

Registration number 988708

Warwick Ward (Machinery) Limited

Directors' Report and Financial Statements
for the Year Ended 30 September 2010



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

Warwick Ward (Machinery) Limited
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Warwick Ward (Machinery) Limited
Company Information

Directors	S M Ward (resigned 17 March 2010) T Ward A Ward M Ward
Secretaries	S M Ward (resigned 17 March 2010) A Ward (appointed 17 March 2010)
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 2010

The directors present their report and the audited financial statements for the year ended 30 September 2010

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Principal activity and business review

The principal activity of the company is dealing in plant and machinery.

The directors consider the results for the year and the financial position at the end of the year as set out in these financial statements to be satisfactory.

Trading conditions throughout the year were much the same as the previous year, with the construction industry and its related sectors still very much in recession. We continue to operate in a very competitive market place.

We anticipate the challenging conditions facing the company to continue in the year ahead but we are hopeful that our diverse range of products and markets and our knowledge of the market place will keep us competitive. Exchange rates will again be key to the overseas side of the business. The willingness of banks to lend money to our customers will also be critical to any potential upturn in trade.

A new development during 2010 has been the expansion of the hire side of the company's business. Due to increased demand, we expect to invest further in this area during the coming year. In this regard, the directors consider it important to maintain a healthy cash position at the bank where possible in order to invest further in stock and also to fund debtors.

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to be the economic climate within the construction industry, which impacts on the demand for the company's products, and fluctuating exchange rates, which we would expect to have an impact on overseas trade, as would be the case for most businesses involved in exports in a price-driven market place.

Given the straightforward nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for the reader of the accounts to gain an understanding of the development, performance or position of the business.

Warwick Ward (Machinery) Limited
Directors' Report for the Year Ended 30 September 2010

continued

Charitable donations

During the year the company made charitable donations of £3,123

Directors

The directors who held office during the year were as follows

- S M Ward (resigned 17 March 2010)
- T Ward
- A Ward
- M Ward

Retirement of directors

In accordance with the Articles of Association, T Ward will retire from the board. He has indicated his wish not to stand for reappointment. The directors would like to thank him for all his years of service as a director of the company.

Statement of disclosure of information to auditors

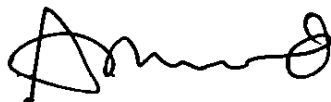
The directors of the company who held office at the date of approval of this Annual Report as set out above each confirm that

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Hawsons, have signified their willingness to remain in office and are deemed to be re-appointed in accordance with section 487(2) of the Companies Act 2006.

Approved by the Board on 9-2-11 and signed on its behalf by



A Ward
Company Secretary

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

We have audited the financial statements of Warwick Ward (Machinery) Limited for the year ended 30 September 2010, set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our 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 auditors' 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 explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

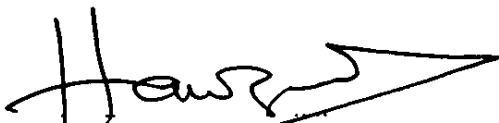
**Independent Auditors' Report to the Members of
Warwick Ward (Machinery) Limited**

continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Martyn Weatherall
Senior Statutory Auditor

for and on behalf of
Hawsons Chartered Accountants, Statutory
Auditor

Date 10 Feb 2011

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Warwick Ward (Machinery) Limited
Profit and Loss Account for the Year Ended 30 September 2010

	Note	2010 £	2009 £
Turnover	2	12,250,322	11,360,658
Cost of sales		(9,914,126)	(9,329,676)
Gross profit		<u>2,336,196</u>	<u>2,030,982</u>
Administrative expenses		(1,701,626)	(2,024,744)
Operating profit	3	<u>634,570</u>	<u>6,238</u>
Other interest receivable and similar income		842	5,809
Profit on ordinary activities before taxation		<u>635,412</u>	<u>12,047</u>
Tax on profit on ordinary activities	6	(160,224)	(5,165)
Profit for the financial year	15	<u><u>475,188</u></u>	<u><u>6,882</u></u>

Turnover and operating profit derive wholly from continuing operations

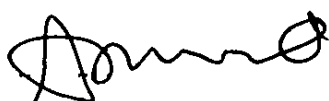
The company has no recognised gains or losses for the year other than the results above

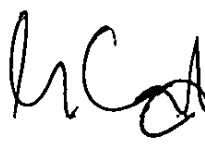
The notes on pages 9 to 18 form an integral part of these financial statements

Warwick Ward (Machinery) Limited
Balance Sheet as at 30 September 2010

		2010		2009	
	Note	£	£	£	£
Fixed assets					
Tangible assets	7		689,672		428,455
Current assets					
Stocks	8	2,283,287		2,617,158	
Debtors	9	1,665,510		847,778	
Cash at bank and in hand		805,999		368,834	
		<u>4,754,796</u>		<u>3,833,770</u>	
Creditors: Amounts falling due within one year	10	<u>(3,005,253)</u>		<u>(1,650,272)</u>	
Net current assets			<u>1,749,543</u>		<u>2,183,498</u>
Total assets less current liabilities			2,439,215		2,611,953
Creditors: Amounts falling due after more than one year	11		(153,101)		(131,000)
Provisions for liabilities	12		<u>(23,000)</u>		<u>(8,000)</u>
Net assets			<u>2,263,114</u>		<u>2,472,953</u>
Capital and reserves					
Called up share capital	14		10,000		10,000
Profit and loss reserve	15		<u>2,253,114</u>		<u>2,462,953</u>
Shareholders' funds	16		<u>2,263,114</u>		<u>2,472,953</u>

