

Company Registration Number -- 2602321

REGISTRARS
COPY

MASSEY TRUCK ENGINEERING LIMITED

ANNUAL REPORT

YEAR ENDED 28 SEPTEMBER 2002



WOFFENDENS

Chartered Accountants

MASSEY TRUCK ENGINEERING LIMITED

ANNUAL REPORT

YEAR ENDED 28 SEPTEMBER 2002

COMPANY NUMBER

2602321

DIRECTORS

P L Brooks

D L Brooks

O J 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

DIRECTORS' REPORT

1. RESULTS AND DIVIDENDS

	£
The profit for the financial year after taxation was	385,641
	<u> </u>
An interim ordinary dividend of £1 per share was paid on 10 July 2002.	75,000
The directors now recommend a final ordinary dividend of £1 per share	75,000
	<u> </u>
Leaving a balance of profit for the year to be carried forward	235,641
	<u> </u>

2. REVIEW OF THE BUSINESS

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

The director considers the level of activity and the year end financial position to be satisfactory.

3. DIRECTORS

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

	Ordinary shares	
	28. 9.02	29. 9.01
	<u> </u>	<u> </u>
P L Brooks	56,250	15,625

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

P L Brooks	18,750	18,750
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The director, S J Brooks died on 3 December 2001. The directors wish to place on record their appreciation of his key role in establishing the company as a successful enterprise.

D L Brooks and O J Brooks, who were appointed on 14 January 2003, now retire and being eligible, are available for re-appointment.

The directors are not required to retire by rotation.

DIRECTORS' REPORT

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;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * 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 £5,080.

8. STATUS

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

MASSEY' TRUCK ENGINEERING LIMITED

DIRECTORS' REPORT

9. AUDITORS

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

26 February 2003

By order of the board

J WILLIS

Secretary

A handwritten signature in dark ink, appearing to read 'J Willis', is written over the typed name and title. The signature is fluid and cursive, with a large loop at the end.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
MASSEY TRUCK ENGINEERING LIMITED

We have audited the financial statements of Massey Truck Engineering Limited for the year ended 28 September 2002, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. 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.

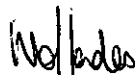
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
MASSEY TRUCK ENGINEERING LIMITED (CONTINUED)

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 28 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

26 February 2003

Barnsley



~~WOFFENDENS~~
Chartered Accountants
Registered Auditors

MASSEY TRUCK ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 28 SEPTEMBER 2002

		2002	2001
	<u>Notes</u>	<u>£</u>	<u>£</u>
TURNOVER	2	7,718,019	7,538,428
Cost of sales		6,082,326	5,594,476
GROSS PROFIT		1,635,693	1,943,952
Administrative expenses		1,142,370	1,037,390
OPERATING PROFIT		493,323	906,562
Interest receivable and similar income	4	15,798	102,110
		509,121	1,008,672
Interest payable	5	18,566	9,184
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	490,555	999,488
Tax on ordinary activities	7	104,914	288,366
PROFIT FOR THE FINANCIAL YEAR		385,641	711,122
Dividends	8	150,000	311,986
RETAINED PROFIT FOR THE YEAR		235,641	399,136

All amounts relate to continuing operations.

MASSEY TRUCK ENGINEERING LIMITED

BALANCE SHEET

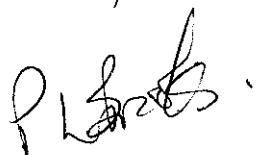
28 SEPTEMBER 2002

		2002		2001	
	<u>Notes</u>	£	£	£	£
FIXED ASSETS					
Tangible assets	9		1,948,652		2,172,664
CURRENT ASSETS					
Stocks	10	975,154		432,597	
Debtors	11	1,201,185		1,129,790	
Cash at bank and in hand		631,163		187,964	
		2,807,502		1,750,351	
CREDITORS – Amounts falling due within one year	12	2,012,275		1,267,165	
NET CURRENT ASSETS			795,227		483,186
TOTAL ASSETS LESS CURRENT LIABILITIES			2,743,879		2,655,850
CREDITORS – Amounts falling due after more than one year	12	76,391		197,152	
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	13	53,409		80,260	
			129,800		277,412
NET ASSETS			2,614,079		2,378,438
CAPITAL AND RESERVES					
Called up share capital	14		75,000		75,000
Capital redemption reserve	15		75,000		75,000
Profit and loss account	15		2,464,079		2,228,438
SHAREHOLDERS' FUNDS	16		2,614,079		2,378,438

These accounts were approved by the board on 26 February 2003.

