

Co. House

Registration number: 00988708

Warwick Ward (Machinery) Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2016

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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 A Ward
 M Ward

Company secretary A Ward

Registered office Blacker Hill Sidings
 Blacker Hill
 Barnsley
 S74 0RE

Auditors Hawsons Chartered Accountants
 Statutory Auditor
 Pegasus House
 463a Glossop Road
 Sheffield
 South Yorkshire
 S10 2QD

Warwick Ward (Machinery) Limited

Strategic Report for the Year Ended 30 September 2016

The directors present their strategic report for the year ended 30 September 2016.

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 through the year were quite volatile, mainly as a result of the EU referendum in the UK. The result of the referendum caused uncertainty and indecision in some of the big companies that we deal with during the second half of 2016, with many of their capital expenditure machinery investments either put on hold or shelved indefinitely. This led to a fall in sales in all areas of our new equipment franchises, but also resulted in an increase in companies preferring to mitigate risk by hiring more equipment from us.

Another significant change for the company saw us decide to end our existing relationship with TANA. This was borne out of our strategic decision to represent exclusively the Terex Environmental brand for recycling equipment products, along with the CASE Construction and Ecohog ranges. Terex have a broad and comprehensive portfolio of products, which we feel better serves our business goal to fully service our customer base with increased and varied solutions for their needs, something we were unable to do with TANA due to the limited product offering.

The change from one brand to another, like any major change, was not without its short term challenges and it took the best part of 8 months to introduce and launch the new brand and products to our customers. In this short-term period, we anticipated that our revenue in this sector would be adversely affected and this proved to be the case and explains, together with the EU referendum result, the fall in our turnover and the subsequent fall in profit for the year. We anticipate that, having completed much of the hard work to launch the new brand, results will improve and we have realistic expectations that turnover and profit will increase back to the level of the previous year.

Given the nature of the business, the directors of the company are of the opinion that it is not necessary for this report to include an analysis using financial key performance indicators for a reader of the accounts to have an understanding of the development, performance or position of the business.

Future developments

We are hopeful that if the economy remains stable, trading conditions should remain positive and there will be opportunities as a result. Once again, we believe 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 and, given that some of our franchised products are manufactured overseas, exchange rates will also have an effect on our buying. Manufacturers competitively pricing their products will, without doubt, play a part in trading conditions. The UK economy overall looks now to be buoyant and hopefully this will continue. The willingness of banks to lend money to our customers to fund capital projects continues to be very important.

Our CASE franchise continues to perform well. The waste recycling sector as a whole is a volatile sector to operate in and changes in legislation can have significant effects on trade. Our decision to partner with the Terex Environmental Equipment range and also the Ecohog range of products makes our overall product offering to the recycling sector extremely diverse and comprehensive. We remain confident that the strength of all these brands, allied with the experience and reputation that we ourselves have as a dealer and service provider, will stand us in good stead going forward.

In addition, the hire side of the company's business continues to expand successfully.

Warwick Ward (Machinery) Limited

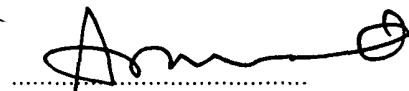
Strategic Report for the Year Ended 30 September 2016 (continued)

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; legislation surrounding the recycling sector; and exchange rate fluctuations, as would be the case for most businesses involved in importing and exporting in a price-driven market place.

Approved by the Board on 22 March 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'A Ward', written over a dotted line.

A Ward
Company secretary

Warwick Ward (Machinery) Limited

Directors' Report for the Year Ended 30 September 2016

The directors present their report and the financial statements for the year ended 30 September 2016.

Directors of the company

The directors who held office during the year were as follows:

A Ward

M Ward

Principal activity

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

Disclosure of information to the auditors

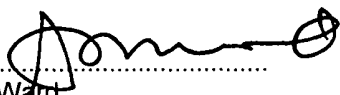
The directors of the company who held office at the date of the approval of this Annual Report as set out above confirm that:

- 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 22 March 2017 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 Annual 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;
- 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.