These financial statements were approved and authorised for issue by the Board on 9.2.11 and signed on its behalf by


A Ward
Director


M Ward
Director

Warwick Ward (Machinery) Limited

Cash Flow Statement for the Year Ended 30 September 2010

		2010	2009
	Note	£	£
Net cash flow from operating activities	19	1,330,311	(285,636)
Returns on investment and servicing of finance	20	842	5,809
Taxation	20	(6,224)	(60,165)
Capital expenditure and financial investment	20	(199,146)	(18,546)
Equity dividends paid		(685,027)	(60,000)
Cash inflow/(outflow) before management of liquid resources and financing		440,756	(418,538)
Financing	20	(3,591)	-
Increase/(decrease) in cash		437,165	(418,538)

Reconciliation of net cash flow to movement in net funds

		2010	2009
	Note	£	£
Increase/(decrease) in cash in the year	21	437,165	(418,538)
Cash outflow from decrease in debt and lease financing		3,591	-
Change in net funds resulting from cash flows		440,756	(418,538)
New finance leases		(81,000)	-
Movement in net funds/(debt) in the year		359,756	(418,538)
Net funds at the start of the year	21	368,834	787,372
Net funds at the end of the year	21	728,590	368,834

The notes on pages 9 to 18 form an integral part of these financial statements

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2010

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents amounts chargeable, 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
Plant and machinery	20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	20% straight line

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Foreign currencies

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

Hire purchase and finance lease contracts

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2010

continued

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Turnover

An analysis of turnover by geographical market is given below

	2010 £	2009 £
Sales - UK	9,717,890	8,625,947
Sales - Europe	1,918,256	1,955,138
Sales - Rest of world	614,176	779,573
	<u>12,250,322</u>	<u>11,360,658</u>

3 Operating profit

Operating profit is stated after charging/(crediting)

	2010 £	2009 £
Audit fees	5,300	5,100
Foreign currency losses/(gains)	1,948	(7,131)
Loss on sale of fixed assets	2,977	11,322
Depreciation of owned tangible fixed assets	<u>93,071</u>	<u>57,477</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2010

continued

4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2010 No.	2009 No.
Production	21	23
Administration	23	22
	<u>44</u>	<u>45</u>

The aggregate payroll costs of these persons were as follows

	2010 £	2009 £
Wages and salaries	1,361,530	1,699,727
Social security costs	143,998	199,632
Other pension costs	58,105	30,144
	<u>1,563,633</u>	<u>1,929,503</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows

	2010 £	2009 £
Directors' remuneration (including benefits in kind)	301,234	743,877
Directors' money purchase schemes	38,796	13,000
	<u>340,030</u>	<u>756,877</u>

During the year the number of directors who were accruing benefits under company pension schemes was as follows

	2010 No.	2009 No.
Money purchase	<u>3</u>	<u>3</u>

The aggregate remuneration of the highest paid director was £106,551 (2009 - £327,442), and company pension contributions of £4,398 (2009 - £1,500) were made to a money purchase scheme on his behalf

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2010

continued

6 Taxation

Analysis of current period tax charge

	2010 £	2009 £
Current tax		
Corporation tax charge	145,000	6,000
(Over)/under provision in previous year	224	165
UK Corporation tax	<u>145,224</u>	<u>6,165</u>
Deferred tax		
Origination and reversal of timing differences	<u>15,000</u>	<u>(1,000)</u>
Total tax on profit on ordinary activities	<u>160,224</u>	<u>5,165</u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2009 - higher than) the standard rate of corporation tax in the UK of 28.00% (2009 - 21.00%)

The differences are reconciled below

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>635,412</u>	<u>12,047</u>
Standard rate corporation tax charge	177,915	2,530
Expenses not deductible for tax purposes	1,674	576
Accelerated capital allowances	(18,211)	3,117
Marginal relief	(16,164)	-
Other differences	10	(58)
Total current tax for the year	<u>145,224</u>	<u>6,165</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2010

7 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Hire machinery £	Total £
Cost						
As at 1 October 2009	426,780	82,569	133,311	162,948	-	805,608
Additions	-	-	12,000	57,249	312,216	381,465
Disposals	-	-	-	(42,996)	-	(42,996)
As at 30 September 2010	<u>426,780</u>	<u>82,569</u>	<u>145,311</u>	<u>177,201</u>	<u>312,216</u>	<u>1,144,077</u>
Depreciation						
As at 1 October 2009	129,734	77,951	107,031	62,437	-	377,153
Eliminated on disposals	-	-	-	(15,819)	-	(15,819)
Charge for the year	8,536	1,807	12,861	29,716	40,151	93,071
As at 30 September 2010	<u>138,270</u>	<u>79,758</u>	<u>119,892</u>	<u>76,334</u>	<u>40,151</u>	<u>454,405</u>
Net book value						
As at 30 September 2010	<u>288,510</u>	<u>2,811</u>	<u>25,419</u>	<u>100,867</u>	<u>272,065</u>	<u>689,672</u>
As at 30 September 2009	<u>297,046</u>	<u>4,618</u>	<u>26,280</u>	<u>100,511</u>	<u>-</u>	<u>428,455</u>
Hire purchase agreements						

