

NORTRUCK SERVICES LIMITED
Company Number 87421

ABBREVIATED ANNUAL REPORT

Year ended 31st March 1997



NORTRUCK SERVICES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

R.W. Cameron
R.G.McK. Auld
D.M. Clark
D.W. McIntosh

SECRETARY:

J.C. Chisholm
2 Bon-Accord Crescent
Aberdeen
AB11 6DH

AUDITORS:

James Milne & Co
Chartered Accountants
5 Bon-Accord Square
Aberdeen
AB11 6XZ

SOLICITORS:

Storie Cruden & Simpson
2 Bon-Accord Crescent
Aberdeen
AB11 6DH

BANKERS:

Bank of Scotland
53 Castle Street
Aberdeen
AB11 5AG

REGISTERED OFFICE:

2 Bon-Accord Crescent
Aberdeen
AB11 6DH

COMPANY NUMBER:

87421

NORTRUCK SERVICES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31st March 1997.

Principal activity

The principal activity of the company is the sale and servicing of commercial vehicles together with a full parts distribution service, operating under a distributor's agreement with Seddon Atkinson Limited.

Review of the business

The company has again enjoyed a successful year, due in the main to increased turnover in parts sales. Further diversification into oil/engineering sectors should provide continued growth in this area.

Vehicle sales are expected to benefit from increased tender activity from local authorities, which should offset negative growth in the highly competitive haulage market.

In the absence of unforeseen circumstances the directors therefore look forward to continued growth and profitability in the current year.

Results and dividends

The results for the year are set out in detail on page 6.

The directors recommend that no dividend be paid for the year, leaving profits after tax amounting to £101,029 to be added to reserves.

Directors and their interests

The directors who served during the year had interests in the shares of the company as follows -

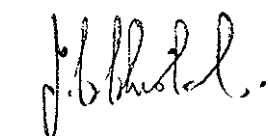
	<u>Ordinary Shares of £1 each</u>	
	<u>At 31st March</u>	
	<u>1997</u>	<u>1996</u>
R.W. Cameron	15,000	15,000
D.W. McIntosh	10,000	10,000

In addition, through interests in another company, R.G.McK. Auld and D.M. Clark jointly had an interest in 13,000 shares at both dates.

Auditors

Messrs James Milne & Co., Chartered Accountants, have expressed their willingness to continue in office and a resolution dealing with their reappointment will be proposed at the Annual General Meeting.

By order of the Board



J.C. CHISHOLM

Secretary

27th October 1997

NORTRUCK SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required under company law to prepare, for each financial year, financial statements which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements the directors are required to:

- (a) select suitable accounting policies and apply them on a consistent basis;
- (b) make judgments and estimates that are prudent and reasonable;
- (c) 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 also responsible for keeping proper accounting records, for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



R.W. CAMERON

Director

27th October 1997

AUDITORS' REPORT TO
NORTRUCK SERVICES LIMITED
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have audited the abbreviated financial statements on pages 5 to 14 together with the full financial statements of Nortruck Services Limited for the year ended 31st March 1997, prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion, and to report our opinion to the company, as to whether the company is entitled to deliver to the Registrar of Companies abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985 and whether the financial statements to be delivered are properly prepared in accordance with those provisions.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the full financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements have been properly prepared from those financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31st March 1997 and the abbreviated financial statements on pages 5 to 14 have been properly prepared in accordance with those provisions.



JAMES MILNE & CO.

