

NORTRUCK SERVICES LIMITED
Company Number SC87421

ABBREVIATED REPORT AND FINANCIAL STATEMENTS

for the year ended

31st March 1999

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NORTRUCK SERVICES LIMITED

COMPANY INFORMATION

Directors:

R.W. Cameron
R.G.M. 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 1999.

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

As a result of the downturn in the haulage industry, particularly in the commercial sector, vehicle department turnover has decreased, although margins have been maintained.

Parts department and service department turnover have been maintained despite the increased level of competition.

The haulage industry will continue to be under pressure in the current financial year, although public sector activity has shown an increase to date. Although it becomes even more difficult to forecast current year results, in the absence of unforeseen circumstances, the directors again look forward to continued growth and to a profitable outcome in the year to 31st March 2000.

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 £80,338 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	
	At 31st March	
	1999	1998
R.W. Cameron	15,000	15,000
D.W. McIntosh	10,000	10,000

In addition, through interests in Aberheath Freight Limited, R.G.M. Auld and D.M. Clark jointly had an interest in 13,000 shares at both dates. Since 31st March 1999 the company has agreed to repurchase the shares held by Aberheath Freight Limited, and R.G.M. Auld and D.M. Clark will therefore resign as directors of the company.

Year 2000

The company's computer system has recently been replaced and is now year 2000 compliant.

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

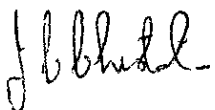
Introduction of the Euro

The specification of the new computer includes 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

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J.C. CHISHOLM

Secretary

7th December 1999

NORTRUCK SERVICES LIMITED

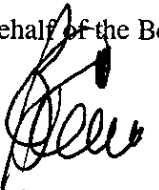
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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



R.W. CAMERON

Director

7th December 1999

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

We have audited the abbreviated financial statements on pages 6 to 16 together with the full financial statements of Nortruck Services Limited for the year ended 31st March 1999, 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 1999 and the abbreviated financial statements on pages 6 to 16 have been properly prepared in accordance with those provisions.



JAMES MILNE & CO.

Chartered Accountants and
Registered Auditors

5 Bon Accord Square
Aberdeen
AB11 6XZ

7th December 1999



NORTRUCK SERVICES LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31st March 1999

	<u>Note</u>	<u>1999</u> £	<u>1998</u> £
Gross profit		655,691	707,466
Administrative expenses		(519,457)	(540,835)
Operating profit	3/4	136,234	185,246
Interest payable	5	(34,244)	(29,297)
Profit on ordinary activities before taxation		101,990	155,949
Tax on profit on ordinary activities	6	(21,652)	(37,698)
Retained profit for the financial year	15	80,338	118,251

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 1999

	<u>Note</u>	<u>1999</u>	<u>1998</u>
		£	£
Fixed assets			
Tangible assets	7	148,868	118,279
Current assets			
Stocks	8	967,149	1,059,152
Debtors	9	1,039,334	1,413,004
Cash and cheques in hand		524	800
		<u>2,007,007</u>	<u>2,472,956</u>
Creditors: Amounts falling due within one year	10	<u>(1,265,801)</u>	<u>(1,789,774)</u>
Net current assets		<u>741,206</u>	<u>683,182</u>
Total assets less current liabilities		890,074	801,461
Creditors: Amounts falling due after more than one year	11	<u>(21,477)</u>	<u>(13,202)</u>
Net assets		<u><u>868,597</u></u>	<u><u>788,259</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	825,597	745,259
Shareholders' funds	16	<u><u>868,597</u></u>	<u><u>788,259</u></u>

The 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 16 were approved by the board of directors on 7th December 1999.


