

Registration no: 988708

Warwick Ward (Machinery) Limited

Directors' Report and Financial Statements
for the Year Ended 30 September 2005



Chartered Accountants



Warwick Ward (Machinery) Limited

Contents Page

Officers and advisers	1
Directors' report	2 to 3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the accounts	8 to 14

Warwick Ward (Machinery) Limited

Officers and Advisers

Directors

S M Ward

T Ward

A Ward

M Ward

Secretary

S M Ward

Registered office

Blacker Hill Sidings

Blacker Hill

Barnsley

S74 0RE

Auditors

Hawsons Chartered Accountants
and Registered Auditors

Pegasus House

463a Glossop Road

Sheffield

S10 2QD

Warwick Ward (Machinery) Limited

Directors' Report for the Year Ended 30 September 2005

The directors present their report and the audited financial statements for the year ended 30 September 2005.

Directors' responsibilities

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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 dividend

The profit on the ordinary activities of the company before taxation amounted to £137,944. After deducting taxation and dividends, the profit of £5,206 has been transferred to reserves.

The directors recommend interim dividends of £105,000 and no final dividend.

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 held office during the year and their beneficial interest in the shares of the company were as follows:

	Ordinary shares of £1 each	
	2005 No.	2004 No.
S M Ward	-	-
T Ward	-	-
A Ward	3,333	3,333
M Ward	3,334	3,334

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.

Retirement of directors

In accordance with the Articles of Association, M Ward will retire from the board and, being eligible, will stand for re-appointment.

Warwick Ward (Machinery) Limited
Directors' Report for the Year Ended 30 September 2005

..... *continued*

Auditors

The auditors, Hawsons Chartered Accountants, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

Approved by the Board on21.3.06..... and signed on its behalf by:

.....S. M. Ward......

S M Ward
Company Secretary

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 30 September 2005 set out on pages 5 to 14. 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 directors and auditors

As described in the statement of Directors' responsibilities on page 2, the company's directors are responsible for the preparation of 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. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 company's affairs as at 30 September 2005 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

Hawsons

21 March 2006

Warwick Ward (Machinery) Limited
Profit and Loss Account for the Year Ended 30 September 2005

	Note	2005 £	2004 £
Turnover	2	6,697,992	6,023,239
Change in stocks of finished goods and work in progress		227,320	363
Raw materials and consumables		(4,658,508)	(3,938,855)
Staff costs	4	(1,631,300)	(1,488,252)
Depreciation and other amounts written off tangible fixed assets		(44,164)	(29,423)
Other operating charges		(489,882)	(470,279)
Operating profit	3	<u>101,458</u>	<u>96,793</u>
Other interest receivable and similar income		36,486	30,541
Profit on ordinary activities before taxation		<u>137,944</u>	<u>127,334</u>
Tax on profit on ordinary activities	6	(27,738)	(22,728)
Profit on ordinary activities after taxation		<u>110,206</u>	<u>104,606</u>
Dividends	7	(105,000)	(90,000)
Retained profit for the financial year		<u>5,206</u>	<u>14,606</u>
Retained profit brought forward		2,094,389	2,079,783
Retained profit carried forward		<u><u>2,099,595</u></u>	<u><u>2,094,389</u></u>

Turnover and operating profit derive wholly from continuing operations.

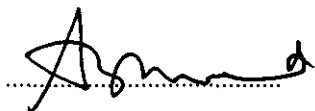
The company has no recognised gains or losses for the year other than the result for the year.

The profit on ordinary activities before taxation for the year has been calculated on the historical cost basis.

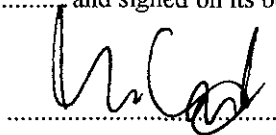
Warwick Ward (Machinery) Limited
Balance Sheet as at 30 September 2005

		2005		2004	
	Note	£	£	£	£
Fixed assets					
Tangible assets	8		253,724		243,710
Current assets					
Stocks	9	1,714,936		1,487,616	
Debtors	10	250,097		363,075	
Cash at bank and in hand		943,427		949,407	
		<u>2,908,460</u>		<u>2,800,098</u>	
Creditors: Amounts falling due within one year	11	<u>(1,044,589)</u>		<u>(931,419)</u>	
Net current assets			<u>1,863,871</u>		<u>1,868,679</u>
Total assets less current liabilities			2,117,595		2,112,389
Provisions for liabilities and charges	12		<u>(8,000)</u>		<u>(8,000)</u>
			<u>2,109,595</u>		<u>2,104,389</u>
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss reserve	14		<u>2,099,595</u>		<u>2,094,389</u>
Shareholders funds	15		<u>2,109,595</u>		<u>2,104,389</u>

