

Registration number: 00988708

Warwick Ward (Machinery) Limited

✓ Annual Report and Financial Statements

for the Year Ended 30 September 2018

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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 2018

The directors present their strategic report for the year ended 30 September 2018.

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.

Despite the continuing uncertainty around the scheduled imminent departure of the UK from the EU, the business has performed extremely well and the directors are delighted by these results, which demonstrate the robust nature of the business and its ability to adapt to volatile trading conditions.

As highlighted last year, the continuing weakness of sterling presents an ongoing challenge in terms of material costs and imports given that most of our franchise partners' goods are manufactured outside of the UK. The focus that has been placed on maximising efficiency within the business has reaped its reward in helping to keep the business lean and effective and we continue to drive this process forward.

It has been pleasing to see our Midlands division grow and gain further traction in the market with the move to newer, larger premises in Alcester and the investment in more people at that depot. The hope is that 2019 brings us further successful growth in this area with further exciting opportunities on the horizon.

Our Case business performed very well again this year and it was especially pleasing to see the growth forecasted on our Terex Ecotec recycling equipment franchise come to fruition with some very encouraging results and additional revenue generated in this sector. Our continued strong partnerships with Case, Terex and Ecohog 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 have as a dealer and service provider, will stand us in good stead going into this next financial year.

Our plant hire division also continues to perform well and complement our other product offerings.

The key performance indicators of the business are turnover, gross margin and net profit. Given the nature of the business, the directors are of the opinion that the financial statements, together with the review of the business above, provide sufficient analysis for an understanding of the development, performance and position of the business.

Future developments

The company will continue to invest both in infrastructure and facilities to make us as competitive and dynamic as possible. This last year has seen us upgrade and expand our office and workshop facilities, both at our head quarters in Barnsley and at Alcester in the Midlands. There are also some further exciting growth opportunities on the horizon that we are confident will come to fruition in the not too distant future, although as always our strategic approach remains to manage our risk in a prudent and pragmatic manner.

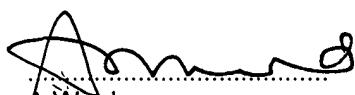
Warwick Ward (Machinery) Limited

Strategic Report for the Year Ended 30 September 2018 (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. These risks are broadly based around the sectors in which we operate remaining stable and that the demand for our products and services in these sectors continues. The signs at present are positive in this regard. Foreign exchange rates can affect the cost of materials; sometimes positively, other times negatively.

Approved by the Board on 7/2/19 and signed on its behalf by:



A Ward
Company secretary

Warwick Ward (Machinery) Limited

Directors' Report for the Year Ended 30 September 2018

The directors present their report and the audited financial statements for the year ended 30 September 2018.

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.

Directors' liabilities

The company has made qualifying third party indemnity provisions for the benefits of its directors which were made during the year and remain in force at the date of this report.

Disclosure of information to the auditors

Each director of the company who held office at the date of the approval of this Annual Report, as set out above, confirms 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 7/2/19 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Warwick Ward (Machinery) Limited

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

Opinion

We have audited the financial statements of Warwick Ward (Machinery) Limited (the 'company') for the year ended 30 September 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Warwick Ward (Machinery) Limited

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Warwick Ward (Machinery) Limited

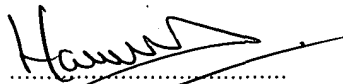
Independent Auditor's Report to the Members of Warwick Ward (Machinery) Limited (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.



Christopher Hill (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

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

Date: 1st February 2021

Warwick Ward (Machinery) Limited

Statement of Comprehensive Income for the Year Ended 30 September 2018

	Note	2018 £	2017 £
Turnover	2	23,994,237	27,603,533
Cost of sales		<u>(19,239,046)</u>	<u>(23,514,426)</u>
Gross profit		4,755,191	4,089,107
Administrative expenses		<u>(3,004,972)</u>	<u>(2,688,104)</u>
Operating profit	3	1,750,219	1,401,003
Interest payable and similar charges	4	<u>(152,684)</u>	<u>(243,215)</u>
Profit before tax		1,597,535	1,157,788
Taxation	7	<u>(312,663)</u>	<u>(215,000)</u>
Profit for the financial year		<u>1,284,872</u>	<u>942,788</u>
Total comprehensive income for the year		<u><u>1,284,872</u></u>	<u><u>942,788</u></u>

The above results were derived from continuing operations.

The notes on pages 12 to 22 form an integral part of these financial statements.

