Company Registration Number – 2602321

REGISTRARS COPY

MASSEY TRUCK ENGINEERING LIMITED

ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2000



WOFFENDENS

Chartered Accountants

MASSEY TRUCK ENGINEERING LIMITED

ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2000

COMPANY NUMBER

2602321

DIRECTORS

S J Brooks
P L Brooks

SECRETARY

J Willis

REGISTERED OFFICE

Station Road
Halfway
Sheffield

SOLICITORS

Blackburn & Co
Sheffield

AUDITORS

Woffendens
Barnsley

BANKERS

National Westminster Bank plc
Sheffield

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MASSEY TRUCK ENGINEERING LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the company will be held at Station Road, Halfway, Sheffield on 14 February 2001 at 12.00 noon to transact the following business :

1. To receive the financial statements for the year ended 30 September 2000 and the directors' and auditors' reports thereon.
2. To declare dividends.
3. To elect directors.
4. To appoint the auditors of the company and to authorise the directors to fix their remuneration.
5. To transact any other ordinary business.

By order of the board

8 January 2001 J WILLIS

Sheffield Secretary

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, on a poll, in his stead. A proxy need not also be a member of the company.

MASSEY TRUCK ENGINEERING LIMITED

DIRECTORS' REPORT

1. **RESULTS AND DIVIDENDS**

	£
The profit for the financial year after taxation was	794,357
Interim dividends totalling £0.12 per share were paid on the 'A' ordinary shares.	2,250
The directors now recommend final dividends of :-	
£3.12 on the ordinary shares	234,000
£3 per share on the 'A' ordinary shares	56,250
Making total dividends for the year of	292,500
Leaving a balance of profit for the year to be carried forward	501,857

2. ***REVIEW OF THE BUSINESS***

The principal activity of the company in the year was the manufacture and repair of commercial vehicle bodies.

The directors consider the level of activity and the year end financial position to be satisfactory.

3. **DIRECTORS**

The directors at the end of the year and their beneficial interests in the shares of the company were as follows:

	Ordinary shares	
	30. 9.00	3.10.99
S J Brooks	40,625	40,625
P L Brooks	15,625	15,625

The directors non-beneficial interests in the shares of the company were as follows:

S J Brooks	18,750	18,750
P L Brooks	18,750	18,750

The directors are not required to retire by rotation.

MASSEY TRUCK ENGINEERING LIMITED

DIRECTORS' REPORT

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4. **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:—

* select suitable accounting policies and then apply them consistently;
* make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

5. **FIXED ASSETS**

Movements in fixed assets are shown in note 9 to the financial statements.

6. **INTRODUCTION OF THE EURO**

The company neither imports nor exports a significant volume of goods, nor engages in trade with any customers or suppliers that have indicated any intention to require invoices to be denominated in Euro. At present therefore there are no anticipated costs expected in association with any potential changes arising from the introduction of the Euro.

7. **POLITICAL AND CHARITABLE DONATIONS**

During the year, the company made donations for charitable purposes totalling £9206.

8. **STATUS**

The company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

9. **AUDITORS**

A resolution to re-appoint the auditors, Woffendens, will be proposed at the annual general meeting.

By order of the board

8 January 2001

J WILLIS

Secretary



AUDITORS' REPORT TO THE SHAREHOLDERS OF

MASSEY TRUCK ENGINEERING LIMITED

We have audited the financial statements on pages 6 to 16 which have been prepared under the historical cost convention, and in accordance with applicable accounting standards and the accounting policies as set out on page 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 September 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

8 January 2001

WOFFENDENS

Chartered Accountants
Registered Auditors

Barnsley

MASSEY TRUCK ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2000

	Notes	2000 £	1999 £
TURNOVER	2	8,330,854	7,358,154
Cost of sales		6,263,588	5,390,266
GROSS PROFIT		2,067,266	1,967,888
Administrative expenses		1,004,778	1,002,196
OPERATING PROFIT		1,062,488	965,692
Interest receivable and similar income	4	97,455	69,662
		1,159,943	1,035,354
Interest payable	5	6,279	3,251
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	1,153,664	1,032,103
Tax on ordinary activities	7	359,307	319,023
PROFIT FOR THE FINANCIAL YEAR		794,357	713,080
Dividends	8	292,500	210,375
RETAINED PROFIT FOR THE YEAR		501,857	502,705

All amounts relate to continuing operations.

