

Registration number: 00988708

# Warwick Ward (Machinery) Limited

Annual Report and Financial Statements  
for the Year Ended 30 September 2022



# **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 2022**

The directors present their strategic report for the year ended 30 September 2022.

#### **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 company still experiencing some supply chain issues, 2022 saw strong growth in sales of both machines and parts and hire and servicing.

As part of our growth strategy, we continue to strengthen our relationships with key suppliers, and we remain firmly established as a leading CASE dealer, with three depots in the North, Midlands, and South of mainland UK.

As a main dealer for their recycling equipment portfolio, our partnership with Terex Ecotec also remains very strong. It was pleasing to see the market for these recover from the COVID-19 pandemic in the year ended September 2021, and we have built on this, increasing our sales of Terex Ecotec machines in the year ended September 2022.

We also built on our partnership with crushing and screening equipment manufacturer Kestrack in the year, and were awarded distribution rights to additional territory in Scotland, adding to our established network in England and Wales. Our partnership with Kestrack has also seen sales growth in the year ended 30 September 2022, and we look forward to further strengthening this, and our relationships with each of our brand partners further over the coming years.

In addition to the above, our plant hire division continues to perform well and complement our other product offerings, along with our long standing used equipment, service and parts business which are all delivering strong results.

During the year, we opened our fourth site, a Centre of Excellence near our headquarters in Barnsley. This provides the business with additional office and workshop space and facilities to support our ongoing expansion and growth, focussing on the supply and distribution of new Case and Terex Ecotec products.

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**

There continues to be consideration to adding a further depot in the North East of England, as demand may dictate the need. As always, our strategic approach remains to manage our risk in a prudent and pragmatic manner.

#### **Principal risks and uncertainties**

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

There is a risk of a decline in demand within one or more of the sectors we operate in. To mitigate against this risk, we offer a diverse range of new and used goods, and offer both the sale and hire of goods, allowing us to be flexible with industry trends as required.

There is also a risk that foreign exchange rates could negatively impact upon the cost of materials and whole-goods. To mitigate against this, we monitor rates and trends and have the ability to fix rates on whole-goods we purchase in advance, as needed.

## Warwick Ward (Machinery) Limited

### Strategic Report for the Year Ended 30 September 2022 (continued)

#### Section 172(1) Statement

As a Board, we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be the most likely to promote the company's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the company and its stakeholders. This statement addresses the ways in which we as a Board fulfil this responsibility.

#### *Promoting the company's success for its members*

Warwick Ward Limited is a family owned business, being owned by the Ward family since its incorporation in 1970. We pride ourselves on maintaining strong relationships with both our internal and external stakeholders. The company assesses the likely impact of long term decisions to ensure continued growth and stability for its members.

#### *Engaging with stakeholders*

Our company values are intrinsically woven into our approach to our stakeholders. These values reflect what the business holds key to our success and how the business and its team should act towards its stakeholders:

- Passion and Commitment - We take pride in our business and are committed to its mission and values.
- Integrity - We do what we say we will do, honestly, ethically, and respectfully.
- Innovation - We are all driven to find the best solution, collaboratively challenging convention.
- Accountability - We are all directly responsible for results, owning everything we do.
- Family and Fun - We are a family business, and ensure our team is treated as an extended family. Our business is a serious one, but we don't always have to be, we don't forget to have fun!

#### *Our Team members*

It is a little bit of a cliché to say "our people are our greatest asset." However, the business has gone from strength to strength over the last 50 years, which would not have been possible without the right team and culture. Some of our team members have been here for 35 years, and with engagement, dedication and focus they have grown our business. Retention and recruitment are essential, and we achieve this by:

- Having a great place to work, with a small family feel, backed up by a large company status.
- Rewarding success and loyalty through numerous incentive schemes.
- Engaging with the full team through numerous two-way communication streams.
- Training and continuously developing to recognised qualifications or on-the-job training, we ensure every team member takes part in structured training each year.

