

Registration number 00988708

Warwick Ward (Machinery) Limited

Directors' Report and Financial Statements

for the Year Ended 30 September 2011



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COMPANIES HOUSE

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

Directors	A Ward M Ward
Company secretary	A 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 2011

The directors present their report and the financial statements for the year ended 30 September 2011

Directors of the company

The directors who held office during the year were as follows

A Ward

M Ward

In accordance with the Articles of Association, A Ward will retire from the board and being eligible, will stand for reappointment

Principal activity

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

Business review

Fair review of the business

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 2012 will be the introduction of a new franchise into the Warwick Ward portfolio. In January 2012 we were appointed the sole UK distributor for Tana, the Finnish waste shredder and compactor manufacturer. We feel that this is an exciting venture given that these products will be sold mainly to our existing customer base and that the quality and competitiveness of the product is good

The hire side of the company's business continues to develop although collection of outstanding monies in this field is not without calculated risk

Principal risks and uncertainties

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

Charitable donations

During the year the company made charitable donations of £2,122

Warwick Ward (Machinery) Limited
Directors' Report for the Year Ended 30 September 2011

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Disclosure of information to the auditors

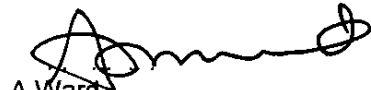
The directors of the company who held office at the date of the approval of this Annual Report as set out above each confirm that

- 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

Reappointment of auditors

The auditors Hawsons Chartered Accountants are deemed to be reappointed under section 487(2) of the Companies Act 2006

Approved by the Board on 15/5/12 and signed on its behalf by



A Ward
Company secretary

Warwick Ward (Machinery) Limited

Statement of 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 accounting estimates that are reasonable and prudent, and
- 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 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.

Independent Auditor's 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 2011, set out on pages 7 to 19. 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 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 explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2011 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.

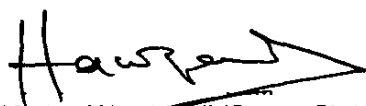
**Independent Auditor's Report to the Members of
Warwick Ward (Machinery) Limited**

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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

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Date *24 May 2012.*

Warwick Ward (Machinery) Limited
Profit and Loss Account for the Year Ended 30 September 2011

	Note	2011 £	2010 £
Turnover	2	14,686,833	12,250,322
Cost of sales		<u>(12,189,933)</u>	<u>(9,914,126)</u>
Gross profit		2,496,900	2,336,196
Administrative expenses		<u>(1,768,414)</u>	<u>(1,701,626)</u>
Other operating income		<u>20,000</u>	<u>-</u>
Operating profit	3	748,486	634,570
Other interest receivable and similar income		<u>1,057</u>	<u>842</u>
Profit on ordinary activities before taxation		749,543	635,412
Tax on profit on ordinary activities	6	<u>(196,214)</u>	<u>(160,224)</u>
Profit for the financial year	15	<u><u>553,329</u></u>	<u><u>475,188</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

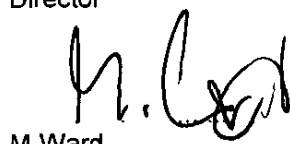
Warwick Ward (Machinery) Limited
(Registration number: 00988708)
Balance Sheet at 30 September 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible fixed assets	7	<u>743,168</u>	<u>689,672</u>
Current assets			
Stocks	8	3,963,293	2,283,287
Debtors	9	1,670,515	1,665,510
Cash at bank and in hand		<u>563,262</u>	<u>805,999</u>
		6,197,070	4,754,796
Creditors Amounts falling due within one year	10	<u>(3,930,188)</u>	<u>(3,005,253)</u>
Net current assets		<u>2,266,882</u>	<u>1,749,543</u>
Total assets less current liabilities		3,010,050	2,439,215
Creditors Amounts falling due after more than one year	11	(165,605)	(153,101)
Provisions for liabilities	12	<u>(53,000)</u>	<u>(23,000)</u>
Net assets		<u><u>2,791,445</u></u>	<u><u>2,263,114</u></u>
Capital and reserves			
Called up share capital	14	10,000	10,000
Profit and loss account	15	<u>2,781,445</u>	<u>2,253,114</u>
Shareholders' funds	16	<u><u>2,791,445</u></u>	<u><u>2,263,114</u></u>

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

15/5/12 and


A Ward
Director


M Ward
Director

Warwick Ward (Machinery) Limited
Cash Flow Statement for the Year Ended 30 September 2011