Warwick Ward (Machinery) Limited

Independent Auditor's Report to the Members

We have audited the financial statements of Warwick Ward (Machinery) Limited for the year ended 30 September 2016, set out on pages 8 to 20. 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 auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), 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 to the financial statements.

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 Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

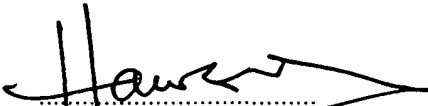
Warwick Ward (Machinery) Limited

Independent Auditor's Report to the Members (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.



Martin Weatherall (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
South Yorkshire
S10 2QD

22 March 2017

Warwick Ward (Machinery) Limited

Statement of Comprehensive Income for the Year Ended 30 September 2016

	Note	2016 £	2015 £
Turnover	2	22,859,023	27,399,141
Cost of sales		<u>(19,087,784)</u>	<u>(23,192,794)</u>
Gross profit		3,771,239	4,206,347
Administrative expenses		<u>(2,715,482)</u>	<u>(2,471,666)</u>
Operating profit	3	1,055,757	1,734,681
Other interest receivable and similar income		-	1,223
Interest payable and similar charges	4	<u>(45,852)</u>	<u>(27,177)</u>
Profit before tax		1,009,905	1,708,727
Taxation	7	<u>(197,424)</u>	<u>(332,320)</u>
Profit for the financial year		<u>812,481</u>	<u>1,376,407</u>
Total comprehensive income for the year		<u><u>812,481</u></u>	<u><u>1,376,407</u></u>

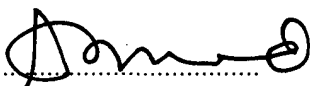
The above results were derived from continuing operations.

Warwick Ward (Machinery) Limited

(Registration number: 00988708)
Balance Sheet as at 30 September 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	2,195,160	1,430,330
Current assets			
Stocks	9	8,872,659	8,415,220
Debtors	10	3,685,998	3,784,329
Cash at bank and in hand		530,191	491,740
		<u>13,088,848</u>	<u>12,691,289</u>
Creditors: Amounts falling due within one year	11	<u>(10,763,515)</u>	<u>(7,542,038)</u>
Net current assets		<u>2,325,333</u>	<u>5,149,251</u>
Total assets less current liabilities		4,520,493	6,579,581
Creditors: Amounts falling due after more than one year	11	(1,549,693)	(1,421,262)
Provisions for liabilities	7	<u>(200,000)</u>	<u>(200,000)</u>
Net assets		<u>2,770,800</u>	<u>4,958,319</u>
Capital and reserves			
Called up share capital	13	9,999	9,999
Capital redemption reserve		1	1
Profit and loss account		<u>2,760,800</u>	<u>4,948,319</u>
Total equity		<u>2,770,800</u>	<u>4,958,319</u>

Approved and authorised for issue by the Board on 22 March 2017 and signed on its behalf by:



A Ward
Director

Warwick Ward (Machinery) Limited

Statement of Changes in Equity for the Year Ended 30 September 2016

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 October 2015	9,999	1	4,948,319	4,958,319
Profit for the year	-	-	812,481	812,481
Total comprehensive income	-	-	812,481	812,481
Dividends	-	-	(3,000,000)	(3,000,000)
At 30 September 2016	9,999	1	2,760,800	2,770,800

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 October 2014	10,000	-	4,461,913	4,471,913
Profit for the year	-	-	1,376,407	1,376,407
Total comprehensive income	-	-	1,376,407	1,376,407
Dividends	-	-	(890,000)	(890,000)
Purchase of own share capital	(1)	1	(1)	(1)
At 30 September 2015	9,999	1	4,948,319	4,958,319

The notes on pages 11 to 20 form an integral part of these financial statements.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company is a qualifying entity for the purposes of FRS 102 and has therefore taken advantage of the disclosure exemption available in FRS 102 not to prepare a cash flow statement.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax shall be recognised in respect of all timing differences at the reporting date, except as otherwise required by FRS102. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Tangible assets

Tangible fixed assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2016 (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets, less any estimated residual value over their estimated useful lives, 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% - 33% straight line
Hire machinery	33% straight line

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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 statement of comprehensive income.