#### *Our business partners*

As evidenced in our core values, our reputation is based on a fair, honest, committed, and accountable approach. This delivers a customer centric service, returning customers, and long-established supplier relationships.

With a "small family feel," this personal approach is evident throughout our dealings with our business partners. They receive dedicated one to one focus, each customer/supplier whatever their size is treated with the same importance and efficiency.

#### *Our Community*

We have operated in our local community for over 50 years. Our brand is well known in the community through being a key employer in the local area, and through our investment in the local communities, via our charitable events, work and donations.

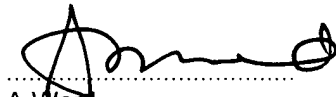
## Warwick Ward (Machinery) Limited

### Strategic Report for the Year Ended 30 September 2022 (continued)

#### *Our World*

We recognise that climate change is one of the most serious environmental challenges currently threatening the world, and we all have a role to play in reducing our environmental footprint. In order to achieve this we have developed a environment policy that will see significant year on year reductions. This includes the conversion of our fleet to more environmentally friendly alternatives.

Approved by the Board on 10/3/23 and signed on its behalf by:

  
.....  
A Ward  
Director

## Warwick Ward (Machinery) Limited

### Directors' Report for the Year Ended 30 September 2022

The directors present their report and the audited financial statements for the year ended 30 September 2022.

#### 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.

#### Streamlined Energy and Carbon Reporting

Statement of carbon emissions compliant with UK legislation set out in the Streamlined Energy and Carbon Reporting (SECR) covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and energy efficiency actions:

| Aspect                                                                       | 2022         |               |
|------------------------------------------------------------------------------|--------------|---------------|
|                                                                              | Energy (kWh) | CO2e (tonnes) |
| <b>Scope 1 Emissions</b>                                                     |              |               |
| Company vehicles, grey fleet, natural gas, diesel, LPG, propane and kerosene | 2,050,036    | 662           |
| <b>Scope 2 Emissions</b>                                                     |              |               |
| Purchased electricity                                                        | 195,275      | 57            |
| <b>Scope 3 Emissions</b>                                                     |              |               |
| Optional - not covered                                                       | -            | -             |
| Totals                                                                       | 2,245,311    | 719           |
| <b>Intensity Metric</b>                                                      |              | <b>2022</b>   |
| Kg of total CO2e per £1,000 turnover                                         |              | 14.45         |

As this is the first year that the company is subject to the SECR scheme, the data covers the current financial year only. In subsequent years, the directors will report on both the current and the previous year.

#### Carbon and Energy Efficiency Actions

We are committed to responsible carbon management and will practise energy efficiency throughout our organisation, wherever it is cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

We have implemented the policies below for the purpose of increasing the businesses energy efficiency in the relevant financial year.

- Moved to remote home working and reduced travel.
- Implemented and encouraged use of video conferencing.
- Commenced a replacement programme to more energy efficient vehicles in our fleet.
- Introduced a driver efficiency programme to ensure the optimisation of fuel usage.

## Warwick Ward (Machinery) Limited

### Directors' Report for the Year Ended 30 September 2022 (continued)

#### **Methodology used in the calculation of disclosures**

ESOS methodology (as specified in Complying with the Energy Savings Opportunity Scheme version 6, published by the Environment Agency, 21.01.21) used in conjunction with Government GHG reporting conversion factors.

For carbon only related matters, the SECR methodology as specified in "Environmental Reporting Guidelines: including Streamlined Energy and Carbon Reporting and Greenhouse Gas reporting" was used in conjunction with Government GHG reporting conversion factors.

