Company Registration Number - 2602321

REGISTRARS
COPY

MASSEY TRUCK ENGINEERING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 1 OCTOBER 2005

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WOFFENDENS

Chartered Accountants

MASSEY TRUCK ENGINEERING LIMITED

ANNUAL REPORT

YEAR ENDED 1 OCTOBER 2005

COMPANY NUMBER

2602321

DIRECTORS

P L Brooks
D L Brooks
O J Brooks

SECRETARY

S N 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	229,287
A dividend of 60p per share was paid on 25 July 2005	45,000
Leaving a balance of profit for the year to be carried forward	184,287

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	
	1.10.05	3.10.04
P L Brooks	56,250	56,250
D L Brooks	-	-
O J Brooks	-	-

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

P L Brooks	18,750	18,750
D L Brooks	-	-
O J Brooks	-	-

The directors are not required to retire by rotation.

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.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors must have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

5. **FIXED ASSETS**

Movements in fixed assets are shown in notes 10 and 11 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. **STATUS**

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

8. **AUDITORS**

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

By order of the board

12 April 2006

S N WILLIS

Secretary



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 1 October 2005, 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 1 October 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

14 April 2006

Barnsley

WOFFENDENS
Chartered Accountants
Registered Auditors

MASSEY TRUCK ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 1 OCTOBER 2005

	Notes	2005 £	2004 £
TURNOVER	2	8,732,757	9,651,608
Cost of sales		7,143,141	7,966,176
GROSS PROFIT		1,589,616	1,685,432
Administrative expenses		1,214,584	1,155,675
OPERATING PROFIT		375,032	529,757
Interest receivable and similar income	4	34,290	47,476
		409,322	577,233
Amounts written off investments		61,393	100,518
		347,929	476,715
Interest payable	5	-	7,959
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7	347,929	468,756
Tax on ordinary activities	8	118,642	179,693
PROFIT FOR THE FINANCIAL YEAR		229,287	289,063
Dividends	9	45,000	215,250
RETAINED PROFIT FOR THE YEAR		184,287	73,813

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

1 OCTOBER 2005

	Notes	2005 £	2005 £	2004 £	2004 £
FIXED ASSETS					
Tangible assets	10		1,770,671		1,814,463
Investments	11		158,751		98,952
			1,929,422		1,913,415
CURRENT ASSETS					
Stocks	12	1,292,167		962,038	
Debtors	13	1,723,641		873,165	
Cash at bank and in hand		285,657		815,157	
		3,301,465		2,650,360	
CREDITORS - Amounts falling due within one year	14	2,066,310		1,578,877	
NET CURRENT ASSETS			1,235,155		1,071,483
TOTAL ASSETS LESS CURRENT LIABILITIES			3,164,577		2,984,898
PROVISIONS FOR LIABILITIES					
Deferred taxation	15		41,326		45,934
NET ASSETS			3,123,251		2,938,964
CAPITAL AND RESERVES					
Called up share capital	16		75,000		75,000
Capital redemption reserve	17		75,000		75,000
Profit and loss account	17		2,973,251		2,788,964
SHAREHOLDERS' FUNDS	18		3,123,251		2,938,964

These accounts were approved by the board on 12 April 2006.

P L BROOKS) Director

P L Brooks

MASSEY TRUCK ENGINEERING LIMITED

CASH FLOW STATEMENT

YEAR ENDED 1 OCTOBER 2005

	Notes	2005 £	2005 £	2004 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	19		5,512		813,388
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		34,290		47,476	
Interest paid		-		(7,959)	
			34,290		39,517
TAXATION					
Corporation tax paid			(175,250)		(192,409)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Loans to other entities		(121,192)		(199,470)	
Sale of tangible fixed assets		6,850		13,175	
Purchase of tangible fixed assets		(154,460)		(278,560)	
			(268,802)		(464,855)
EQUITY DIVIDENDS PAID			(125,250)		(247,500)
FINANCING					
Hire purchase liability repaid		-		(76,390)	
			-		(76,390)
(DECREASE) IN CASH	20		(529,500)		(128,249)

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 1 OCTOBER 2005

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

Deferred taxation
Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, and is provided for at the average rates that are expected to apply when the timing differences are expected to reverse.