Chartered Accountants and
Registered Auditors

5 Bon-Accord Square
Aberdeen
AB11 6XZ

27th October 1997



NORTRUCK SERVICES LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31st March 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
GROSS PROFIT		662,156	587,513
Administrative expenses		495,586	456,277
OPERATING PROFIT	3/4	166,570	131,236
Interest receivable		-	557
Interest payable	5	(27,753)	(32,236)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		138,817	99,557
Tax on profit on ordinary activities	6	37,788	26,361
RETAINED PROFIT FOR YEAR	14	101,029	73,196

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

NORTRUCK SERVICES LIMITED

BALANCE SHEET

at 31st March 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
FIXED ASSETS			
Tangible assets	7	117,333	123,052
CURRENT ASSETS			
Stocks	8	967,443	911,042
Debtors	9	888,925	893,976
Cash and cheques in hand		28,676	750
		<u>1,885,044</u>	<u>1,805,768</u>
CREDITORS - Amounts falling due within one year	10	<u>1,324,519</u>	<u>1,341,803</u>
NET CURRENT ASSETS		<u>560,525</u>	<u>463,965</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>677,858</u>	<u>587,017</u>
CREDITORS - Amounts falling due after more than one year	11	<u>(7,850)</u>	<u>(18,038)</u>
NET ASSETS		<u><u>670,008</u></u>	<u><u>568,979</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	38,000	38,000
Share premium account	14	5,000	5,000
Profit and loss account	14	627,008	525,979
SHAREHOLDERS' FUNDS	15	<u><u>670,008</u></u>	<u><u>568,979</u></u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies.

The financial statements on pages 5 to 14 were approved by the board of directors on 27th October 1997.


R.W. CAMERON

Director

NORTRUCK SERVICES LIMITED

CASH FLOW STATEMENT

for the year ended 31st March 1997

	<u>1997</u> £	<u>1996</u> £
Reconciliation of operating profit to net cash flow from operating activities		
Operating profit	166,570	131,236
Depreciation	50,613	44,043
Gain on disposal of tangible fixed assets	(2,650)	(4,802)
Increase in stocks and work in progress	(56,401)	(35,391)
Decrease/(increase) in debtors	5,051	(122,818)
(Decrease)/increase in creditors	(145,576)	198,550
Net cash inflow from operating activities	<u>17,607</u>	<u>210,818</u>
 Cash flow statement		
Net cash inflow from operating activities	17,607	210,818
Servicing of finance (note 1)	(27,754)	(31,679)
Taxation	(26,360)	(29,069)
Capital expenditure (note 1)	(42,245)	(43,954)
Financing (note 1)	<u>11,068</u>	<u>8,024</u>
(Decrease)/increase in cash in the year	<u>(67,684)</u>	<u>114,140</u>
 Reconciliation of net cash flow to movement in net funds		
(Decrease)/increase in cash in the year	(67,684)	114,140
Increase in hire purchase debt	<u>(11,068)</u>	<u>(8,024)</u>
Change in net debt	(78,752)	106,116
Net debt at 31st March 1996	<u>(320,019)</u>	<u>(426,135)</u>
Net debt at 31st March 1997	<u>(398,771)</u>	<u>(320,019)</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT

for the year ended 31st March 1997

1. Gross cash flows

	<u>1997</u>	<u>1996</u>
	£	£
Servicing of finance		
Interest received	-	557
Interest paid	(24,329)	(30,497)
Interest element of hire purchase payments	(3,425)	(1,739)
	<u>(27,754)</u>	<u>(31,679)</u>
Capital expenditure		
Acquisition of tangible fixed assets	(50,394)	(59,278)
Disposal of tangible fixed assets	8,149	15,324
	<u>(42,245)</u>	<u>(43,954)</u>
Financing		
Hire purchase finance received	38,999	25,874
Hire purchase finance repaid	(27,931)	(17,850)
	<u>11,068</u>	<u>8,024</u>

2. Analysis of changes in net debt

	<u>31st March</u>	<u>Cash</u>	<u>Other</u>	<u>31st March</u>
	<u>1996</u>	<u>Flows</u>	<u>Changes</u>	<u>1997</u>
	£	£	£	£
Cash at bank and in hand	750	27,926		28,676
Bank overdraft	(288,754)	(95,610)		(384,364)
Hire purchase finance –				
Due within one year	(13,977)	13,977	(35,233)	(35,233)
Due after one year	(18,038)	(25,045)	35,233	(7,850)
Total	<u>(320,019)</u>	<u>(78,752)</u>	<u>-</u>	<u>(398,771)</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1997

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

(b) Lease and hire purchase commitments

Fixed assets obtained under finance leases and hire purchase contracts are capitalised and depreciated over their expected useful lives. The relevant finance charges are allocated over the primary period of the lease or contract in proportion to the capital element outstanding.