The company has no recognised gains or losses other than those shown above.

MASSEY TRUCK ENGINEERING LIMITED

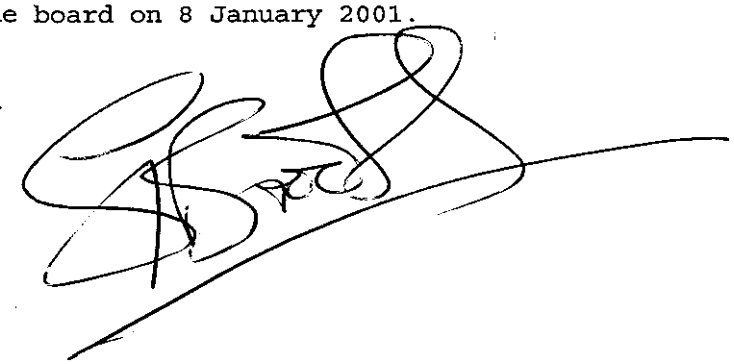
BALANCE SHEET

30 SEPTEMBER 2000

	Notes	2000 £	2000 £	1999 £	1999 £
FIXED ASSETS					
Tangible assets	9		1,502,763		1,171,541
CURRENT ASSETS					
Stocks	10	527,393		593,939	
Debtors	11	1,059,727		985,799	
Cash at bank and in hand		1,867,728		1,617,433	
		3,454,848		3,197,171	
CREDITORS – Amounts falling due within one year	12	1,887,806		1,750,197	
NET CURRENT ASSETS			1,567,042		1,446,974
TOTAL ASSETS LESS CURRENT LIABILITIES			3,069,805		2,618,515
CREDITORS – Amounts falling due after more than one year	12	99,675		139,545	
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	13	28,210		38,907	
			127,885		178,452
NET ASSETS			2,941,920		2,440,063
CAPITAL AND RESERVES					
Called up share capital	14		93,750		93,750
Capital redemption reserve	15		56,250		56,250
Profit and loss account	15		2,791,920		2,290,063
SHAREHOLDERS' FUNDS	16		2,941,920		2,440,063

These accounts were approved by the board on 8 January 2001.

S J BROOKS) Director



MASSEY TRUCK ENGINEERING LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30 SEPTEMBER 2000

	Notes	2000 £	2000 £	1999 £	1999 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	17		1,208,106		1,116,100
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		97,455		69,662	
Interest paid		(6,279)		(3,251)	
			91,176		66,411
TAXATION					
Corporation tax paid (including advance corporation tax)			(292,162)		(363,642)
CAPITAL EXPENDITURE					
Sale of tangible fixed assets		29,380		59,900	
Purchase of tangible fixed assets		(535,960)		(363,756)	
			(506,580)		(303,856)
EQUITY DIVIDENDS PAID			(210,375)		(172,500)
FINANCING					
Hire purchase advances		-		199,350	
Hire purchase liability repaid		(39,870)		(19,935)	
			(39,870)		179,415
INCREASE IN CASH	18		250,295		521,928

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2000

1. ACCOUNTING POLICIES

Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Tangible fixed assets and depreciation
Tangible assets, other than freehold land, are depreciated by equal annual instalments over their estimated useful lives as follows :-

Freehold buildings	- 25 years
Long leasehold buildings	- equal instalments over the lease term
Plant and machinery	- 8 years
Fixtures and fittings	- 5 years and 3 years
Motor vehicles	- 3 years

Stocks
Stocks are stated at the lower of cost and net realisable value using the first in/first out method.