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.

2. **TURNOVER**

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

	2005	2004
	£	£
3. **STAFF PARTICULARS**		
Staff costs comprised:		
Wages and salaries	2,049,445	2,104,777
Social security costs	206,941	205,415
Other pension costs	74,000	44,000
	2,330,386	2,354,192
	Number	Number
Average number employed in the year:		
Factory	90	95
Sales and administration	20	19
	110	114
4. **INTEREST RECEIVABLE AND SIMILAR INCOME**		
Interest receivable	34,290	47,476
5. **INTEREST AND SIMILAR CHARGES**		
Interest payable on hire purchase agreements	-	7,959

6. **PENSION COMMITMENTS**

The company contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contribtutions payable by the company to the funds and amounted to £74,000 (2004 £44,000).

There were no contributions (2004 £nil) outstanding at the year end.

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 1 OCTOBER 2005

	2005	2004
	£	£
7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
The profit on ordinary activities before taxation is after charging:		
Auditors' remuneration		
Audit fee	6,800	6,600
Depreciation written off tangible fixed assets	197,669	207,911
Profit on sale of fixed assets	(6,267)	(2,069)
Operating lease rentals		
Land and buildings	-	833
Pension contributions	74,000	44,000
Directors' emoluments:		
Aggregate emoluments (including benefits in kind)	182,700	172,826
Company contributions paid to money purchase pension schemes	72,000	42,000
	254,700	214,826

There were three directors to whom retirement benefits were accruing under money purchase pension schemes (2004 - three).

8. TAX ON ORDINARY ACTIVITIES		
Current tax:		
UK corporation tax on the profit for the year	126,000	178,000
Adjustments in respect of previous year	(2,750)	2,409
Deferred tax:		
(Reversal) origination of timing differences	(4,608)	(716)
	118,642	179,693

	2005	2004
	£	£

8. **TAX ON ORDINARY ACTIVITIES (CONTINUED)**

Factors affecting the tax charge for the year

Profit on ordinary activities before taxation	347,929	468,756
Profit on ordinary activities multiplied by the average rate of corporation tax in the U.K. of 28.1% (2004 29.4%) after allowance for marginal rate relief	97,872	137,580
Effects of : -		
Expenses not deductible for tax purposes	19,207	33,846
Depreciation on inelligible assets	4,901	5,111
Movements in general provisons	2,250	-
Others including tax rate differences	(2,838)	837
Adjustments in respect of previous periods	(2,750)	2,409
	118,642	179,783

9. **DIVIDENDS**

Amounts paid to equity shareholders:		
Ordinary share dividends	45,000	135,000
Proposed dividend to equity shareholders:		
Ordinary share dividends	-	80,250
	45,000	215,250

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 1 OCTOBER 2005

10. FIXED ASSETS - TANGIBLE

	Freehold property	Plant and fittings	Motor vehicles	Total
Cost	£	£	£	£
At 3 October 2004	1,693,148	1,520,939	147,047	3,361,134
Additions	7,284	34,818	112,358	154,460
Disposals	-	(700)	(37,893)	(38,593)
At 1 October 2005	1,700,432	1,555,057	221,512	3,477,001
Depreciation				
At 3 October 2004	302,474	1,158,885	85,312	1,546,671
Charge for year	63,322	95,626	38,721	197,669
Disposals	-	(117)	(37,893)	(38,010)
At 1 October 2005	365,796	1,254,394	86,140	1,706,330
Net book amounts				
At 1 October 2005	1,334,636	300,663	135,372	1,770,671
At 3 October 2004	1,390,674	362,054	61,735	1,814,463

Freehold land and buildings includes £162,735 relating to land.