P L BROOKS

)
) Director
)



MASSEY TRUCK ENGINEERING LIMITED

CASH FLOW STATEMENT

YEAR ENDED 28 SEPTEMBER 2002

		2002	2001
	<u>Notes</u>	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	1,022,356	821,794
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		15,798	102,110
Interest paid		(18,566)	(9,184)
		(2,768)	92,926
TAXATION			
Corporation tax paid		(244,765)	(361,316)
CAPITAL EXPENDITURE			
Sale of tangible fixed assets		40,825	17,900
Purchase of tangible fixed assets		(108,615)	(932,561)
		(67,790)	(914,661)
EQUITY DIVIDENDS PAID		(75,000)	(602,236)
FINANCING			
Hire purchase advances		-	356,459
Hire purchase liability repaid		(188,834)	(110,112)
Paid re redemption of shares		-	(962,618)
		(188,834)	(716,271)
INCREASE/ (DECREASE) IN CASH	18	443,199	(1,679,764)

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 SEPTEMBER 2002

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 and 3 years
Fixtures and fittings	- 5 years and 3 years
Motor vehicles	- 4 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 contributes to defined benefit schemes providing benefits for employees additional to those from the state. The pension cost charge represents contributions paid by the company to the funds in respect of the year.

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 SEPTEMBER 2002

2. **TURNOVER**

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

	2002	2001
	£	£
3. STAFF PARTICULARS		
Staff costs comprised:		
Wages and salaries	1,573,157	1,541,605
Social security costs	170,662	159,650
Other pension costs	20,000	45,000
	<u>1,763,819</u>	<u>1,746,255</u>
	Number	Number
Average number employed in the year:		
Factory	93	86
Sales and administration	19	20
	<u>112</u>	<u>106</u>
4. INTEREST RECEIVABLE AND SIMILAR INCOME		
Interest receivable	<u>15,798</u>	<u>102,110</u>
5. INTEREST AND SIMILAR CHARGES		
Interest payable on hire purchase agreements	<u>18,566</u>	<u>9,184</u>

MASSEY' TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 SEPTEMBER 2002

	2002	2001
	£	£
6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
The profit on ordinary activities before taxation is after charging:		
Auditors' remuneration		
Audit fee	6,000	6,000
Depreciation written off tangible fixed assets	286,473	239,878
Loss on sale of fixed assets	5,329	4,882
Operating lease rentals		
Land and buildings	5,025	2,525
	<u> </u>	<u> </u>
Directors' emoluments:		
Total emoluments including pension contributions for defined benefit schemes	134,726	161,031
	<u> </u>	<u> </u>
There was one director to whom retirement benefits were accruing under a money purchase pension scheme (2001 - two).		
7. TAX ON ORDINARY ACTIVITIES		
Current tax:		
UK corporation tax on the profit for the year	132,000	245,000
Adjustments in respect of previous year	(235)	(8,684)
Deferred tax:		
(Reversal) origination of timing differences	(26,851)	52,050
	<u> </u>	<u> </u>
	104,914	288,366
	<u> </u>	<u> </u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	490,555	999,488
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by the average rate of corporation tax in the U.K. of 25.1% (2001 28.0%) after allowance for marginal rate relief	122,956	280,206
	<u> </u>	<u> </u>
Effects of : -		
Expenses not deductible for tax purposes	2,660	4,835
Depreciation on inelligible assets	4,206	9,284
Revisions to opening elligible assets	(11,313)	(81)
Tax rate differences	(13,360)	2,806
Adjustments in respect of previous periods	(235)	(8,684)
	<u> </u>	<u> </u>
	104,914	288,366
	<u> </u>	<u> </u>

MASSEY 'TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 SEPTEMBER 2002

	2002	2001
	£	£
8. DIVIDENDS		
Amounts paid to equity shareholders:		
'A' Ordinary share dividends	-	49,486
Ordinary share dividends	75,000	262,500
Proposed dividend to equity shareholders:		
Ordinary share dividends	75,000	-
	<u>150,000</u>	<u>311,986</u>

9. FIXED ASSETS - TANGIBLE

	Freehold property	Long lease property	Plant and fittings	Motor vehicles	Total
<u>Cost</u>	£	£	£	£	£
At 30 September 2001	264,439	1,208,825	1,385,989	301,937	3,161,190
Additions	-	-	24,077	84,538	108,615
Disposals	-	-	-	(156,143)	(156,143)
At 28 September 2002	<u>264,439</u>	<u>1,208,825</u>	<u>1,410,066</u>	<u>230,332</u>	<u>3,113,662</u>
<u>Depreciation</u>					
At 30 September 2001	35,050	91,824	714,116	147,536	988,526
Charge for year	10,246	46,837	181,710	47,680	286,473
Disposals	-	-	-	(109,989)	(109,989)
At 28 September 2002	<u>45,296</u>	<u>138,661</u>	<u>895,826</u>	<u>85,227</u>	<u>1,165,010</u>
<u>Net book amounts</u>					
At 28 September 2002	<u>219,143</u>	<u>1,070,164</u>	<u>514,240</u>	<u>145,105</u>	<u>1,948,652</u>
At 30 September 2001	<u>229,389</u>	<u>1,117,001</u>	<u>671,873</u>	<u>154,401</u>	<u>2,172,664</u>