Cost comprises the direct cost of production and the attributable proportion of all overheads appropriate to location and condition. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

Leases and hire purchase contracts
Assets held under finance leases and hire purchase contracts are capitalised as tangible fixed assets and the obligation to pay future rentals under such leases and contracts is included in creditors. Payments in respect of the finance charge element of the leases and contracts are charged to profit and loss account so as fairly to apportion the charge over the duration of the leases and contracts.

Rentals payable under operating leases are charged in the profit and loss account in the year in which they are incurred.

Deferred taxation
Provision is made for deferred tax, using the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

Turnover
Turnover represents sales at invoice value less trade discounts allowed and excluding value added tax.

Pension costs
The company operates a defined contribution scheme providing benefits for employees additional to those from the state. The pension cost charge represents contributions paid by the company to the fund in respect of the year.

2. TURNOVER

The company engages in only one class of business and all sales were within the United Kingdom.

	2000	1999
	£	£
3. STAFF PARTICULARS		
Staff costs comprised:		
Wages and salaries	1,431,481	1,312,302
Social security costs	150,260	123,760
Other pension costs	50,000	95,000
	1,631,741	1,531,062
	Number	Number
Average number employed in the year:		
Factory	83	80
Sales and administration	19	14
	102	94

4. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable	97,455	69,662

5. INTEREST AND SIMILAR CHARGES

Interest payable on hire purchase agreements	6,279	3,140
Other interest payable	-	111
	6,279	3,251

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2000

	2000	1999
	£	£
6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
The profit on ordinary activities before taxation is after charging:		
Auditors' remuneration		
Audit fee	6,000	5,750
Depreciation written off tangible fixed assets	190,806	208,897
(Profit) loss on sale of fixed assets	(15,448)	53,284
Operating lease rentals		
Plant and machinery	-	1,417
Land and buildings	25	25
Directors' emoluments:		
Salaries	91,180	81,190
Other emoluments including pension contributions	55,751	173,503
	146,931	254,693

There are two directors to whom retirement benefits are accruing under a money purchase pension scheme.

7. TAX ON ORDINARY ACTIVITIES		
Corporation tax on the profit for the year at 30%	370,000	335,000
Deferred taxation	(10,697)	(14,345)
	359,303	320,655
Adjustments in respect of previous year	4	(1,632)
	359,307	319,023
8. DIVIDENDS		
Amounts paid to equity shareholders:		
'A' Ordinary share dividends	2,250	2,250
Proposed dividend to equity shareholders:		
'A' Ordinary share dividends	56,250	55,875
Ordinary share dividends	234,000	152,250
	292,500	210,375

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2000

9. **FIXED ASSETS - TANGIBLE**

	Freehold property	Long lease property	Plant and fittings	Motor vehicles	Total
Cost	£	£	£	£	£
At 3 October 1999	207,000	598,706	771,936	214,955	1,792,597
Additions	53,388	303,686	91,013	87,873	535,960
Reclassifcation	-	-	10,710	(10,710)	-
Disposals	-	-	-	(56,799)	(56,799)
At 30 September 2000	260,388	902,392	873,659	235,319	2,271,758
Depreciation					
At 3 October 1999	24,330	26,900	458,658	111,168	621,056
Charge for year	5,000	27,402	107,145	51,259	190,806
Disposals	-	-	-	(42,867)	(42,867)
At 30 September 2000	29,330	54,302	565,803	119,560	768,995
Net book amounts					
At 30 September 2000	231,058	848,090	307,856	115,759	1,502,763
At 3 October 1999	182,670	571,806	313,278	103,787	1,171,541

Freehold land and buildings include £82,000 relating to land.