The costs of operating leases are charged to profit and loss account as they accrue.

(c) Depreciation

Depreciation is provided on fixed assets by reference to cost at rates estimated to write off the relevant assets by equal annual instalments over their expected useful lives, which are -

Short leasehold tenant's improvements	- 10 years
Plant and equipment	- 4 and 10 years
Motor vehicles	- 4 years

(d) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Work in progress represents the cost of labour and materials.

(e) Deferred taxation

Deferred taxation is provided on the liability method on material timing differences between the inclusion of items of income and expenditure for accounting and for taxation purposes, but only to the extent that such differences may be expected to reverse in the foreseeable future.

2. TURNOVER

Turnover is derived from the ordinary activities of the company and represents amounts received and receivable, exclusive of VAT, for goods and services supplied during the year. None of the turnover is attributable to geographical markets outside the UK.

3. OPERATING PROFIT/

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1997

3. OPERATING PROFIT

	<u>1997</u> £	<u>1996</u> £
Operating profit is stated after charging/(crediting) -		
Auditors' remuneration	4,800	4,600
Depreciation -		
Owned assets	29,018	33,031
Assets held under hire purchase contracts	21,595	11,012
	<u>50,613</u>	<u>44,043</u>
Directors' remuneration (note 4(b))	<u>145,012</u>	<u>114,241</u>
Operating lease rentals -		
Land and buildings	45,000	45,000
Plant and equipment	742	907
	<u>45,742</u>	<u>45,907</u>
Gain on disposal of tangible fixed assets -		
Owned assets	<u>(2,650)</u>	<u>(4,802)</u>

4. DIRECTORS AND EMPLOYEES

	<u>1997</u> £	<u>1996</u> £
(a) Staff Costs (including directors)		
Wages and salaries	465,413	414,178
Social security costs	41,516	38,525
Other pension costs	15,882	12,092
	<u>522,811</u>	<u>464,795</u>
The average monthly number of employees during the year was -		
	<u>Number</u>	<u>Number</u>
Sales and administration	11	11
Parts	11	10
Service	6	6
	<u>28</u>	<u>27</u>
	<u>1997</u> £	<u>1996</u> £
(b) Directors' Remuneration		
Emoluments	130,302	103,864
Pension scheme contributions in respect of two directors	14,710	10,377
	<u>145,012</u>	<u>114,241</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1997

5. INTEREST PAYABLE

	<u>1997</u>	<u>1996</u>
	£	£
Bank overdraft interest	16,500	19,935
Stocking loan interest	7,828	10,562
Hire purchase charges	3,425	1,739
	<u>27,753</u>	<u>32,236</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1997</u>	<u>1996</u>
	£	£
The tax charge comprises -		
Corporation tax	<u>37,788</u>	<u>26,361</u>

No provision has been made in the financial statements for a deferred tax asset amounting to £2,545 (1996 - £137) in respect of depreciation charged on fixed assets in excess of capital allowances.

7. TANGIBLE FIXED ASSETS

	<u>Short Leasehold Tenant's Improvements</u>	<u>Plant and Equipment</u>	<u>Total</u>
	£	£	£
Cost			
At 1st April 1996	25,878	216,724	242,602
Additions	-	50,394	50,394
Disposals	-	(24,673)	(24,673)
At 31st March 1997	<u>25,878</u>	<u>242,445</u>	<u>268,323</u>
Depreciation			
At 1st April 1996	21,665	97,885	119,550
Provided during year	2,588	48,025	50,613
Disposals	-	(19,173)	(19,173)
At 31st March 1997	<u>24,253</u>	<u>126,737</u>	<u>150,990</u>
Net book value			
At 31st March 1997	<u>1,625</u>	<u>115,708</u>	<u>117,333</u>
At 31st March 1996	<u>4,213</u>	<u>118,839</u>	<u>123,052</u>

Included in plant and equipment are assets with a net book value of £69,332 (1996 - £62,937) held under hire purchase contracts.