#### **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**

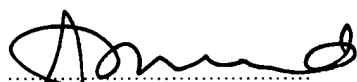
Each director of the company who held office at the date of the approval of this Annual Report, as set out above, confirms that:

- 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 10/3/23 and signed on its behalf by:



A Ward  
Director

## **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 2022, 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 2022 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 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 or 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 directors' responsibilities statement set out on page 7, 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the company and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006 and Health and Safety regulations. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

## Warwick Ward (Machinery) Limited

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

- Discussions with management and those responsible for legal compliance procedures within the company to obtain an understanding of the legal and regulatory framework applicable to the company and how the company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Board meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for](http://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for). This description forms part of our auditor's report.

#### 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: 10<sup>th</sup> March 2023

## Warwick Ward (Machinery) Limited

### Statement of Comprehensive Income for the Year Ended 30 September 2022

|                                         | Note | 2022<br>£               | 2021<br>£               |
|-----------------------------------------|------|-------------------------|-------------------------|
| Turnover                                | 2    | 49,764,120              | 37,105,210              |
| Cost of sales                           |      | <u>(42,342,092)</u>     | <u>(30,962,027)</u>     |
| Gross profit                            |      | 7,422,028               | 6,143,183               |
| Administrative expenses                 |      | (4,497,061)             | (3,905,772)             |
| Other operating income                  | 3    | <u>-</u>                | <u>195,974</u>          |
| Operating profit                        | 4    | 2,924,967               | 2,433,385               |
| Interest payable and similar expenses   | 5    | <u>(618,394)</u>        | <u>(462,040)</u>        |
| Profit before tax                       |      | 2,306,573               | 1,971,345               |
| Tax on profit                           | 9    | <u>(509,273)</u>        | <u>(680,196)</u>        |
| Profit for the financial year           |      | <u>1,797,300</u>        | <u>1,291,149</u>        |
| Total comprehensive income for the year |      | <u><u>1,797,300</u></u> | <u><u>1,291,149</u></u> |

The above results were derived from continuing operations.

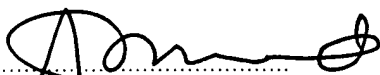
# Warwick Ward (Machinery) Limited

(Registration number: 00988708)

## Balance Sheet as at 30 September 2022

|                                                                | Note | 2022<br>£           | 2021<br>£           |
|----------------------------------------------------------------|------|---------------------|---------------------|
| <b>Fixed assets</b>                                            |      |                     |                     |
| Tangible assets                                                | 10   | 10,214,648          | 9,707,150           |
| <b>Current assets</b>                                          |      |                     |                     |
| Stocks                                                         | 11   | 22,382,924          | 18,255,542          |
| Debtors                                                        | 12   | 9,161,478           | 7,512,323           |
| Cash at bank and in hand                                       |      | 3,798,845           | 1,798,526           |
|                                                                |      | <u>35,343,247</u>   | <u>27,566,391</u>   |
| <b>Creditors: Amounts falling due within one year</b>          | 13   | <u>(30,552,308)</u> | <u>(24,106,552)</u> |
| <b>Net current assets</b>                                      |      | <u>4,790,939</u>    | <u>3,459,839</u>    |
| <b>Total assets less current liabilities</b>                   |      | 15,005,587          | 13,166,989          |
| <b>Creditors: Amounts falling due after more than one year</b> | 13   | (4,383,927)         | (4,627,629)         |
| <b>Provisions for liabilities</b>                              | 9    | <u>(1,555,000)</u>  | <u>(1,270,000)</u>  |
| <b>Net assets</b>                                              |      | <u>9,066,660</u>    | <u>7,269,360</u>    |
| <b>Capital and reserves</b>                                    |      |                     |                     |
| Called up share capital                                        | 15   | 9,999               | 9,999               |
| Capital redemption reserve                                     |      | 1                   | 1                   |
| Profit and loss account                                        |      | <u>9,056,660</u>    | <u>7,259,360</u>    |
| <b>Total equity</b>                                            |      | <u>9,066,660</u>    | <u>7,269,360</u>    |

Approved and authorised for issue by the Board on 10/3/23 and signed on its behalf by:



A Ward

Director

# Warwick Ward (Machinery) Limited

## Statement of Changes in Equity for the Year Ended 30 September 2022

|                            | Share capital<br>£ | Capital<br>redemption<br>reserve<br>£ | Profit and<br>loss account<br>£ | Total<br>£ |
|----------------------------|--------------------|---------------------------------------|---------------------------------|------------|
| At 1 October 2021          | 9,999              | 1                                     | 7,259,360                       | 7,269,360  |
| Profit for the year        | -                  | -                                     | 1,797,300                       | 1,797,300  |
| Total comprehensive income | -                  | -                                     | 1,797,300                       | 1,797,300  |
| At 30 September 2022       | 9,999              | 1                                     | 9,056,660                       | 9,066,660  |

|                            | Share capital<br>£ | Capital<br>redemption<br>reserve<br>£ | Profit and<br>loss account<br>£ | Total<br>£ |
|----------------------------|--------------------|---------------------------------------|---------------------------------|------------|
| At 1 October 2020          | 9,999              | 1                                     | 6,128,211                       | 6,138,211  |
| Profit for the year        | -                  | -                                     | 1,291,149                       | 1,291,149  |
| Total comprehensive income | -                  | -                                     | 1,291,149                       | 1,291,149  |
| Dividends                  | -                  | -                                     | (160,000)                       | (160,000)  |
| At 30 September 2021       | 9,999              | 1                                     | 7,259,360                       | 7,269,360  |

# **Warwick Ward (Machinery) Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2022**

### **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.

Revenue from the sale of goods is recognised when the customer takes delivery of the goods or, otherwise, where the company has substantially discharged its performance obligations under the sale and control of the goods has passed to the customer through payment for the goods.

Revenue from the servicing and maintenance of machines is recognised by reference to the stage of completion, which is measured by performance of the service against an expected programme of service.

Revenue from the hire of machines is recognised in the period to which the provision of hire relates.

## Warwick Ward (Machinery) Limited

### Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

#### 1 Accounting policies (continued)

##### Government grants

Government grants for assistance of a revenue nature are credited to the income statement in the same period as the related expenditure.

##### 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.

##### 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.

## **Warwick Ward (Machinery) Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)**

#### **1 Accounting policies (continued)**

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### **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 2022 (continued)

#### 1 Accounting policies (continued)

##### 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 10 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 11 for the net carrying amount of stock.

#### 2 Revenue

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

|                    | 2022<br>£         | 2021<br>£         |
|--------------------|-------------------|-------------------|
| Machines and parts | 44,614,323        | 32,793,378        |
| Hire and servicing | 5,149,797         | 4,311,832         |
|                    | <u>49,764,120</u> | <u>37,105,210</u> |

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

|               | 2022<br>£         | 2021<br>£         |
|---------------|-------------------|-------------------|
| UK            | 46,519,697        | 34,695,404        |
| Europe        | 2,644,051         | 1,520,375         |
| Rest of world | 600,372           | 889,431           |
|               | <u>49,764,120</u> | <u>37,105,210</u> |

## Warwick Ward (Machinery) Limited

### Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

#### 3 Other operating income

The analysis of the company's other operating income for the year is as follows:

|                              | 2022<br>£ | 2021<br>£      |
|------------------------------|-----------|----------------|
| Government grants receivable | <u>-</u>  | <u>195,974</u> |

#### 4 Operating profit

Arrived at after charging/(crediting):

|                                                                             | 2022<br>£      | 2021<br>£      |
|-----------------------------------------------------------------------------|----------------|----------------|
| Foreign exchange gains                                                      | (4,779)        | (29,195)       |
| Profit on disposal of tangible fixed assets                                 | (522,713)      | (919,443)      |
| Depreciation of owned assets                                                | 300,055        | 285,614        |
| Depreciation of assets held under finance lease and hire purchase contracts | <u>823,834</u> | <u>495,531</u> |