R.W. CAMERON

Director

NORTRUCK SERVICES LIMITED

CASH FLOW STATEMENT

for the year ended 31st March 1999

	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
Reconciliation of operating profit to net cash flow from operating activities		
Operating profit	136,234	185,246
Depreciation	56,004	55,610
Gain on disposal of tangible fixed assets	(6,126)	(12,975)
Decrease/(increase) in stocks and work in progress	92,003	(91,709)
Decrease/(increase) in debtors	373,670	(524,079)
(Decrease)/increase in creditors	(560,076)	543,407
Net cash inflow from operating activities	<u>91,709</u>	<u>155,500</u>
 Cash flow statement		
Net cash inflow from operating activities	91,709	155,500
Servicing of finance (note 1)	(36,424)	(29,297)
Taxation	(37,698)	(37,788)
Capital expenditure (note 1)	(80,467)	(43,581)
Financing (note 1)	14,640	(13,572)
(Decrease)/increase in cash in the year	<u>(48,240)</u>	<u>31,262</u>
 Reconciliation of net cash flow to movement in net funds		
(Decrease)/increase in cash in the year	(48,240)	31,262
(Increase)/decrease in hire purchase debt	(14,640)	13,572
Change in net debt	(62,880)	44,834
Net debt at 1st April 1998	<u>(353,937)</u>	<u>(398,771)</u>
Net debt at 31st March 1999	<u>(416,817)</u>	<u>(353,937)</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT

for the year ended 31st March 1999

1. **Gross cash flows**

	<u>1999</u> £	<u>1998</u> £
Servicing of finance		
Interest paid	(33,354)	(25,811)
Interest element of hire purchase payments	(3,070)	(3,486)
	<u>(36,424)</u>	<u>(29,297)</u>
Capital expenditure		
Acquisition of tangible fixed assets	(100,847)	(102,572)
Disposal of tangible fixed assets	20,380	58,991
	<u>(80,467)</u>	<u>(43,581)</u>
Financing		
Hire purchase finance received	60,610	26,100
Hire purchase finance repaid	(45,970)	(39,672)
	<u>14,640</u>	<u>(13,572)</u>

2. **Analysis of changes in net debt**

	<u>1st April</u> <u>1998</u> £	<u>Cash</u> <u>Flows</u> £	<u>Other</u> <u>Changes</u> £	<u>31st March</u> <u>1999</u> £
Cash and cheques in hand	800	(276)		524
Bank overdraft	(325,226)	(47,964)		(373,190)
Hire purchase finance –				
Due within one year	(16,309)	2,791	(9,156)	(22,674)
Due after one year	(13,202)	(17,431)	9,156	(21,477)
Total	<u>(353,937)</u>	<u>(62,880)</u>	-	<u>(416,817)</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1999

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	- 2 and 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 (1998 £Nil).

3. Operating profit/

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1999

3. Operating profit

	<u>1999</u> £	<u>1998</u> £
Operating profit is stated after charging:		
Directors' remuneration (note 4(b))	128,351	159,351
Auditors' remuneration	5,200	5,000
Depreciation	56,004	55,610
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	6,126	12,975

4. Directors and employees

	<u>1999</u> £	<u>1998</u> £
(a) Staff Costs (including directors)		
Wages and salaries	526,717	533,285
Social security costs	56,814	52,887
Other pension costs	15,567	17,400
	<u>599,098</u>	<u>603,572</u>

The average monthly number of employees during the year was -

	<u>Number</u>	<u>Number</u>
Sales and administration	10	10
Parts	16	12
Service	7	6
	<u>33</u>	<u>28</u>

	<u>1999</u> £	<u>1998</u> £
(b) Directors' Remuneration		
Emoluments	114,351	142,351
Pension scheme contributions	14,000	17,000
	<u>128,351</u>	<u>159,351</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1999

5. Interest payable

	<u>1999</u> £	<u>1998</u> £
Bank overdraft interest	27,859	19,396
Stocking loan interest	3,315	6,415
Hire purchase charges	3,070	3,486
	<u>34,244</u>	<u>29,297</u>

6. Tax on profit on ordinary activities

	<u>1999</u> £	<u>1998</u> £
The taxation charge comprises:		
Corporation tax	<u>21,652</u>	<u>37,698</u>

7. Tangible fixed assets

	<u>Short Leasehold Tenant's Improvements</u> £	<u>Plant and Equipment</u> £	<u>Total</u> £
Cost			
At 1st April 1998	25,878	266,403	292,281
Additions	-	100,847	100,847
Disposals	-	(58,791)	(58,791)
At 31st March 1999	<u>25,878</u>	<u>308,459</u>	<u>334,337</u>
Depreciation			
At 1st April 1998	25,878	148,124	174,002
Provided during year	-	56,004	56,004
On disposals	-	(44,537)	(44,537)
At 31st March 1999	<u>25,878</u>	<u>159,591</u>	<u>185,469</u>
Net book value			
At 31st March 1999	<u>-</u>	<u>148,868</u>	<u>148,868</u>
At 1st April 1998	<u>-</u>	<u>118,279</u>	<u>118,279</u>

The net book value of plant and equipment held under hire purchase contracts amounted to £78,351 (1998 - £58,455) after provision of depreciation for the year of £19,217 (1998 - £15,044).