Approved by the Board on 21/3/06 and signed on its behalf by:



A Ward
Director



M Ward
Director

Warwick Ward (Machinery) Limited

Statement of Cash Flows for the Year Ended 30 September 2005

	Note	2005 £	2004 £
Net cash flow from operating activities	16	125,451	223,407
Returns on investments and servicing of finance	17.1	36,485	30,541
Taxation paid		(23,738)	(34,728)
Capital expenditure and financial investment	17.2	(54,178)	(42,107)
Equity dividends paid		(90,000)	(150,000)
(Decrease)/increase in cash in the year		<u>(5,980)</u>	<u>27,113</u>

	2005 £	2004 £
(Decrease)/increase in cash in the year	<u>(5,980)</u>	<u>27,113</u>
Movement in net funds during the year	<u>(5,980)</u>	<u>27,113</u>
Net funds at 1 October 2004	<u>949,407</u>	<u>922,294</u>
Net funds at 30 September 2005	<u>943,427</u>	<u>949,407</u>

The notes on pages 8 to 14 form an integral part of these financial statements.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

1 Accounting policies

Basis of preparation

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

Turnover

Turnover represents amounts invoiced, net of value added tax, in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold property	2% straight line per annum
Plant and machinery	20% straight line per annum
Fixtures and fittings	20% straight line per annum
Motor vehicles	20% straight line per annum

Stock

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

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate in operation on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates and the exchange differences are included in the profit and loss account.

Contributions 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 activities.

An analysis of turnover by geographical market is given below:

	2005 £	2004 £
United Kingdom	4,340,510	4,286,349
Europe	1,034,299	606,786
Rest of the World	1,323,183	1,130,104
	<u>6,697,992</u>	<u>6,023,239</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

3 Operating profit

Operating profit is stated after charging/(crediting):

	2005	2004
	£	£
Auditors remuneration	3,800	3,700
Foreign currency (gain)/loss	(1,227)	3,202
Loss/(profit) on sale of tangible fixed assets	12,454	(561)
Depreciation of tangible fixed assets	<u>31,710</u>	<u>29,984</u>

4 Particulars of employees

The aggregate payroll costs were:

	2005	2004
	£	£
Wages and salaries	1,438,011	1,310,414
Social security	164,079	149,233
Other pension costs	<u>29,210</u>	<u>28,605</u>
	<u>1,631,300</u>	<u>1,488,252</u>

The average number of staff employed by the company during the financial year amounted to:

	2005	2004
	No.	No.
Production	21	19
Administration	<u>13</u>	<u>12</u>
	<u>34</u>	<u>31</u>

5 Directors' emoluments

The directors' emoluments for the year are as follows:

	2005	2004
	£	£
Directors' pension contributions	17,826	18,110
Directors' emoluments (including benefits in kind)	<u>897,500</u>	<u>841,840</u>
	<u>915,326</u>	<u>859,950</u>

During the period the following number of directors:

	2005	2004
	No.	No.
Accrued benefits under money purchase pension schemes	<u>3</u>	<u>4</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

The emoluments of directors disclosed above include the following amounts paid to the highest paid director:

	2005 £	2004 £
Emoluments	354,049	357,091
Contributions to money purchase pension schemes	3,913	3,805
	<u>357,962</u>	<u>360,896</u>

6 Taxation

Analysis of current period tax charge

	2005 £	2004 £
Current tax		
Corporation tax charge	28,000	24,000
(Over)/under provision in previous year	<u>(262)</u>	<u>(1,272)</u>
UK Corporation tax	<u>27,738</u>	<u>22,728</u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19.00% (2004 - 19.00%).