#### 5 Interest payable and similar charges

|                                                                          | 2022<br>£      | 2021<br>£      |
|--------------------------------------------------------------------------|----------------|----------------|
| Interest on obligations under finance leases and hire purchase contracts | 307,222        | 273,464        |
| Other interest                                                           | <u>311,172</u> | <u>188,576</u> |
|                                                                          | <u>618,394</u> | <u>462,040</u> |

#### 6 Auditors' remuneration

|                                   | 2022<br>£     | 2021<br>£     |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | <u>15,500</u> | <u>14,500</u> |
| <b>Other fees to auditors</b>     |               |               |
| Taxation compliance services      | 6,500         | 6,200         |
| All other non-audit services      | <u>25,450</u> | <u>22,500</u> |
|                                   | <u>31,950</u> | <u>28,700</u> |

# Warwick Ward (Machinery) Limited

## Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

### 7 Staff costs

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

|                                            | 2022<br>£        | 2021<br>£        |
|--------------------------------------------|------------------|------------------|
| Wages and salaries                         | 4,164,882        | 3,670,511        |
| Social security costs                      | 483,611          | 374,030          |
| Pension costs, defined contribution scheme | 181,438          | 111,920          |
|                                            | <u>4,829,931</u> | <u>4,156,461</u> |

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

|                            | 2022<br>No. | 2021<br>No. |
|----------------------------|-------------|-------------|
| Production                 | 57          | 51          |
| Administration and support | 59          | 53          |
|                            | <u>116</u>  | <u>104</u>  |

### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

|                                              | 2022<br>£     | 2021<br>£     |
|----------------------------------------------|---------------|---------------|
| Remuneration                                 | 32,723        | 27,759        |
| Contributions paid to money purchase schemes | 60,214        | -             |
|                                              | <u>92,937</u> | <u>27,759</u> |

### 9 Taxation

Tax charged/(credited) in the income statement:

|                                                             | 2022<br>£      | 2021<br>£      |
|-------------------------------------------------------------|----------------|----------------|
| <b>Current taxation</b>                                     |                |                |
| UK corporation tax                                          | 225,000        | 45,196         |
| UK corporation tax adjustment to prior periods              | (727)          | -              |
|                                                             | <u>224,273</u> | <u>45,196</u>  |
| <b>Deferred taxation</b>                                    |                |                |
| Arising from origination and reversal of timing differences | 285,000        | 635,000        |
| Tax expense in the income statement                         | <u>509,273</u> | <u>680,196</u> |

# Warwick Ward (Machinery) Limited

## Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

### 9 Taxation (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

|                                                                | 2022<br>£        | 2021<br>£        |
|----------------------------------------------------------------|------------------|------------------|
| Profit before tax                                              | <u>2,306,573</u> | <u>1,971,345</u> |
| Corporation tax at standard rate                               | 438,249          | 374,556          |
| Effect of expense not deductible in determining taxable profit | 8,062            | 7,344            |
| Deferred tax expense relating to changes in tax rates or laws  | 68,234           | 304,903          |
| Other tax effects                                              | <u>(5,272)</u>   | <u>(6,607)</u>   |
| Total tax charge                                               | <u>509,273</u>   | <u>680,196</u>   |

### Deferred tax

Deferred tax assets and liabilities

| 2022                                           | Liability<br>£   |
|------------------------------------------------|------------------|
| Excess of capital allowances over depreciation | <u>1,555,000</u> |
| 2021                                           | Liability<br>£   |
| Excess of capital allowances over depreciation | <u>1,270,000</u> |

Deferred tax has been calculated using a tax rate of 25% (2021 - 25%).

