

Company Number: 988708

Warwick Ward (Machinery) Limited
Financial Statements
for the year ended 30th September 2004



Chartered Accountants



Warwick Ward (Machinery) Limited

Company Information

Company No: 988708

Registered Office

Blacker Hill Sidings
Blacker Hill
Barnsley
S74 0RE

Directors

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 2004.

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 £127,334. After deducting taxation and dividends, the profit of £14,606 has been transferred to reserves.

The directors recommend final dividends amounting to £90,000.

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	
	2004	2003
	No.	No.
A Ward	3,333	3,333
M Ward	3,334	3,334

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.

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

W Ward resigned as a director on 1st December 2003. The directors are sad to report the death of W Ward on 28 January 2004.

Charitable Donations

During the year payments of a charitable nature amounted to £1,293.

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

11.2.05

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 2004 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.

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 2004 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

11 February 2005

Warwick Ward (Machinery) Limited

Profit and Loss Account

for the year ended 30th September 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Turnover	2		6,023,239		4,710,808
Changes in stocks of finished goods and work in progress			363		267,903
			<u>6,023,602</u>		<u>4,978,711</u>
Raw materials and consumables		(3,938,855)		(3,142,353)	
Other external charges		(3,202)		26,833	
Staff costs	5	(1,488,252)		(1,366,640)	
Depreciation and amortisation		(29,423)		(24,370)	
Other operating charges (including in 2003 an exceptional receipt of debts previously provided for amounting to £144,010)	3	<u>(467,077)</u>		<u>(272,254)</u>	
			<u>(5,926,809)</u>		<u>(4,778,784)</u>
Operating profit	4		96,793		199,927
Interest receivable			30,541		29,625
Profit on ordinary activities before taxation			127,334		229,552
Taxation	6		<u>(22,728)</u>		<u>(43,811)</u>
Profit on ordinary activities after taxation			104,606		185,741
Dividends	7		<u>(90,000)</u>		<u>(150,000)</u>
Retained profit for the Year	14		14,606		35,741
Retained profit brought forward			2,079,783		2,044,042
Retained profit carried forward			<u><u>2,094,389</u></u>		<u><u>2,079,783</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.

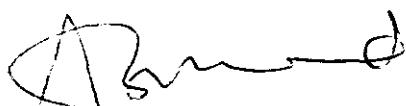
Warwick Ward (Machinery) Limited

Balance Sheet

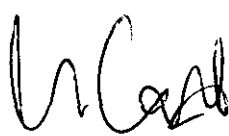
as at 30th September 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Fixed Assets					
Tangible fixed assets	8		243,710		231,026
Current Assets					
Stock	9	1,487,616		1,487,253	
Debtors	10	363,075		336,149	
Cash at bank and in hand		949,407		922,294	
		2,800,098		2,745,696	
Creditors:					
Amounts falling due within one year	11	(931,419)		(878,939)	
Net Current Assets			1,868,679		1,866,757
Total Assets Less Current Liabilities			2,112,389		2,097,783
Provision for Liabilities and Charges					
Deferred taxation	12		(8,000)		(8,000)
Net Assets			2,104,389		2,089,783
Capital and Reserves					
Share capital	13		10,000		10,000
Profit and loss account	14		2,094,389		2,079,783
Equity Shareholders' Funds	15		2,104,389		2,089,783

These accounts were approved by the board on


A Ward

11.2.05


M Ward
Directors

Warwick Ward (Machinery) Limited**Cash Flow Statement****for the year ended 30th September 2004**

	Notes	2004 £	2003 £
Cash Flow from Operating Activities	16	223,407	91,654
Returns on Investments and Servicing of Finance	17	30,541	30,192
Taxation		(34,728)	(38,086)
Capital Expenditure and Financial Investment	17	(42,107)	(8,302)
Equity Dividends paid		(150,000)	(75,000)
Increase in Cash in the year	18	<u>27,113</u>	<u>458</u>
Reconciliation of net cash flow to movement in net funds			
Increase in Cash in the year		27,113	458
Net funds at 1st October 2003		<u>922,294</u>	<u>921,836</u>
Net funds at 30th September 2004	18	<u>949,407</u>	<u>922,294</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:

	2004	2003
	£	£
United Kingdom	4,286,349	3,337,274
Europe	606,786	473,112
Rest of the World	1,130,104	900,422
	<u>6,023,239</u>	<u>4,710,808</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2004

3 Exceptional Item

During 2003, the company received £144,010 on the liquidation of its subsidiary undertaking, 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.