Warwick Ward (Machinery) Limited

(Registration number: 00988708)

Balance Sheet as at 30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	8	4,775,910	2,973,397
Current assets			
Stocks	9	10,442,150	9,908,006
Debtors	10	4,210,811	3,200,112
Cash at bank and in hand		48,788	1,069,124
		<u>14,701,749</u>	<u>14,177,242</u>
Creditors: Amounts falling due within one year	11	<u>(11,825,908)</u>	<u>(11,758,707)</u>
Net current assets		<u>2,875,841</u>	<u>2,418,535</u>
Total assets less current liabilities		7,651,751	5,391,932
Creditors: Amounts falling due after more than one year	11	(2,750,991)	(1,896,044)
Provisions for liabilities	7	<u>(320,000)</u>	<u>(200,000)</u>
Net assets		<u>4,580,760</u>	<u>3,295,888</u>
Capital and reserves			
Called up share capital	13	9,999	9,999
Capital redemption reserve		1	1
Profit and loss account		<u>4,570,760</u>	<u>3,285,888</u>
Total equity		<u>4,580,760</u>	<u>3,295,888</u>

Approved and authorised for issue by the Board on 7/2/19 and signed on its behalf by:



A Ward
Director

Warwick Ward (Machinery) Limited

Statement of Changes in Equity for the Year Ended 30 September 2018

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 October 2017	9,999	1	3,285,888	3,295,888
Profit for the year	-	-	1,284,872	1,284,872
Total comprehensive income	-	-	1,284,872	1,284,872
At 30 September 2018	9,999	1	4,570,760	4,580,760

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 October 2016	9,999	1	2,343,100	2,353,100
Profit for the year	-	-	942,788	942,788
Total comprehensive income	-	-	942,788	942,788
At 30 September 2017	9,999	1	3,285,888	3,295,888

The notes on pages 12 to 22 form an integral part of these financial statements.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

1 Accounting policies

Statutory information

Warwick Ward (Machinery) Limited is a private company, limited by shares, domiciled in England and Wales, company number 00988708. The registered office is at Blacker Hill Sidings, Blacker Hill, Barnsley, S74 0RE.

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' and the Companies Act 2006.

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.

Going concern

After due consideration of all relevant factors, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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 VAT.

Turnover is recognised when the significant risks and rewards of ownership are considered to have been transferred to the buyer.

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.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

1 Accounting policies (continued)

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.

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.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

1 Accounting policies (continued)

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.

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the tangible assets.

The company makes an estimate of the recoverable value of machine stock. When assessing impairment of machine stock, management considers factors including the current market environment, the ageing profile of the stock and historical experience. See note 9 for the net carrying amount of stock.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

2 Revenue

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

	2018 £	2017 £
Machines and parts	20,769,025	24,913,136
Hire and servicing	3,225,212	2,690,397
	<u>23,994,237</u>	<u>27,603,533</u>

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

	2018 £	2017 £
UK	20,388,876	24,433,599
Europe	2,690,850	1,666,455
Rest of world	914,511	1,503,479
	<u>23,994,237</u>	<u>27,603,533</u>

3 Operating profit

Arrived at after charging/(crediting):

	2018 £	2017 £
Auditors' remuneration - audit of the accounts	10,500	10,200
Foreign exchange losses	2,527	47,322
Profit on disposal of tangible fixed assets	(775,075)	(237,435)
Depreciation of owned assets	53,655	149,077
Depreciation of assets held under finance lease and hire purchase contracts	848,585	631,172

4 Interest payable and similar charges

	2018 £	2017 £
Interest on obligations under finance leases and hire purchase contracts	97,256	64,428
Other interest	55,428	178,787
	<u>152,684</u>	<u>243,215</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

5 Staff costs

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

	2018	2017
	£	£
Wages and salaries	2,908,090	2,574,451
Social security costs	323,553	284,122
Pension costs, defined contribution scheme	67,485	38,849
	<u>3,299,128</u>	<u>2,897,422</u>

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

	2018	2017
	No.	No.
Production	46	43
Administration and support	39	38
	<u>85</u>	<u>81</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018	2017
	£	£
Remuneration	<u>117,547</u>	<u>61,436</u>

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

	2018	2017
	No.	No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

7 Taxation

Tax charged/(credited) in the income statement:

	2018 £	2017 £
Current taxation		
UK corporation tax	190,000	215,000
UK corporation tax adjustment to prior periods	2,663	-
	<u>192,663</u>	<u>215,000</u>
Deferred taxation		
Arising from origination and reversal of timing differences	120,000	-
Tax expense in the income statement	<u>312,663</u>	<u>215,000</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.5%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	<u>1,597,535</u>	<u>1,157,788</u>
Corporation tax at standard rate	303,532	225,769
Effect of expense not deductible in determining taxable profit	4,868	2,602
Other short-term timing differences	4,056	(8,246)
Effect of indexation allowance on capital gains	(847)	(2,578)
Other tax effects	1,054	(2,547)
Total tax charge	<u>312,663</u>	<u>215,000</u>