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

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 SEPTEMBER 2002

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

	<u>2002</u>	<u>2001</u>
	£	£
Net book amounts		
Plant and machinery	387,190	458,809
Depreciation charge for year		
Plant and machinery	71,619	46,348

10. STOCKS

	<u>2002</u>	<u>2001</u>
	£	£
Raw materials and consumables	645,091	286,652
Work in progress	330,063	145,945
	975,154	432,597

11. DEBTORS

Due within one year:		
Trade debtors	1,167,740	1,099,465
Prepayments and accrued income	33,445	30,325
	1,201,185	1,129,790

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 SEPTEMBER 2002

	2002	2001
	£	£
12. CREDITORS		
Amounts falling due within one year:		
Trade creditors	1,270,708	613,256
Corporation tax	132,000	245,000
Hire purchase liabilities	120,667	188,740
Other creditors:		
Other taxation and social security	253,692	103,488
Recommended dividends	75,000	-
Other	46,168	49,168
Accruals and deferred income	114,040	67,513
	<u>2,012,275</u>	<u>1,267,165</u>
Amounts falling due after more than one year:		
Hire purchase liabilities	<u>76,391</u>	<u>197,152</u>

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

13. DEFERRED TAXATION

At 30 September 2001	80,260	28,210
(Credited) charged to profit and loss account	(26,851)	52,050
	<u>53,409</u>	<u>80,260</u>
At 28 September 2002		

Deferred taxation has been fully provided in respect of:

Accelerated capital allowances	64,560	91,617
Expenditure allowable in future years	(11,151)	(11,357)
	<u>53,409</u>	<u>80,260</u>

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 SEPTEMBER 2002

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	-
Cumulative redeemable preference shares of £1 each	56,250	-
	<u>150,000</u>	<u>75,000</u>

15. RESERVES

	Capital redemption reserve	Profit and loss account
	£	£
At 30 September 2001	75,000	2,228,438
Retained profit for the year	-	235,641
At 28 September 2002	<u>75,000</u>	<u>2,464,079</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
At 30 September 2001	2,378,438	2,941,920
Profit for the financial year	385,641	711,122
Dividends	(150,000)	(311,986)
Decrease in share capital	-	(18,750)
Movement on capital redemption reserve fund	-	18,750
Acquisition of 'A' ordinary shares	-	(962,618)
At 28 September 2002	<u>2,614,079</u>	<u>2,378,438</u>

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 SEPTEMBER 2002

	2002	2001
	£	£
17. NET CASH INFLOW FROM OPERATING ACTIVITIES		
The reconciliation of operating profit to net cash inflow from operating activities was as follows:		
Operating profit	493,323	906,562
Depreciation charges	286,473	239,878
Loss on sale of tangible fixed assets	5,329	4,882
(Increase)/decrease in stocks	(542,557)	94,796
(Increase) in debtors	(71,395)	(70,063)
Increase/(decrease) in creditors	851,183	(354,261)
Net cash inflow from operating activities	1,022,356	821,794
18. INCREASE/(DECREASE) IN CASH		
Balance at 30 September 2001	187,964	1,867,728
Net cash inflow (outflow)	443,199	(1,679,764)
At 28 September 2002	631,163	187,964
19. FINANCIAL COMMITMENTS		
<u>Finance Leases</u>		
The company had obligations under hire purchase agreements at the balance sheet date as follows:		
Payable within one year	120,667	188,740
Payable between two and five years	76,391	197,152
	197,058	385,892
<u>Operating Leases</u>		
The company has operating lease commitments to pay during the next year as follows:		
Ending within one year:		
Land and buildings	5,000	5,000
Ending in more than five years:		
Land and buildings	25	25

MASSEY-TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 SEPTEMBER 2002

20. CONTROLLING PARTY

The company was controlled throughout the year by the director Mrs P L Brooks.

21. TRANSACTIONS WITH RELATED PARTIES

During the year, the company disposed of a motor vehicle to the director Mrs P L Brooks for a consideration of £100. The market value of the vehicle at the date of disposal was £21,000.