The differences are reconciled below:

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>137,944</u>	<u>127,334</u>
Standard rate corporation tax charge	26,209	24,193
Expenses not deductible for tax purposes	394	405
Accelerated capital allowances	1,032	(861)
Tax underprovided in previous years	<u>(262)</u>	<u>(1,272)</u>
Corporation tax buffer	365	263
Total current tax for the year	<u>27,738</u>	<u>22,728</u>

7 Dividends

	2005 £	2004 £
Equity dividends		
Paid	105,000	-
Proposed	-	90,000
Total equity dividends	<u>105,000</u>	<u>90,000</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

8 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
As at 1 October 2004	235,462	73,532	73,016	109,235	491,245
Additions	56,916	2,762	-	-	59,678
Disposals	-	-	-	(43,091)	(43,091)
As at 30 September 2005	<u>292,378</u>	<u>76,294</u>	<u>73,016</u>	<u>66,144</u>	<u>507,832</u>
Depreciation					
As at 1 October 2004	92,526	62,899	63,514	28,596	247,535
Eliminated on disposals	-	-	-	(25,137)	(25,137)
Charge for the year	<u>4,856</u>	<u>3,358</u>	<u>4,167</u>	<u>19,329</u>	<u>31,710</u>
As at 30 September 2005	<u>97,382</u>	<u>66,257</u>	<u>67,681</u>	<u>22,788</u>	<u>254,108</u>
Net book value					
As at 30 September 2005	<u>194,996</u>	<u>10,037</u>	<u>5,335</u>	<u>43,356</u>	<u>253,724</u>
As at 30 September 2004	<u>142,936</u>	<u>10,633</u>	<u>9,502</u>	<u>80,639</u>	<u>243,710</u>

9 Stocks and work in progress

	2005 £	2004 £
Goods for resale	<u>1,714,936</u>	<u>1,487,616</u>

10 Debtors

	2005 £	2004 £
Trade debtors	190,635	336,965
Other debtors	45,831	25,608
Prepayments and accrued income	<u>13,631</u>	<u>502</u>
	<u>250,097</u>	<u>363,075</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

11 Creditors: Amounts falling due within one year

	2005 £	2004 £
Trade creditors	173,063	166,029
Corporation tax	28,000	24,000
Social security and other taxes	43,505	40,059
Other creditors	121,025	90,000
Accruals and deferred income	678,996	611,331
	<u>1,044,589</u>	<u>931,419</u>

12 Provisions for liabilities and charges

	Deferred tax provision £
As at 1 October 2004	<u>8,000</u>
As at 30 September 2005	<u>8,000</u>

Full provision for deferred taxation has been made in these financial statements as above. The amounts provided can be analysed as follows:

	2005 £	2004 £
Accelerated capital allowances	<u>8,000</u>	<u>8,000</u>

13 Share capital

	2005 £	2004 £
Authorised		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

14 Reserves

	Profit and loss reserve £
Balance at 1 October 2004	2,094,389
Transfer from profit and loss account for the year	<u>5,206</u>
Balance at 30 September 2005	<u>2,099,595</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

15 Reconciliation of movement in shareholders' funds

	2005 £	2004 £
Profit for the financial year	110,206	104,606
Dividends	(105,000)	(90,000)
Opening shareholders funds	2,104,389	2,089,783
Closing shareholders funds	<u>2,109,595</u>	<u>2,104,389</u>

16 Reconciliation of operating profit to net cash inflow

	2005 £	2004 £
Operating profit	101,458	96,793
Depreciation	44,164	29,423
Increase in stocks	(227,320)	(363)
Decrease/(Increase) in debtors	112,979	(26,926)
Increase in creditors	94,170	124,480
	<u>125,451</u>	<u>223,407</u>

17 Analysis of items in cash flow statement

17.1 Returns on investments and servicing of finance

	2005 £	2004 £
Interest received	36,485	30,541
	<u>36,485</u>	<u>30,541</u>

17.2 Capital expenditure and financial investment

	2005 £	2004 £
Purchase of tangible fixed assets	(59,678)	(61,857)
Disposal proceeds	5,500	19,750
	<u>(54,178)</u>	<u>(42,107)</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

18 Net funds

	As at 2004 £	Cash flow £	As at 2005 £
Total cash in hand and at bank	949,407	(5,980)	943,427
	<u>949,407</u>	<u>(5,980)</u>	<u>943,427</u>

19 Pensions - Defined Contributions Scheme

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

20 Controlling party

The company has no ultimate controlling party.