Included within the total net book value of tangible fixed assets is £88,403 (2009 - £nil) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £1,597 (2009 - £nil)

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2010

8 Stocks and work in progress

	2010 £	2009 £
Goods for resale	<u>2,283,287</u>	<u>2,617,158</u>

9 Debtors

	2010 £	2009 £
Trade debtors	675,252	570,114
Other debtors	200,468	148,615
Prepayments and accrued income	<u>789,790</u>	<u>129,049</u>
	<u>1,665,510</u>	<u>847,778</u>

Debtors includes £116,000 (2009 - £131,000) receivable after more than one year

This can be analysed as follows

	2010 £	2009 £
Other debtors	<u>116,000</u>	<u>131,000</u>

10 Creditors: Amounts falling due within one year

	2010 £	2009 £
Obligations under finance leases and hire purchase contracts	40,308	-
Trade creditors	1,766,215	775,766
Corporation tax	145,000	6,000
Social security and other taxes	46,419	33,354
Other creditors	697,973	129,233
Accruals and deferred income	<u>309,338</u>	<u>705,919</u>
	<u>3,005,253</u>	<u>1,650,272</u>

11 Creditors: Amounts falling due after more than one year

	2010 £	2009 £
Obligations under finance leases and hire purchase contracts	37,101	-
Other creditors	<u>116,000</u>	<u>131,000</u>
	<u>153,101</u>	<u>131,000</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2010

continued

12 Provisions for liabilities

	Deferred tax provision £
As at 1 October 2009	8,000
Deferred tax provision charged to the profit and loss account	15,000
As at 30 September 2010	<u>23,000</u>

13 Pension scheme

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £58,105 (2009 - £30,144).

As at 30 September 2009 there were outstanding pension contributions of £1,804 (2009 - £360) included within other creditors and no prepaid contributions (2009 - nil).

14 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
Equity		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

15 Reserves

	Profit and loss reserve £
Balance at 1 October 2009	2,462,953
Transfer from profit and loss account for the year	475,188
Dividends	(685,027)
Balance at 30 September 2010	<u>2,253,114</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2010

continued

16 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit attributable to members of the company	475,188	6,882
Dividends	(685,027)	(60,000)
	<u>(209,839)</u>	<u>(53,118)</u>
Opening shareholders' funds	2,472,953	2,526,071
Closing shareholders' funds	<u>2,263,114</u>	<u>2,472,953</u>

17 Operating lease commitments

As at 30 September 2010 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	Vehicles	
	2010 £	2009 £
Within two and five years	<u>10,533</u>	<u>-</u>

18 Other financial commitments

The company has sold goods and entered into contractual commitments to repurchase them in substantially depreciated form, at an agreed price, at some future date to be determined under the contract. At the year end, as a result of these contracts, the company has recognised liabilities of £116,000 (2009 £131,000) within other creditors due after more than one year and also recognised residual interests in goods of £116,000 (2009 £131,000) within other debtors.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2010

continued

19 Reconciliation of operating profit to operating cash flows

	2010 £	2009 £
Operating profit	634,570	6,238
Depreciation, amortisation and impairment charges	93,071	57,477
Loss on disposal of fixed assets	2,977	11,322
Decrease in stocks	256,752	532,345
(Increase)/decrease in debtors	(817,731)	260,083
Increase/(decrease) in creditors	1,160,672	(1,153,101)
Net cash inflow/(outflow) from operating activities	1,330,311	(285,636)

20 Analysis of cash flows

	2010 £	2009 £
Returns on investment and servicing of finance		
Interest received	842	5,809
Taxation		
Taxation paid	(6,224)	(60,165)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(223,346)	(43,746)
Sale of tangible fixed assets	24,200	25,200
	(199,146)	(18,546)
Financing		
Capital element of finance lease rental payments	(3,591)	-

21 Analysis of net funds

	At start of period £	Cash flow £	Other non-cash changes £	At end of period £
Cash at bank and in hand	368,834	437,165	-	805,999
Finance leases	-	3,591	(81,000)	(77,409)
Net funds	368,834	440,756	(81,000)	728,590

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2010

continued

22 Related parties

Controlling entity

The company has no ultimate controlling party

Related party transactions

During the year the company was loaned £294,998 by A Ward and £295,004 by M Ward. These loans were still outstanding at the year end and are included within other creditors.

During the year, the company paid dividends to directors as follows

	2010 £	2009 £
A Ward	319,968	19,998
M Ward	<u>320,064</u>	<u>20,004</u>