Cash flow statement

	Note	2011 £	2010 £
Net cash (outflow)/inflow from operating activities	18	(84,686)	1,330,311
Returns on investments and servicing of finance			
Interest received		1,057	842
Taxation paid		(145,214)	(6,224)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(73,781)	(223,346)
Sale of tangible fixed assets		192,300	24,200
		118,519	(199,146)
Equity dividends paid		(24,998)	(685,027)
Net cash (outflow)/inflow before management of liquid resources and financing		(135,322)	440,756
Financing			
Repayment of capital element of finance leases and HP contracts		(169,415)	(3,591)
New finance issued		62,000	-
		(107,415)	(3,591)
(Decrease)/increase in cash	19	(242,737)	437,165

Reconciliation of net cash flow to movement in net debt

	Note	2011 £	2010 £
(Decrease)/increase in cash		(242,737)	437,165
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		107,415	3,591
Change in net debt resulting from cash flows	19	(135,322)	440,756
New finance leases		(258,360)	(81,000)
Movement in net debt	19	(393,682)	359,756
Net funds at 1 October	19	728,590	368,834
Net funds at 30 September	19	334,908	728,590

Warwick Ward (Machinery) Limited
Notes to the Financial Statements for the Year Ended 30 September 2011

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

Asset class	Depreciation method and rate
Freehold property	2% straight line
Plant and machinery	20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	20% straight line
Hire machinery	33% 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 tax

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 currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Hire purchase and leasing

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

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2011

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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 the shorter of the lease term and 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 the shorter of the lease term and 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 and represent a constant proportion of the balance of capital repayments outstanding.

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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

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

2 Turnover

An analysis of turnover by geographical location is given below

	2011 £	2010 £
Sales - UK	12,344,426	9,717,890
Sales - Europe	1,804,645	1,918,256
Sales - Rest of world	537,762	614,176
	<u>14,686,833</u>	<u>12,250,322</u>

3 Operating profit

Operating profit is stated after charging

	2011 £	2010 £
Audit fees	5,500	5,300
Foreign currency (gains)/losses	(1,229)	1,948
(Profit)/loss on sale of tangible fixed assets	(38,459)	2,977
Depreciation of owned assets	91,205	91,474
Depreciation of assets held under finance lease and hire purchase contracts	<u>33,599</u>	<u>1,597</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2011

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4 Particulars of employees

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

	2011 No.	2010 No.
Administration and support	24	23
Production	24	21
	<u>48</u>	<u>44</u>

The aggregate payroll costs were as follows

	2011 £	2010 £
Wages and salaries	1,494,284	1,361,530
Social security costs	149,759	143,998
Staff pensions	56,887	58,105
	<u>1,700,930</u>	<u>1,563,633</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows

	2011 £	2010 £
Directors' remuneration (including benefits in kind)	210,368	301,234
Directors' money purchase schemes	25,849	38,796
	<u>236,217</u>	<u>340,030</u>

During the year the number of directors who were accruing benefits and share incentives was as follows

	2011 No.	2010 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>3</u>

In respect of the highest paid director

	2011 £	2010 £
Remuneration	108,794	106,551
Company contributions to money purchase pension schemes	2,925	4,398
	<u>111,719</u>	<u>110,949</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2011

..... continued

6 Taxation

Tax on profit on ordinary activities

	2011 £	2010 £
Current tax		
Corporation tax charge	166,000	145,000
Adjustments in respect of previous years	214	224
UK Corporation tax	166,214	145,224
Deferred tax		
Origination and reversal of timing differences	30,000	15,000
Total tax on profit on ordinary activities	196,214	160,224

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 27% (2010 - 28%)

The differences are reconciled below

	2011 £	2010 £
Profit on ordinary activities before taxation	749,543	635,412
Corporation tax at standard rate	202,377	177,915
Accelerated capital allowances	(26,350)	(18,211)
Marginal relief	(13,911)	(16,164)
Income not taxable	(5,400)	-
Expenses not deductible for tax purposes	3,192	1,674
Other differences	6,306	10
Total current tax	166,214	145,224

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2011

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7 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Hire machinery £	Total £
Cost or valuation						
At 1 October 2010	426,780	82,569	145,311	177,201	312,216	1,144,077
Additions	45,399	-	8,653	19,729	258,360	332,141
Disposals	-	-	-	(38,050)	(183,531)	(221,581)
At 30 September 2011	472,179	82,569	153,964	158,880	387,045	1,254,637
Depreciation						
At 1 October 2010	138,270	79,758	119,892	76,334	40,151	454,405
Charge for the year	8,628	1,255	12,007	33,037	69,877	124,804
Eliminated on disposals	-	-	-	(31,429)	(36,311)	(67,740)
At 30 September 2011	146,898	81,013	131,899	77,942	73,717	511,469
Net book value						
At 30 September 2011	325,281	1,556	22,065	80,938	313,328	743,168
At 30 September 2010	288,510	2,811	25,419	100,867	272,065	689,672