Foreign currency transactions and balances

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.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2016 (continued)

2 Revenue

The analysis of the company's turnover for the year by class of business is as follows:

	2016 £	2015 £
Machines and parts	21,095,466	25,932,362
Hire and servicing	1,763,557	1,466,779
	<u>22,859,023</u>	<u>27,399,141</u>

The analysis of the company's turnover for the year by market is as follows:

	2016 £	2015 £
UK	20,876,399	25,515,643
Europe	1,295,889	1,188,225
Rest of world	686,735	695,273
	<u>22,859,023</u>	<u>27,399,141</u>

3 Operating profit

Arrived at after charging/(crediting):

	2016 £	2015 £
Auditors' remuneration - audit of the accounts	11,000	6,400
Foreign exchange losses/(gains)	11,656	(33,672)
Profit on disposal of tangible fixed assets	(237,563)	(114,549)
Depreciation of owned assets	51,404	54,699
Depreciation of assets held under finance lease and hire purchase contracts	<u>430,351</u>	<u>331,678</u>

4 Interest payable and similar charges

	2016 £	2015 £
Interest on obligations under finance leases and hire purchase contracts	<u>45,852</u>	<u>27,177</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2016 (continued)

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £	2015 £
Wages and salaries	2,513,106	2,493,624
Social security costs	255,359	264,336
Pension costs, defined contribution scheme	155,056	152,663
	<u>2,923,521</u>	<u>2,910,623</u>

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

	2016 No.	2015 No.
Production	41	36
Administration and support	35	31
	<u>76</u>	<u>67</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	216,517	347,683
Contributions paid to money purchase schemes	120,000	121,086
	<u>336,517</u>	<u>468,769</u>

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

	2016 No.	2015 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2016 £	2015 £
Remuneration	116,027	179,340
Company contributions to money purchase pension schemes	<u>60,000</u>	<u>60,543</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2016 (continued)

7 Taxation

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	197,000	303,000
UK corporation tax adjustment to prior periods	424	(680)
	<u>197,424</u>	<u>302,320</u>
Deferred taxation		
Arising from origination and reversal of timing differences	-	30,000
Tax expense in the income statement	<u>197,424</u>	<u>332,320</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20% (2015 - 20.5%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>1,009,905</u>	<u>1,708,727</u>
Corporation tax at standard rate	201,981	350,289
Effect of expense not deductible in determining taxable profit	10,280	4,689
Effect of tax losses	(3,682)	(14,305)
Other short-term timing differences	(10,370)	(6,653)
Effect of indexation allowance on capital gains	(1,484)	(538)
Other tax effects	699	(1,162)
Total tax charge	<u>197,424</u>	<u>332,320</u>

Deferred tax

Deferred tax assets and liabilities

	Liability £
2016	
Excess of capital allowances over depreciation	<u>200,000</u>
2015	
Excess of capital allowances over depreciation	<u>200,000</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2016 (continued)

8 Tangible assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Hire machinery £	Total £
Cost or valuation						
At 1 October 2015	579,662	109,358	162,815	370,703	988,833	2,211,371
Additions	51,652	-	5,279	65,718	1,776,372	1,899,021
Disposals	-	-	-	(69,621)	(846,646)	(916,267)
At 30 September 2016	<u>631,314</u>	<u>109,358</u>	<u>168,094</u>	<u>366,800</u>	<u>1,918,559</u>	<u>3,194,125</u>
Depreciation						
At 1 October 2015	192,086	90,282	155,552	129,194	213,927	781,041
Charge for the year	14,706	7,024	2,704	109,387	347,934	481,755
Eliminated on disposal	-	-	-	(27,707)	(236,124)	(263,831)
At 30 September 2016	<u>206,792</u>	<u>97,306</u>	<u>158,256</u>	<u>210,874</u>	<u>325,737</u>	<u>998,965</u>
Carrying amount						
At 30 September 2016	<u>424,522</u>	<u>12,052</u>	<u>9,838</u>	<u>155,926</u>	<u>1,592,822</u>	<u>2,195,160</u>
At 30 September 2015	<u>387,576</u>	<u>19,076</u>	<u>7,263</u>	<u>241,509</u>	<u>774,906</u>	<u>1,430,330</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2016 (continued)