11. FIXED ASSETS - INVESTMENTS

	3.10.04	Advances	Written off	1.10.05
	£	£	£	£
Loan to SJB Craneco Limited	98,952	121,192	61,393	158,751

The unsecured loan is to a related enterprise, SJB Craneco Limited.

12. STOCKS

	2005	2004
	£	£
Raw materials and consumables	837,741	681,798
Work in progress	454,426	280,240
	1,292,167	962,038

MASSEY TRUCK ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 1 OCTOBER 2005

	2005	2004
	£	£
13. DEBTORS		
Due within one year:		
Trade debtors	1,653,395	843,719
Prepayments and accrued income	70,246	29,446
	1,723,641	873,165
14. CREDITORS		
Amounts falling due within one year:		
Trade creditors	1,522,078	1,023,013
Corporation tax	126,000	178,000
Other creditors:		
Other taxation and social security	279,023	182,709
Recommended dividends	-	80,250
Other	75,000	67,000
Accruals and deferred income	64,209	47,905
	2,066,310	1,578,877
15. DEFERRED TAXATION		
At 3 October 2004	45,934	46,650
Credited to profit and loss account	(4,608)	(716)
At 1 October 2005	41,326	45,934
Deferred taxation has been fully provided in respect of:		
Accelerated capital allowances	62,424	65,599
Expenditure allowable in future years	(21,098)	(19,665)
	41,326	45,934

16. **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	56,250	-
Cumulative redeemable preference shares of £1 each	56,250	-
	187,500	75,000

17. **RESERVES**

	Capital redemption reserve	Profit and loss account
	£	£
At 3 October 2004	75,000	2,788,964
Retained profit for the year	-	184,287
At 1 October 2005	75,000	2,973,251

	2005	2004
	£	£
18. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**		
At 3 October 2004	2,938,964	2,865,151
Profit for the financial year	229,287	289,063
Dividends	(45,000)	(215,250)
At 1 October 2005	3,123,251	2,938,964

	2005	2004
	£	£

19. **NET CASH INFLOW FROM OPERATING ACTIVITIES**

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

Operating profit	375,032	529,757
Depreciation charges	197,669	207,911
Profit on sale of tangible fixed assets	(6,267)	(2,069)
(Increase) decrease in stocks	(330,129)	168,053
(Increase) decrease in debtors	(850,476)	453,984
Increase (decrease) in creditors	619,683	(544,248)
Net cash inflow from operating activities	5,512	813,388

20. **(DECREASE) IN CASH**

Balance at 3 October 2004	815,157	943,406
Net cash (decrease)	(529,500)	(128,249)
At 1 October 2005	285,657	815,157

21. **CAPITAL COMMITMENTS**

Contracted but not provided	-	35,912

22. **TRANSACTIONS WITH RELATED PARTIES**

SJB Craneco Limited
Massey Truck Engineering Limited has made funds available to this company by way of a loan account. No interest has been charged on the loan and further details of amounts advanced and amounts written off are shown in note 11 to the financial statements. The first £250,000 of this loan is secured by a debenture dated 3 March 2005 creating a floating charge over the assets of SJB Craneco Limited.

Included within costs are invoices to the value of £7,324 (2004 : £981) on normal commercial terms. There is a balance outstanding of £4,257 (2004 : £352) in respect of these costs included within trade creditors.

Included within sales are invoices to the value of £9,083 (2004 : £6,698) on normal commercial terms. There is a balance outstanding of £282 (2004 : £nil) in respect of these sales included within trade debtors.

The director Mrs P L Brooks is the controlling director and shareholder of SJB Craneco Limited.

23. **CONTROLLING PARTY**

The company was controlled throughout the period by the director Mrs P L Brooks as she has an interest in the majority of the company's issued share capital.