

NORTRUCK SERVICES LIMITED
Company Number SC87421

ABBREVIATED REPORT AND FINANCIAL STATEMENTS

for the year ended

31st March 1998



NORTRUCK SERVICES LIMITED

COMPANY INFORMATION

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:

SC87421

NORTRUCK SERVICES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31st March 1998.

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, with an increase in marketing personnel in the parts department enabling continued growth in that area.

Vehicle department turnover has also increased despite the haulage industry experiencing difficult times in the North-East with the exception only of the oil-related sector. However, the company continues to enjoy substantial business from the public sector.

The company has leased additional premises in the current year and, subject to the additional overheads arising thereon, the directors, in the absence of unforeseen circumstances, once again look forward to continued growth and profitability in the year to 31st March 1998.

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 £118,251 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 -

	Ordinary Shares of £1 each	
	<u>At 31st March</u>	
	<u>1998</u>	<u>1997</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.

Year 2000

The company's computer system is now outdated and due for replacement in the current financial year. It is neither year 2000 compliant nor does it provide all the features and levels of control now considered desirable. The cost of replacement is estimated to be between £15,000 and £20,000.

Neither the company's stock nor its plant and machinery include any date dependent electric components.

The company will continue to respond to customers' questionnaires regarding the year 2000 issue and, where appropriate, will, before 31st December 1999, seek assurances from its suppliers that they have systems in place to ensure that there will be neither quality, delivery nor accounting problems resulting from the date change.

Introduction of the Euro/

NORTRUCK SERVICES LIMITED

DIRECTORS' REPORT (CONTD.)

Introduction of the Euro

The company neither receives nor makes payment in currency other than sterling and does not consider that the introduction of the Euro will have any significant impact on administration costs. The specification of the new computer system will include the facility to handle the Euro.

Auditors

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

X 

J.C. CHISHOLM

Secretary

 26th October 1998


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 responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

On behalf of the Board

X 

R.W. CAMERON

Director

26th October 1998

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

We have audited the abbreviated financial statements on pages 6 to 15 together with the full financial statements of Nortruck Services Limited for the year ended 31st March 1998, prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

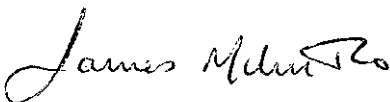
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion, and to report our opinion to the company, as to whether the company is entitled to deliver to the Registrar 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 1998 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

26th October 1998



NORTRUCK SERVICES LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31st March 1998

	<u>Note</u>	<u>1998</u> £	<u>1997</u> £
Gross profit		726,081	662,156
Administrative expenses		(540,835)	(495,586)
Operating profit	3/4	185,246	166,570
Interest payable	5	(29,297)	(27,753)
Profit on ordinary activities before taxation		155,949	138,817
Tax on profit on ordinary activities	6	(37,698)	(37,788)
Retained profit for the financial year	15	<u>118,251</u>	<u>101,029</u>

All amounts relate to continuing activities.

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

NORTRUCK SERVICES LIMITED

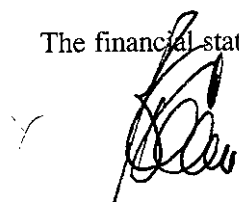
BALANCE SHEET

at 31st March 1998

	<u>Note</u>	<u>1998</u>	<u>1997</u>
		£	£
Fixed assets			
Tangible assets	7	118,279	117,333
Current assets			
Stocks	8	1,059,152	967,443
Debtors	9	1,413,004	888,925
Cash and cheques in hand		800	28,676
		<u>2,472,956</u>	<u>1,885,044</u>
Creditors: Amounts falling due within one year	10	<u>(1,789,774)</u>	<u>(1,324,519)</u>
Net current assets		<u>683,182</u>	<u>560,525</u>
Total assets less current liabilities		801,461	677,858
Creditors: Amounts falling due after more than one year	11	<u>(13,202)</u>	<u>(7,850)</u>
Net assets		<u><u>788,259</u></u>	<u><u>670,008</u></u>
Capital and reserves			
Called up share capital	14	38,000	38,000
Share premium account	15	5,000	5,000
Profit and loss account	15	745,259	627,008
Shareholders' funds	16	<u><u>788,259</u></u>	<u><u>670,008</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 6 to 15 were approved by the board of directors on 26th October 1998.