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1999

8. Stocks

	<u>1999</u> £	<u>1998</u> £
Parts and accessories	843,362	766,867
Commercial vehicles	122,697	292,285
Work in progress	1,090	-
	<u>967,149</u>	<u>1,059,152</u>

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

9. Debtors

	<u>1999</u> £	<u>1998</u> £
Amounts falling due within one year -		
Trade debtors	1,032,440	1,391,194
Other debtors	4,069	3,313
Prepayments and accrued income	2,825	18,497
	<u>1,039,334</u>	<u>1,413,004</u>

10. Creditors: Amounts falling due within one year

	<u>1999</u> £	<u>1998</u> £
Bank overdraft (secured)	373,190	325,226
Hire purchase obligations (note 12)	22,674	16,309
Trade creditors	792,217	1,364,031
Corporation tax	21,652	37,698
Other taxes and social security costs	47,938	39,993
Accruals	8,130	6,517
	<u>1,265,801</u>	<u>1,789,774</u>

The bank holds a bond and floating charge over the assets of the company in security of the bank overdraft.

11. Creditors: Amounts falling due after more than one year

	<u>1999</u> £	<u>1998</u> £
Hire purchase obligations (note 12)	<u>21,477</u>	<u>13,202</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1999

12. Hire purchase obligations

	<u>1999</u> £	<u>1998</u> £
Amounts payable:		
Within one year	25,584	17,966
In the second to fifth years	22,399	14,031
	<u>47,983</u>	<u>31,997</u>
Finance charges allocated to future periods	(3,832)	(2,486)
Net obligations	<u>44,151</u>	<u>29,511</u>
Whereof -		
Included in current liabilities (note 10)	22,674	16,309
Included in future liabilities (note 11)	21,477	13,202
	<u>44,151</u>	<u>29,511</u>

13. Deferred taxation

	<u>1999</u> £	<u>1998</u> £
Deferred taxation asset not provided:		
Depreciation in excess of capital allowances	3,060	3,783

14. Share capital

	<u>1999</u> £	<u>1998</u> £
Ordinary Shares of £1 each -		
Authorised	100,000	100,000
Alotted, called up and fully paid	<u>38,000</u>	<u>38,000</u>

15. Reserves

	<u>1999</u> £	<u>1998</u> £
Share Premium Account -		
At 31st March 1999	5,000	5,000
Profit and Loss Account -		
At 1st April 1998	745,259	627,008
Retained profit for the financial year	80,338	118,251
At 31st March 1999	<u>825,597</u>	<u>745,259</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1999

16. Reconciliation of movements in shareholders' funds

	<u>1999</u> £	<u>1998</u> £
Retained profit for the financial year	80,338	118,251
Net addition to shareholders' funds	80,338	118,251
Opening shareholders' funds	788,259	670,008
Shareholders' funds at 31st March 1999	<u>868,597</u>	<u>788,259</u>

17. Pensions

The company contributed during the year to defined contribution pension schemes for two directors and for five 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 1999 (1998 - £Nil).

18. Commitments

At 31st March 1999 the company had annual commitments under non-cancellable operating leases as follows -

	<u>1999</u>		<u>1998</u>	
	<u>Land and Buildings</u>	<u>Other</u>	<u>Land and Buildings</u>	<u>Other</u>
	£	£	£	£
Operating leases which expire -				
Within one year		742	45,000	
In the second to fifth years	55,000			742
	<u>55,000</u>	<u>742</u>	<u>45,000</u>	<u>742</u>

19. Transactions with directors

(a) The company paid rent amounting to £45,000 (1998 - £45,000) under an operating lease for land and buildings to Aberheath Freight Limited, in which both R.G.M. Auld and D.M. Clark have an interest.

(b)/

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 1999

19. **Transactions with directors (contd.)**

- (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 1999 was:

	£
Purchases from Sabre	8,682
Sales to Sabre	156,807
Recharge of overhead expenses	66,273
Management fees	8,400
	<u>231,480</u>