£	£
	Trade debtors	335,947	88,973
	Other debtors	-	35,901
	Prepayments and accrued income	202	6,960
		<u>336,149</u>	<u>131,834</u>
12	Creditors: Amounts falling due within one year	2003	2002
		£	£
	Trade creditors	118,572	128,596
	Corporation tax	36,000	38,275
	Other taxes and social security	43,626	34,411
	Proposed dividends	150,000	75,000
	Accruals and deferred income	530,741	189,790
		<u>878,939</u>	<u>466,072</u>
13	Deferred Taxation		
	Deferred taxation provided for in the financial statements is set out below.		
		2003	2002
		£	£
	Accelerated capital allowances	<u>8,000</u>	<u>-</u>
	The movement in the provision for deferred taxation in the year amounts to £8,000.		
14	Share Capital		
	Authorised	2003	2002
		£	£
	10,000 Ordinary shares of £1 each (2002: 10,000)	<u>10,000</u>	<u>10,000</u>
	Allotted, called up and fully paid	2003	2002
		£	£
	10,000 Ordinary shares of £1 each (2002: 10,000)	<u>10,000</u>	<u>10,000</u>
15	Reserves		Profit and Loss Account
			£
	At 1st October 2002		2,044,042
	Profit for the year		35,741
	At 30th September 2003		<u>2,079,783</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2003

16	Reconciliation of the Movement in Shareholders' Funds	2003	2002	
		£	£	
	Profit for the financial year	185,741	37,131	
	Dividends	(150,000)	(75,000)	
	Increase/(Decrease) in shareholders' funds	35,741	(37,869)	
	Opening shareholders' funds	2,054,042	2,091,911	
	Closing shareholders' funds	2,089,783	2,054,042	
17	Reconciliation of Operating Profit to Operating Cash Flows	2003	2002	
		£	£	
	Operating profit	199,927	173,931	
	Depreciation charges	32,609	32,607	
	(Profit)/Loss on disposal of fixed assets	(8,239)	43,621	
	(Increase) in stocks	(267,903)	(377,920)	
	(Increase)/Decrease in debtors	(204,882)	52,248	
	Increase in creditors	340,142	109,843	
	Net Cash Inflow from Operating Activities	91,654	34,330	
18	Analysis of Cash Flows for Headings Netted in the Cash Flow Statement			
	Returns on Investments and Servicing of Finance	2003	2002	
		£	£	
	Interest received	30,192	32,307	
	Net Cash Inflow for Returns on Investments and Servicing of Finance	30,192	32,307	
	Capital Expenditure and Financial Investment	2003	2002	
		£	£	
	Purchase of tangible fixed assets	(44,302)	(51,804)	
	Proceeds from the sale of fixed assets	36,000	13,500	
	Net Cash (Outflow) for Capital Expenditure and Financial Investment	(8,302)	(38,304)	
19	Analysis of changes in net funds			
		At	Cash flows	At
		1st October		30th
		2002		September
				2003
		£	£	£
	Cash in hand and at bank	921,836	458	922,294

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2003

20 Pensions - Defined Contribution Scheme

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

21 *Ultimate controlling party*

The company has no ultimate controlling party.