4 Operating profit

	2004 £	2003 £
Operating profit is stated after charging or crediting:		
Amounts payable to the auditors in respect of audit services	3,700	3,600
Depreciation	29,984	32,609
(Profit) on disposal of fixed assets	(561)	(8,239)

5 Directors and Employees

Staff costs during the year were as follows:

	2004 £	2003 £
Wages and salaries	1,310,414	1,200,556
Social security costs	149,233	132,721
Other pension costs	28,605	33,363
	<u>1,488,252</u>	<u>1,366,640</u>

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

	2004 Number	2003 Number
Administration	12	12
Production	19	19
	<u>31</u>	<u>31</u>

Remuneration in respect of directors was as follows:

	2004 £	2003 £
Aggregate amount of emoluments paid in respect of qualifying services	841,840	775,578
Aggregate value of company contributions to money purchase pension schemes	18,110	22,988
	<u>859,950</u>	<u>798,566</u>

Other directors disclosures in respect of qualifying services:

	2004 Number	2003 Number
The number of directors to whom retirement benefits are accruing under money purchase pension schemes	4	5

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2004

Highest paid director disclosures in respect of qualifying services:

	2004 £	2003 £
Aggregate emoluments	357,091	304,068
Aggregate value of company contributions to money purchase pension schemes	3,805	3,744

6 Tax on Profit on Ordinary Activities

	2004 £	2003 £
Based on the profit for the year:		
U.K. Corporation tax	24,000	36,000
Prior year adjustments - corporation tax	(1,272)	(189)
	22,728	35,811
Deferred tax charge	-	8,000
	22,728	43,811

Reconciliation of tax charge

	2004 £	2003 £
Profit on ordinary activities before taxation	127,334	229,552

Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2003: 19%)

24,193	43,615
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Effects of:

Expenses not deductible for tax purposes	405	458
Capital allowances in excess of depreciation	(861)	(2,304)
Adjustments in respect of previous periods	(1,272)	(189)
Income not taxable	-	(12,704)
Corporation tax buffer	263	6,935
Current tax charge for year	22,728	35,811

7 Dividends

	2004 £	2003 £
Equity		
Ordinary shares - final proposed of £9.00 per share (2003 £15.00)	90,000	150,000

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2004

8 Tangible Fixed Assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£	£
At 1st October 2003	235,462	66,180	107,316	73,016	481,974
Additions	-	7,352	54,505	-	61,857
Disposals	-	-	(52,586)	-	(52,586)
At 30th September 2004	235,462	73,532	109,235	73,016	491,245
Depreciation					
At 1st October 2003	87,817	60,811	43,313	59,007	250,948
Charged for the year	4,709	2,088	18,680	4,507	29,984
Eliminated on disposal	-	-	(33,397)	-	(33,397)
At 30th September 2004	92,526	62,899	28,596	63,514	247,535
Net Book Value					
At 30th September 2004	142,936	10,633	80,639	9,502	243,710
At 30th September 2003	147,645	5,369	64,003	14,009	231,026

9 Stocks

	2004	2003
	£	£
Goods for resale	1,487,616	1,487,253

10 Debtors

	2004	2003
	£	£
Trade debtors	336,965	335,947
Other debtors	25,608	-
Prepayments and accrued income	502	202
	363,075	336,149

11 Creditors: Amounts falling due within one year

	2004	2003
	£	£
Trade creditors	166,029	118,572
Corporation tax	24,000	36,000
Other taxes and social security	40,059	43,626
Proposed dividends	90,000	150,000
Accruals and deferred income	611,331	530,741
	931,419	878,939

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2004

12 Deferred Taxation

Deferred taxation provided for in the financial statements is set out below.

	2004	2003
	£	£
Accelerated capital allowances	8,000	8,000

The movement in the provision for deferred taxation in the year amounts to £nil.

13 Share Capital

Authorised	2004	2003
	£	£
10,000 Ordinary shares of £1 each (2003: 10,000)	10,000	10,000

Allotted, called up and fully paid	2004	2003
	£	£
10,000 Ordinary shares of £1 each (2003: 10,000)	10,000	10,000

14 Reserves

	Profit and Loss Account
	£
At 1st October 2003	2,079,783
Profit for the year	14,606
At 30th September 2004	2,094,389

15 Reconciliation of the Movement in Shareholders' Funds

	2004	2003
	£	£
Profit for the financial year	104,606	185,741
Dividends	(90,000)	(150,000)
Increase in shareholders' funds	14,606	35,741
Opening shareholders' funds	2,089,783	2,054,042
Closing shareholders' funds	2,104,389	2,089,783

Warwick Ward (Machinery) Limited

Notes to the Financial Statements

for the year ended 30th September 2004

16 Reconciliation of Operating Profit to Operating Cash Flows

	2004 £	2003 £
Operating profit	96,793	199,927
Depreciation charges	29,984	32,609
(Profit) on disposal of fixed assets	(561)	(8,239)
(Increase) in stocks	(363)	(267,903)
(Increase) in debtors	(26,926)	(204,882)
Increase in creditors	124,480	340,142
Net Cash Inflow from Operating Activities	<u>223,407</u>	<u>91,654</u>

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

Returns on Investments and Servicing of Finance

	2004 £	2003 £
Interest received	30,541	30,192
Net Cash Inflow for Returns on Investments and Servicing of Finance	<u>30,541</u>	<u>30,192</u>

Capital Expenditure and Financial Investment

	2004 £	2003 £
Purchase of tangible fixed assets	(61,857)	(44,302)
Proceeds from the sale of fixed assets	19,750	36,000
Net Cash (Outflow) for Capital Expenditure and Financial Investment	<u>(42,107)</u>	<u>(8,302)</u>

18 Analysis of changes in net funds

	At 1st October 2003 £	Cash flows £	At 30th September 2004 £
Cash in hand and at bank	<u>922,294</u>	<u>27,113</u>	<u>949,407</u>

19 Pensions - Defined Contribution Scheme

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

20 Ultimate controlling party

The company has no ultimate controlling party.