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016 £	2015 £
Hire machinery	1,592,822	774,906
Motor vehicles	89,284	171,701
	<u>1,682,106</u>	<u>946,607</u>

9 Stocks

	2016 £	2015 £
Goods for resale	<u>8,872,659</u>	<u>8,415,220</u>

The cost of stocks recognised as an expense in the year amounted to £17,174,724 (2015 - £21,346,993).

10 Debtors

	2016 £	2015 £
Trade debtors	1,379,079	1,473,351
Other debtors	1,028,302	1,117,033
Prepayments and accrued income	<u>1,278,617</u>	<u>1,193,945</u>
	<u>3,685,998</u>	<u>3,784,329</u>

Details of non-current trade and other debtors

£717,783 (2015 - £858,000) of other debtors is classified as non current.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2016 (continued)

11 Creditors

	2016 £	2015 £
Due within one year		
Trade creditors	6,152,563	4,952,564
Obligations under finance lease and hire purchase contracts	635,357	381,680
Amounts due to group undertakings	2,767,755	755
Corporation tax	197,000	303,000
Other taxes and social security	148,480	540,869
Other creditors	446,190	352,103
Directors' current accounts	-	81,000
Accruals and deferred income	416,170	930,067
	<u>10,763,515</u>	<u>7,542,038</u>
Due after one year		
Obligations under finance lease and hire purchase contracts	831,910	563,262
Other creditors	717,783	858,000
	<u>1,549,693</u>	<u>1,421,262</u>

12 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	682,583	424,588
Later than one year and not later than five years	854,382	571,196
	<u>1,536,965</u>	<u>995,784</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	107,962	88,684
Later than one year and not later than five years	170,841	76,941
	<u>278,803</u>	<u>165,625</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £115,296 (2015 - £91,432).

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2016 (continued)

13 Share capital

Allotted, called up and fully paid shares

	No.	2016 £	No.	2015 £
Ordinary shares of £1 each	<u>9,999</u>	<u>9,999</u>	<u>9,999</u>	<u>9,999</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

14 Pension and other 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 £155,056 (2015 - £152,663).

Contributions totalling £12,313 (2015 - £1,971) were payable to the scheme at the end of the year and are included in creditors.

15 Commitments

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 £296,500 (2015- £201,000) within other creditors due within one year and £717,783 (2015- £858,000) within other creditors due after more than one year. The company has recognised the residual interests in goods of £1,014,283 (2015- £1,059,000) within other debtors.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2016 (continued)

16 Related party transactions

Loans from related parties

	Parent company £
2016	
At start of period	755
Loans made	3,000,000
Amounts repaid	<u>(233,000)</u>
At end of period	<u>2,767,755</u>
	Parent company £
2015	
Loans made	560,000
Amounts repaid	<u>(559,245)</u>
At end of period	<u>755</u>

17 Control

The company is controlled by its parent undertaking, Warwick Ward (Holdings) Limited, a company incorporated in England and Wales. Copies of the consolidated financial statements of Warwick Ward (Holdings) Limited can be obtained from Companies House.

The company has no ultimate controlling party.

18 Transition to FRS 102

This is the first year that the company has presented its results under FRS102. The last financial statements under previous UK GAAP were for the year ended 30 September 2015. The date of transition to FRS102 was 1 October 2014. The transition to FRS102 did not result in any changes in accounting policies and so there are no differences between the profit for the financial year ended 30 September 2015 and the total equity as at 1 October 2014 and 30 September 2015 under UK GAAP as previously reported and FRS102.