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1997

8. STOCKS

	<u>1997</u> £	<u>1996</u> £
Parts and accessories	689,337	603,507
Commercial vehicles	273,201	307,053
Work in progress	4,905	482
	<u>967,443</u>	<u>911,042</u>

Various stocks are held subject to reservation of title by suppliers.

9. DEBTORS

	<u>1997</u> £	<u>1996</u> £
Amounts receivable within one year -		
Trade debtors	883,396	887,218
Other debtors	3,012	3,204
Prepayments and accrued income	2,517	3,554
	<u>888,925</u>	<u>893,976</u>

10. CREDITORS - Amounts falling due within one year

	<u>1997</u> £	<u>1996</u> £
Bank overdraft	384,364	288,754
Obligations under hire purchase contracts (note 12)	35,233	13,977
Trade creditors	823,701	979,695
Current corporation tax	37,788	26,361
Other taxes and social security costs	33,700	26,772
Other creditors	339	306
Accruals	9,394	5,938
	<u>1,324,519</u>	<u>1,341,803</u>

As security for the bank borrowings, the bank holds a bond and floating charge over the assets of the company.

11. CREDITORS - Amounts falling due after more than one year

	<u>1997</u> £	<u>1996</u> £
Obligations under hire purchase contracts (note 12)	<u>7,850</u>	<u>18,038</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1997

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	<u>1997</u> £	<u>1996</u> £
Amounts payable -		
Within one year	37,380	16,093
In the second to fifth years	8,062	18,825
	<u>45,442</u>	<u>34,918</u>
Finance charges allocated to future periods	(2,359)	(2,903)
Net obligations	<u>43,083</u>	<u>32,015</u>
Whereof -		
Included in current liabilities (note 10)	35,233	13,977
Included in future liabilities (note 11)	7,850	18,038
	<u>43,083</u>	<u>32,015</u>

13. SHARE CAPITAL

	<u>1997</u> £	<u>1996</u> £
Ordinary Shares of £1 each -		
Authorised	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid	<u>38,000</u>	<u>38,000</u>

14. RESERVES

	<u>1997</u> £	<u>1996</u> £
Share Premium Account -		
At 31st March 1997	<u>5,000</u>	<u>5,000</u>
Profit and Loss Account -		
At 1st April 1996	525,979	452,783
Retained profit for year	101,029	73,196
At 31st March 1997	<u>627,008</u>	<u>525,979</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u> £	<u>1996</u> £
Retained profit for year	<u>101,029</u>	<u>73,196</u>
Net addition to shareholders' funds	101,029	73,196
Opening shareholders' funds	568,979	495,783
Shareholders' funds at 31st March 1997	<u>670,008</u>	<u>568,979</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1997

16. PENSIONS

The company contributed during the year to defined contribution pension schemes for directors and for staff, the assets of which are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable to the funds and includes £339 due to the funds at 31st March 1997 (1996 - £306).

17. COMMITMENTS

At 31st March 1997 the company had annual commitments under non-cancellable operating leases as follows -

	<u>1997</u>		<u>1996</u>	
	<u>Land and Buildings</u>	<u>Other</u>	<u>Land and Buildings</u>	<u>Other</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Operating Leases which expire -				
Within one year	45,000		45,000	-
In the second to fifth years		546	-	742
	<u>45,000</u>	<u>546</u>	<u>45,000</u>	<u>742</u>

18. TRANSACTIONS WITH DIRECTORS

The company paid rent amounting to £45,000 (1996 - £45,000) under an operating lease for land and buildings to Aberheath Freight Limited, in which both R.G.McK. Auld and D.M. Clark have an interest.