R.W. CAMERON

Director

NORTRUCK SERVICES LIMITED

CASH FLOW STATEMENT

for the year ended 31st March 1998

	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
Reconciliation of operating profit to net cash flow from operating activities		
Operating profit	185,246	166,570
Depreciation	55,610	50,613
Gain on disposal of tangible fixed assets	(12,975)	(2,650)
Increase in stocks and work in progress	(91,709)	(56,401)
(Increase)/decrease in debtors	(524,079)	5,051
Increase/(decrease) in creditors	543,407	(145,576)
Net cash inflow from operating activities	<u>155,500</u>	<u>17,607</u>
 Cash flow statement		
Net cash inflow from operating activities	155,500	17,607
Servicing of finance (note 1)	(29,297)	(27,754)
Taxation	(37,788)	(26,360)
Capital expenditure (note 1)	(43,581)	(42,245)
Financing (note 1)	(13,572)	11,068
Increase/(decrease) in cash in the year	<u>31,262</u>	<u>(67,684)</u>
 Reconciliation of net cash flow to movement in net funds		
Increase/(decrease) in cash in the year	31,262	(67,684)
Decrease/(increase) in hire purchase debt	13,572	(11,068)
Change in net debt	44,834	(78,752)
Net debt at 1st April 1997	<u>(398,771)</u>	<u>(320,019)</u>
Net debt at 31st March 1998	<u>(353,937)</u>	<u>(398,771)</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT

for the year ended 31st March 1998

1. Gross cash flows

	<u>1998</u> £	<u>1997</u> £
Servicing of finance		
Interest paid	(25,811)	(24,329)
Interest element of hire purchase payments	(3,486)	(3,425)
	<u>(29,297)</u>	<u>(27,754)</u>
Capital expenditure		
Acquisition of tangible fixed assets	(102,572)	(50,394)
Disposal of tangible fixed assets	58,991	8,149
	<u>(43,581)</u>	<u>(42,245)</u>
Financing		
Hire purchase finance received	26,100	38,999
Hire purchase finance repaid	(39,672)	(27,931)
	<u>(13,572)</u>	<u>11,068</u>

2. Analysis of changes in net debt

	<u>1st April</u> <u>1997</u> £	<u>Cash</u> <u>Flows</u> £	<u>Other</u> <u>Changes</u> £	<u>31st March</u> <u>1998</u> £
Cash at bank and in hand	28,676	(27,876)		800
Bank overdraft	(384,364)	59,138		(325,226)
Hire purchase finance –				
Due within one year	(35,233)	26,774	(7,850)	(16,309)
Due after one year	(7,850)	(13,202)	7,850	(13,202)
Total	<u>(398,771)</u>	<u>44,834</u>	<u>-</u>	<u>(353,937)</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1998

1. Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their estimated useful lives as follows:

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

Lease and hire purchase commitments

Assets acquired 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.

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of work in progress comprises direct labour and materials.

Deferred taxation

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

Pension costs

Contributions to employees' defined contribution pension schemes are charged to profit and loss account in the year in which they are payable.

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

In the opinion of the directors, none of the turnover during the year was attributable to geographical markets outside the UK (1997 £Nil).

3. Operating profit/

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1998

3. Operating profit

	<u>1998</u> £	<u>1997</u> £
Operating profit is stated after charging:		
Directors' remuneration (note 4(b))	159,351	145,012
Auditors' remuneration	5,000	4,800
Depreciation	55,610	50,613
Operating lease rentals -		
Land and buildings	45,000	45,000
Plant and equipment	742	742
	<u>45,742</u>	<u>45,742</u>
and after crediting:		
Gain on disposal of tangible fixed assets	12,975	2,650

4. Directors and employees

	<u>1998</u> £	<u>1997</u> £
(a) Staff Costs (including directors)		
Wages and salaries	533,285	465,413
Social security costs	52,887	41,516
Other pension costs	17,400	15,882
	<u>603,572</u>	<u>522,811</u>

The average monthly number of employees during the year was -

	<u>Number</u>	<u>Number</u>
Sales and administration	10	11
Parts	12	11
Service	6	6
	<u>28</u>	<u>28</u>

	<u>1998</u> £	<u>1997</u> £
(b) Directors' Remuneration		
Emoluments	142,351	130,302
Pension scheme contributions	17,000	14,710
	<u>159,351</u>	<u>145,012</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1998

5. Interest payable

	<u>1998</u> £	<u>1997</u> £
Bank overdraft interest	19,396	16,500
Stocking loan interest	6,415	7,828
Hire purchase charges	3,486	3,425
	<u>29,297</u>	<u>27,753</u>

6. Tax on profit on ordinary activities

	<u>1998</u> £	<u>1997</u> £
The taxation charge comprises:		
Corporation tax	<u>37,698</u>	<u>37,788</u>