**Warwick Ward (Machinery) Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)**

**10 Tangible assets**

|                          | Freehold land<br>and buildings<br>£ | Hire<br>Machinery<br>£ | Fixtures and<br>fittings<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Total<br>£        |
|--------------------------|-------------------------------------|------------------------|-------------------------------|-----------------------------|------------------------|-------------------|
| <b>Cost or valuation</b> |                                     |                        |                               |                             |                        |                   |
| At 1 October 2021        | 756,308                             | 10,317,467             | 303,685                       | 180,639                     | 581,063                | 12,139,162        |
| Additions                | 86,420                              | 5,323,597              | 37,800                        | 109,427                     | 71,196                 | 5,628,440         |
| Disposals                | -                                   | (5,019,819)            | -                             | -                           | (84,502)               | (5,104,321)       |
| At 30 September 2022     | <u>842,728</u>                      | <u>10,621,245</u>      | <u>341,485</u>                | <u>290,066</u>              | <u>567,757</u>         | <u>12,663,281</u> |
| <b>Depreciation</b>      |                                     |                        |                               |                             |                        |                   |
| At 1 October 2021        | 284,977                             | 1,479,965              | 238,267                       | 123,332                     | 305,471                | 2,432,012         |
| Charge for the year      | 15,381                              | 948,277                | 29,907                        | 23,404                      | 106,920                | 1,123,889         |
| Eliminated on disposal   | -                                   | (1,047,935)            | -                             | -                           | (59,333)               | (1,107,268)       |
| At 30 September 2022     | <u>300,358</u>                      | <u>1,380,307</u>       | <u>268,174</u>                | <u>146,736</u>              | <u>353,058</u>         | <u>2,448,633</u>  |
| <b>Carrying amount</b>   |                                     |                        |                               |                             |                        |                   |
| At 30 September 2022     | <u>542,370</u>                      | <u>9,240,938</u>       | <u>73,311</u>                 | <u>143,330</u>              | <u>214,699</u>         | <u>10,214,648</u> |
| At 30 September 2021     | <u>471,331</u>                      | <u>8,837,502</u>       | <u>65,418</u>                 | <u>57,307</u>               | <u>275,592</u>         | <u>9,707,150</u>  |

## Warwick Ward (Machinery) Limited

### Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

#### 10 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:

|                     | 2022<br>£        | 2021<br>£        |
|---------------------|------------------|------------------|
| Hire machinery      | 6,879,861        | 7,893,315        |
| Motor vehicles      | 20,533           | 29,547           |
| Plant and machinery | 30,450           | 39,150           |
|                     | <u>6,930,844</u> | <u>7,962,012</u> |

#### 11 Stocks

|                  | 2022<br>£         | 2021<br>£         |
|------------------|-------------------|-------------------|
| Goods for resale | <u>22,382,924</u> | <u>18,255,542</u> |

#### 12 Debtors

|                                    | 2022<br>£        | 2021<br>£        |
|------------------------------------|------------------|------------------|
| Trade debtors                      | 3,902,517        | 3,891,145        |
| Amounts owed by group undertakings | 40,677           | 40,677           |
| Directors loan accounts            | 295,449          | 10,433           |
| Other debtors                      | 1,333,316        | 1,197,935        |
| Prepayments and accrued income     | <u>3,589,519</u> | <u>2,372,133</u> |
|                                    | <u>9,161,478</u> | <u>7,512,323</u> |

Within trade creditors and prepayments are amounts invoiced by suppliers for goods where the risks and rewards of ownership of the goods had not transferred to the company at the balance sheet date.

##### Details of non-current trade and other debtors

£1,005,415 (2021 - £690,058) of other debtors is classified as non current.

## Warwick Ward (Machinery) Limited

### Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

#### 13 Creditors

|                                                             | 2022<br>£         | 2021<br>£         |
|-------------------------------------------------------------|-------------------|-------------------|
| <b>Due within one year</b>                                  |                   |                   |
| Trade creditors                                             | 20,931,317        | 18,196,283        |
| Obligations under finance lease and hire purchase contracts | 2,525,786         | 2,542,306         |
| Corporation tax                                             | 221,609           | 805               |
| Other taxes and social security                             | 245,306           | 119,704           |
| Other creditors                                             | 4,744,125         | 1,017,549         |
| Directors' loan account                                     | -                 | 4,351             |
| Accruals and deferred income                                | 1,884,165         | 2,225,554         |
|                                                             | <u>30,552,308</u> | <u>24,106,552</u> |
| <b>Due after one year</b>                                   |                   |                   |
| Obligations under finance lease and hire purchase contracts | 3,378,512         | 3,937,571         |
| Other creditors                                             | 1,005,415         | 690,058           |
|                                                             | <u>4,383,927</u>  | <u>4,627,629</u>  |