Of the above assets the following are held under finance leases or hire purchase agreements:

	2000	1999
	£	£
Net book amounts		
Plant and machinery	148,698	185,761
Depreciation charge for year		
Plant and machinery	37,063	32,063

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2000

	2000	1999
	£	£
10. STOCKS		
Raw materials and consumables	370,825	491,702
Work in progress	156,568	102,237
	527,393	593,939
11. DEBTORS		
Due within one year:		
Trade debtors	1,035,590	962,068
Prepayments and accrued income	24,137	23,731
	1,059,727	985,799
12. CREDITORS		
Amounts falling due within one year:		
Trade creditors	947,880	1,009,618
Corporation tax	370,000	292,158
Hire purchase liabilities	39,870	39,870
Other creditors:		
Other taxation and social security	96,991	114,697
Recommended dividends	290,250	208,125
Other	43,500	47,500
Accruals and deferred income	99,315	38,229
	1,887,806	1,750,197
Amounts falling due after more than one year:		
Hire purchase liabilities	99,675	139,545

The hire purchase liabilities are secured by charges over the relevant fixed assets.

	2000	1999
	£	£
13. DEFERRED TAXATION		
At 3 October 1999	38,907	10,690
Credited to profit and loss account	(10,697)	(14,345)
Transfer of ACT	-	42,562
At 30 September 2000	28,210	38,907

Deferred taxation has been fully provided in respect of:

Accelerated capital allowances	50,849	54,657
Expenditure allowable in future years	(22,639)	(15,750)
	28,210	38,907

14. CALLED UP SHARE CAPITAL

There was no change in share capital during the year.

	Authorised	Allotted & fully paid
	£	£
Ordinary shares of £1 each	75,000	75,000
'A' Ordinary shares of £1 each	18,750	18,750
Cumulative redeemable preference shares of £1 each	56,250	-
	150,000	93,750

The holders of the 'A' ordinary shares have certain minority voting rights and on the winding up of the affairs of the company are entitled to repayment at par in priority to the holders of the ordinary shares.

The holders of the 'A' ordinary shares are entitled to a fixed dividend and a participating dividend which when added to the total of the fixed dividends payable is equal to 5% of the defined profit for the relevant year.

15. RESERVES

	Capital redemption reserve	Profit and loss account
	£	£
At 3 October 1999	56,250	2,290,063
Retained profit for the year		501,857
At 30 September 2000	56,250	2,791,920

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
At 3 October 1999	2,440,063	1,937,358
Profit for the financial year	794,357	713,080
Dividends	(292,500)	(210,375)
At 30 September 2000	2,941,920	2,440,063

17. NET CASH INFLOW FROM OPERATING ACTIVITIES

The reconciliation of operating profit to net cash inflow from operating activities was as follows:

Operating profit	1,062,488	965,692
Depreciation charges	190,806	208,897
(Profit)/loss on sale of tangible fixed assets	(15,448)	53,284
Decrease/(increase) in stocks	66,546	(49,773)
(Increase) in debtors	(73,928)	(147,158)
(Decrease)/increase in creditors	(22,358)	85,158
Net cash inflow from operating activities	1,208,106	1,116,100

18. INCREASE IN CASH

Balance at 3 October 1999	1,617,433	1,095,505
Net cash inflow	250,295	521,928
At 30 September 2000	1,867,728	1,617,433

19. CAPITAL COMMITMENTS

Contracted but not provided	55,000	-

	2000	1999
	£	£

20. FINANCIAL COMMITMENTS

Finance Leases
The company had obligations under hire purchase agreements at the balance sheet date as follows:

Payable within one year	39,870	39,870
Payable between two and five years	99,675	139,545
	139,545	179,415

Operating Leases
The company has operating lease commitments to pay during the next year as follows:

Ending in more than five years:		
Land and buildings	25	25
	25	25

21. CONTROLLING PARTY

The company was controlled throughout the year by the directors S J & P L Brooks by virtue of the fact that they have an interest in the majority of the company's issued ordinary share capital.