7. Tangible fixed assets

	<u>Short Leasehold Tenant's Improvements</u> £	<u>Plant and Equipment</u> £	<u>Total</u> £
Cost			
At 1st April 1997	25,878	242,445	268,323
Additions	-	102,572	102,572
Disposals	-	(78,614)	(78,614)
At 31st March 1998	<u>25,878</u>	<u>266,403</u>	<u>292,281</u>
Depreciation			
At 1st April 1997	24,253	126,737	150,990
Provided during year	1,625	53,985	55,610
On disposals	-	(32,598)	(32,598)
At 31st March 1998	<u>25,878</u>	<u>148,124</u>	<u>174,002</u>
Net book value			
At 31st March 1998	<u>-</u>	<u>118,279</u>	<u>118,279</u>
At 1st April 1997	<u>1,625</u>	<u>115,708</u>	<u>117,333</u>

The net book value of plant and equipment held under hire purchase contracts amounted to £58,455 (1997 - £69,332) after provision of depreciation for the year of £15,044 (1997 - £21,595).

NORTRUCK SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 1998

8. **Stocks**

	<u>1998</u> £	<u>1997</u> £
Parts and accessories	766,867	689,337
Commercial vehicles	292,285	273,201
Work in progress	-	4,905
	<u>1,059,152</u>	<u>967,443</u>

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

9. **Debtors**

	<u>1998</u> £	<u>1997</u> £
Amounts falling due within one year -		
Trade debtors	1,391,194	883,396
Other debtors	3,313	3,012
Prepayments and accrued income	18,497	2,517
	<u>1,413,004</u>	<u>888,925</u>

10. **Creditors: Amounts falling due within one year**

	<u>1998</u> £	<u>1997</u> £
Bank overdraft	325,226	384,364
Hire purchase obligations (note 12)	16,309	35,233
Trade creditors	1,364,031	823,701
Corporation tax	37,698	37,788
Other taxes and social security costs	39,993	33,700
Other creditors	-	339
Accruals	6,517	9,394
	<u>1,789,774</u>	<u>1,324,519</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>1998</u> £	<u>1997</u> £
Hire purchase obligations (note 12)	<u>13,202</u>	<u>7,850</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1998

12.	Hire purchase obligations	<u>1998</u> £	<u>1997</u> £
	Amounts payable:		
	Within one year	17,966	37,380
	In the second to fifth years	14,031	8,062
		<u>31,997</u>	<u>45,442</u>
	Finance charges allocated to future periods	(2,486)	(2,359)
	Net obligations	<u>29,511</u>	<u>43,083</u>
	Whereof -		
	Included in current liabilities (note 10)	16,309	35,233
	Included in future liabilities (note 11)	13,202	7,850
		<u>29,511</u>	<u>43,083</u>
13.	Deferred taxation	<u>1998</u> £	<u>1997</u> £
	Deferred taxation asset not provided:		
	Depreciation in excess of capital allowances	<u>3,783</u>	<u>2,545</u>
14.	Share capital	<u>1998</u> £	<u>1997</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>
15.	Reserves	<u>1998</u> £	<u>1997</u> £
	Share Premium Account -		
	At 31st March 1998	<u>5,000</u>	<u>5,000</u>
	Profit and Loss Account -		
	At 1st April 1997	627,008	525,979
	Retained profit for the financial year	118,251	101,029
	At 31st March 1998	<u>745,259</u>	<u>627,008</u>

NORTRUCK SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March 1998

16. **Reconciliation of movements in shareholders' funds**

	<u>1998</u> £	<u>1997</u> £
Retained profit for the financial year	118,251	101,029
Net addition to shareholders' funds	118,251	101,029
Opening shareholders' funds	670,008	568,979
Shareholders' funds at 31st March 1998	<u>788,259</u>	<u>670,008</u>

17. **Pensions**

The company contributed during the year to defined contribution pension schemes for two directors and for four members of staff, the assets of which are held separately from those of the company in independently administered funds.

There were no outstanding pension contributions at 31st March 1998 (1997 - £339).

18. **Commitments**

At 31st March 1998 the company had annual commitments under non-cancellable operating leases as follows -

	<u>1998</u>		<u>1997</u>	
	<u>Land and</u> <u>Buildings</u>	<u>Other</u>	<u>Land and</u> <u>Buildings</u>	<u>Other</u>
	£	£	£	£
Operating leases which expire -				
Within one year	45,000		45,000	
In the second to fifth years		742		742
	<u>45,000</u>	<u>742</u>	<u>45,000</u>	<u>742</u>

19. **Transactions with directors**

(a) The company paid rent amounting to £45,000 (1997 - £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.

(b) The company transacts business in the normal course of trade with Sabre Offshore Services Limited, in which both R.W. Cameron and D.W. McIntosh have an interest.

The value of transactions during the year to 31st March 1998 was:

	£
Sales	18,599
Recharge of overhead expenses	2,770
	<u>21,369</u>