Within other creditors due within one year is £1,946,094 (2021 - £248,987) due under a stock finance arrangement secured on certain of the company's stock. Interest is paid at a rate of 3.583%.

Within other creditors due within one year is £2,025,402 (2021 - £nil) due under a second stock finance arrangement secured on certain of the company's stock. Interest is paid at a rate of 3.5% over base.

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

Within trade creditors and prepayments are amounts invoiced by suppliers for goods where the risks and rewards of ownership of the goods had not transferred to the company at the balance sheet date.

#### 14 Obligations under leases and hire purchase contracts

##### Finance leases

The total of future minimum lease payments is as follows:

|                                                   | 2022<br>£        | 2021<br>£        |
|---------------------------------------------------|------------------|------------------|
| Not later than one year                           | 2,713,248        | 2,639,619        |
| Later than one year and not later than five years | 3,568,439        | 4,109,169        |
|                                                   | <u>6,281,687</u> | <u>6,748,788</u> |

## Warwick Ward (Machinery) Limited

### Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

#### 14 Obligations under leases and hire purchase contracts (continued)

##### Operating leases

The total of future minimum lease payments is as follows:

|                                                   | 2022<br>£      | 2021<br>£      |
|---------------------------------------------------|----------------|----------------|
| Not later than one year                           | 299,076        | 278,304        |
| Later than one year and not later than five years | 560,545        | 281,507        |
| Later than five years                             | 113,509        | -              |
|                                                   | <u>973,130</u> | <u>559,811</u> |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £370,637 (2021 - £325,703).

#### 15 Share capital

##### Allotted, called up and fully paid shares

|                            | No.          | 2022<br>£    | No.          | 2021<br>£    |
|----------------------------|--------------|--------------|--------------|--------------|
| 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.

#### 16 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 £181,438 (2021 - £111,920).

Contributions totalling £42,729 (2021 - £17,825) were payable to the scheme at the end of the year and are included in creditors.

# Warwick Ward (Machinery) Limited

## Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

### 17 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 £261,806 (2021- £305,499) within other creditors due within one year and £1,005,415 (2021- £690,058) within other creditors due after more than one year. The company has recognised the residual interests in goods of £1,267,221 (2021- £995,557) within other debtors.

### 18 Related party transactions

#### Loans to related parties

|                    | Parent<br>company<br>£ |
|--------------------|------------------------|
| <b>2022</b>        |                        |
| At start of period | 40,667                 |
| At end of period   | 40,667                 |
|                    | Parent<br>company<br>£ |
| <b>2021</b>        |                        |
| At start of period | 40,667                 |
| Advanced           | 160,000                |
| Repaid             | (160,000)              |
| At end of period   | 40,667                 |

#### Advances or credits granted to directors

|                                | At 1 October<br>2021<br>£ | Advances to<br>directors<br>£ | Repayments<br>by director<br>£ | At 30<br>September<br>2022<br>£ |
|--------------------------------|---------------------------|-------------------------------|--------------------------------|---------------------------------|
| <b>2022</b>                    |                           |                               |                                |                                 |
| <b>A Ward</b>                  |                           |                               |                                |                                 |
| Amounts due from/(to) director | 10,433                    | 161,500                       | (22,493)                       | 149,440                         |
| <b>M Ward</b>                  |                           |                               |                                |                                 |
| Amounts due from/(to) director | (4,351)                   | 181,000                       | (30,640)                       | 146,009                         |

## **Warwick Ward (Machinery) Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)**

#### **19 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.