Deferred tax

Deferred tax assets and liabilities

2018	Liability £
Excess of capital allowances over depreciation	<u>320,000</u>
2017	Liability £
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 2018 (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 2017	691,443	111,758	177,214	484,281	3,071,165	4,535,861
Additions	52,380	22,000	33,716	153,357	4,294,208	4,555,661
Disposals	-	(22,000)	-	(293,868)	(2,508,202)	(2,824,070)
At 30 September 2018	<u>743,823</u>	<u>111,758</u>	<u>210,930</u>	<u>343,770</u>	<u>4,857,171</u>	<u>6,267,452</u>
Depreciation						
At 1 October 2017	222,156	103,933	161,055	305,567	769,753	1,562,464
Charge for the year	18,185	6,663	8,029	63,688	805,675	902,240
Eliminated on disposal	-	(1,833)	-	(266,788)	(704,541)	(973,162)
At 30 September 2018	<u>240,341</u>	<u>108,763</u>	<u>169,084</u>	<u>102,467</u>	<u>870,887</u>	<u>1,491,542</u>
Carrying amount						
At 30 September 2018	<u>503,482</u>	<u>2,995</u>	<u>41,846</u>	<u>241,303</u>	<u>3,986,284</u>	<u>4,775,910</u>
At 30 September 2017	<u>469,287</u>	<u>7,825</u>	<u>16,159</u>	<u>178,714</u>	<u>2,301,412</u>	<u>2,973,397</u>

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

8 Tangible assets (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:

	2018 £	2017 £
Hire machinery	3,986,280	2,243,474
Motor vehicles	166,669	104,802
	<u>4,152,949</u>	<u>2,348,276</u>

9 Stocks

	2018 £	2017 £
Goods for resale	<u>10,442,150</u>	<u>9,908,006</u>

10 Debtors

	2018 £	2017 £
Trade debtors	2,548,410	1,218,286
Amounts owed by group undertakings	19,305	9,185
Other debtors	1,082,100	1,041,269
Prepayments and accrued income	560,996	931,372
	<u>4,210,811</u>	<u>3,200,112</u>

Details of non-current trade and other debtors

£901,986 (2017 - £859,283) of other debtors is classified as non current.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

11 Creditors

	2018 £	2017 £
Due within one year		
Trade creditors	6,085,177	7,702,898
Bank loans and overdrafts	477,846	251,146
Obligations under finance lease and hire purchase contracts	1,430,303	885,296
Corporation tax	190,000	212,233
Other taxes and social security	184,728	261,171
Other creditors	347,676	339,248
Directors' loan account	941,994	1,479,000
Accruals and deferred income	2,168,184	627,715
	<u>11,825,908</u>	<u>11,758,707</u>
Due after one year		
Obligations under finance lease and hire purchase contracts	1,849,005	1,036,761
Other creditors	901,986	859,283
	<u>2,750,991</u>	<u>1,896,044</u>

Within bank loans and overdrafts are short-term loans of £303,853 (2017 - £251,146) secured by an omnibus guarantee and fixed and floating charges over the company's property. Interest is payable at the Bank of England base rate plus 2% per annum.

12 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	1,512,613	936,829
Later than one year and not later than five years	1,906,703	1,060,572
	<u>3,419,316</u>	<u>1,997,401</u>

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

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

12 Obligations under leases and hire purchase contracts (continued)

Operating leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	149,485	109,510
Later than one year and not later than five years	273,932	85,210
	<u>423,417</u>	<u>194,720</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £171,798 (2017 - £137,753).

13 Share capital

Allotted, called up and fully paid shares

	No.	2018 £	No.	2017 £
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 £67,485 (2017 - £38,849).

Contributions totalling £20,075 (2017 - £5,193) 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 £168,103 (2017- £173,500) within other creditors due within one year and £901,986 (2017- £859,283) within other creditors due after more than one year. The company has recognised the residual interests in goods of £1,070,089 (2017- £1,032,783) within other debtors.

Warwick Ward (Machinery) Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

16 Related party transactions

Loans from related parties

	Parent company £	Key management £
2018		
At start of period	(9,185)	1,479,000
Loans made	(10,120)	10,000
Amounts repaid	-	(690,035)
Net interest paid	-	143,029
At end of period	<u>(19,305)</u>	<u>941,994</u>
	Parent company £	Key management £
2017		
At start of period	2,767,755	-
Loans made	-	1,479,000
Amounts repaid	<u>(2,776,940)</u>	<u>-</u>
At end of period	<u>(9,185)</u>	<u>1,479,000</u>

The loans from key management pay interest at 5% per annum and are repayable on demand.

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.