Leased assets

Included within the net book value of tangible fixed assets is £279,460 (2010 - £88,403) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £33,599 (2010 - £1,597)

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2011

..... continued

8 Stocks

	2011 £	2010 £
Goods for resale	<u>3,963,293</u>	<u>2,283,287</u>

9 Debtors

	2011 £	2010 £
Trade debtors	753,344	675,252
Other debtors	288,119	200,468
Prepayments and accrued income	<u>629,052</u>	<u>789,790</u>
	<u>1,670,515</u>	<u>1,665,510</u>

Debtors includes £78,000 (2010 - £116,000) receivable after more than one year

This can be analysed as follows

	2011 £	2010 £
Other debtors	<u>78,000</u>	<u>116,000</u>
	<u>78,000</u>	<u>116,000</u>

10 Creditors: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	2,965,353	1,766,215
Obligations under finance lease and hire purchase contracts	140,749	40,308
Corporation tax	166,000	145,000
Other taxes and social security	42,460	46,419
Other creditors	333,000	697,973
Accruals and deferred income	<u>282,626</u>	<u>309,338</u>
	<u>3,930,188</u>	<u>3,005,253</u>

11 Creditors: Amounts falling due after more than one year

	2011 £	2010 £
Obligations under finance lease and hire purchase contracts	87,605	37,101
Other creditors	<u>78,000</u>	<u>116,000</u>
	<u>165,605</u>	<u>153,101</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2011

..... continued

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

12 Provisions

	Deferred tax £
At 1 October 2010	23,000
Charged to the profit and loss account	<u>30,000</u>
At 30 September 2011	<u>53,000</u>

13 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £56,887 (2010 - £58,105).

Contributions totalling £1,851 (2010 - £1,804) were payable to the scheme at the end of the year and are included in creditors.

14 Share capital

Allotted, called up and fully paid shares

	2011		2010	
	No.	£	No.	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

15 Reserves

	Profit and loss account £
At 1 October 2010	2,253,114
Profit for the year	553,329
Dividends	<u>(24,998)</u>
At 30 September 2011	<u>2,781,445</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2011

..... continued

16 Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Profit attributable to the members of the company	553,329	475,188
Dividends	(24,998)	(685,027)
Net addition/(reduction) to shareholders' funds	528,331	(209,839)
Shareholders' funds at 1 October	2,263,114	2,472,953
Shareholders' funds at 30 September	2,791,445	2,263,114

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2011

..... continued

17 Commitments

Operating lease commitments

As at 30 September 2011 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2011 £	2010 £
Other		
Within one year	2,900	-
Within two and five years	4,815	10,533
	<u>7,715</u>	<u>10,533</u>

Other 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 £38,000 (2010 £nil) within other creditors due within one year and £78,000 (2010 £116,000) within other creditors due after more than one year. The company has recognised the residual interests in goods of £116,000 (2010 £116,000) within other debtors.

18 Reconciliation of operating profit to operating cash flows

	2011 £	2010 £
Operating profit	748,486	634,570
Depreciation, amortisation and impairment charges	124,804	93,071
(Profit)/loss on disposal of fixed assets	(38,459)	2,977
(Increase)/decrease in stocks	(1,680,006)	256,752
Increase in debtors	(5,005)	(817,732)
Increase in creditors	<u>765,494</u>	<u>1,160,673</u>
Net cash (outflow)/inflow from operating activities	<u>(84,686)</u>	<u>1,330,311</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2011

..... continued

19 Analysis of net funds

	At 1 October 2010 £	Cash flow £	Other non-cash changes £	At 30 September 2011 £
Cash at bank and in hand	805,999	(242,737)	-	563,262
Finance leases and hire purchase contracts	(77,409)	107,415	(258,360)	(228,354)
Net funds	<u>728,590</u>	<u>(135,322)</u>	<u>(258,360)</u>	<u>334,908</u>

20 Related party transactions

Other related party transactions

During the year the company made the following related party transactions

A Ward

During the year, amounts that had previously been loaned to the company totalling £294,998 were repaid to A Ward. At the balance sheet date the amount due to A Ward was £nil (2010 - £294,998)

M Ward

During the year, amounts that had previously been loaned to the company totalling £110,397 were repaid to M Ward. At the balance sheet date the amount due to M Ward was £184,607 (2010 - £295,004)

21 Control

The company has no ultimate controlling party