

NORTRUCK SERVICES LIMITED

ABBREVIATED REPORT AND FINANCIAL STATEMENTS

for the year ended

31st March 2002

SC 87421



NORTRUCK SERVICES LIMITED

COMPANY INFORMATION

Directors:

R.W. Cameron
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
54 John Street
Aberdeen
AB25 1LL

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 2002.

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 commercial vehicle market continues to be very competitive although the company is trading very successfully in the municipal market. In addition the company has been offered a new franchise in the lighter end of the commercial vehicle range which will open new possibilities in the market.

Parts turnover has increased following the opening in December 2001 of a depot in Perth, the full effect of which should be felt in the current year.

The current year's trading position again indicates that the directors can, in the absence of unforeseen circumstances, again look forward to a profitable outcome for the year to 31st March 2003.

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 £124,038 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	
	2002	2001
R.W. Cameron	7,500	7,500
D.W. McIntosh	17,500	17,500

On 22nd August 2002 the 7,500 shares held by Mr R.W. Cameron were repurchased by the company as detailed in note 21 to the financial statements.

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


J.C. CHISHOLM

Secretary

23rd January 2003

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

23rd January 2003

**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 16 together with the full financial statements of Nortruck Services Limited for the year ended 31st March 2002, prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

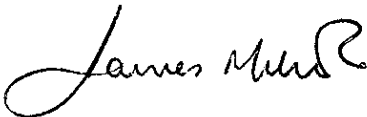
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion, and to report our opinion to the company, as to whether the company is entitled to deliver to the Registrar 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 2002 and the abbreviated financial statements on pages 5 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

23rd January 2003

NORTRUCK SERVICES LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31st March 2002

	<u>Note</u>	<u>2002</u> £	<u>2001</u> £
Gross profit		766,150	675,684
Administrative expenses		(591,242)	(547,012)
Operating profit	3/4	174,908	128,672
Interest receivable		2,735	19
Interest payable	5	(42,459)	(46,762)
Profit on ordinary activities before taxation		135,184	81,929
Tax on profit on ordinary activities	6	(28,125)	(15,689)
Retained profit for the financial year	15	107,059	66,240

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 2002

	<u>Note</u>	<u>2002</u>	<u>2001</u>
		£	£
Fixed assets			
Tangible assets	7	70,759	78,133
Current assets			
Stocks	8	1,153,480	1,184,064
Debtors	9	1,305,039	1,042,471
Cash and cheques in hand		13,416	1,000
		<u>2,471,935</u>	<u>2,227,535</u>
Creditors: Amounts falling due within one year	10	<u>(1,626,970)</u>	<u>(1,498,630)</u>
Net current assets		<u>844,965</u>	<u>728,905</u>
Total assets less current liabilities		<u>915,724</u>	<u>807,038</u>
Creditors: Amounts falling due after more than one year	11	<u>(11,444)</u>	<u>(9,817)</u>
Net assets		<u><u>904,280</u></u>	<u><u>797,221</u></u>
Capital and reserves			
Called up share capital	14	25,000	25,000
Share premium account	15	5,000	5,000
Capital reserve	15	13,000	13,000
Profit and loss account	15	861,280	754,221
Shareholders' funds	16	<u><u>904,280</u></u>	<u><u>797,221</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 5 to 16 were approved by the board of directors on 23rd January 2003.


R.W. CAMERON

Director

NORTRUCK SERVICES LIMITED

CASH FLOW STATEMENT

for the year ended 31st March 2002

	<u>2002</u> £	<u>2001</u> £
Reconciliation of operating profit to net cash flow from operating activities		
Operating profit	174,908	128,672
Depreciation	35,625	44,276
Gain on disposal of tangible fixed assets	(5,190)	(9,732)
Decrease in stocks and work in progress	30,584	144,228
(Increase)/decrease in debtors	(259,768)	123,877
Increase/(decrease) in creditors	93,325	(445,421)
Net cash inflow/(outflow) from operating activities	<u>69,484</u>	<u>(14,100)</u>
 Cash flow statement		
Net cash inflow/(outflow) from operating activities	69,484	(14,100)
Servicing of finance (note 1)	(39,400)	(48,142)
Taxation	(15,689)	(11,204)
Capital expenditure (note 1)	(9,997)	53,712
Financing (note 1)	(15,683)	(29,170)
Decrease in cash in the year	<u>(11,285)</u>	<u>(48,904)</u>
 Reconciliation of net cash flow to movement in net funds		
Decrease in cash in the year	(11,285)	(48,904)
Decrease in hire purchase debt	2,619	7,920
Change in net debt	(8,666)	(40,984)
Net debt at 1st April 2001	<u>(769,127)</u>	<u>(728,143)</u>
Net debt at 31st March 2002	<u>(777,793)</u>	<u>(769,127)</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT

for the year ended 31st March 2002

1. Gross cash flows

	<u>2002</u> £	<u>2001</u> £
Servicing of finance		
Interest received	2,735	19
Interest paid	(40,771)	(46,081)
Interest element of hire purchase payments	(1,364)	(2,080)
	<u>(39,400)</u>	<u>(48,142)</u>
Capital expenditure		
Acquisition of tangible fixed assets	(23,147)	(20,978)
Disposal of tangible fixed assets	13,150	74,690
	<u>(9,997)</u>	<u>53,712</u>
Financing		
Hire purchase finance repaid	<u>(15,683)</u>	<u>(29,170)</u>

2. Analysis of changes in net debt

	<u>1st April</u> <u>2001</u> £	<u>Cash</u> <u>Flows</u> £	<u>Other</u> <u>Changes</u> £	<u>31st March</u> <u>2002</u> £
Cash and cheques in hand	1,000	12,416		13,416
Bank overdraft	(744,609)	(23,701)		(768,310)
Hire purchase finance –				
Due within one year	(15,701)	2,619	1,627	(11,455)
Due after one year	(9,817)		(1,627)	(11,444)
Total	<u>(769,127)</u>	<u>(8,666)</u>	-	<u>(777,793)</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2002

1. **Accounting policies**

Basis of accounting

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

Turnover

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

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	- 3 years
Plant and equipment	- 4 and 10 years
Motor vehicles	- 2 and 4 years

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

Cost of work in progress comprises direct labour and materials.

Lease and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their expected useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The relevant finance charges are charged to profit and loss account over the primary period of the lease or contract in proportion to the capital element outstanding.

Rentals payable under operating leases where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profit as incurred.

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws, where it is more likely than not that a liability or asset will crystallise 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**

In the opinion of the directors, none of the turnover during the year was attributable to geographical markets outside the UK (2001 £Nil).

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2002

3. Operating profit

	<u>2002</u> £	<u>2001</u> £
Operating profit is stated after charging:		
Directors' remuneration (note 4(b))	153,176	124,191
Auditors' remuneration	6,500	5,600
Depreciation	35,625	44,276
Operating lease rentals -		
Land and buildings	65,244	62,911
Plant and equipment	14,823	4,190
	<u>80,067</u>	<u>67,101</u>
and after crediting:		
Gain on disposal of tangible fixed assets	5,190	9,732

4. Directors and employees

	<u>2002</u> £	<u>2001</u> £
(a) Staff Costs (including directors)		
Wages and salaries	720,456	644,990
Social security costs	68,332	61,816
Other pension costs	16,850	16,500
	<u>805,638</u>	<u>723,306</u>

The average monthly number of employees during the year was -

	<u>Number</u>	<u>Number</u>
Sales and administration	11	10
Parts	17	16
Service	6	5
	<u>34</u>	<u>31</u>
	<u>2002</u> £	<u>2001</u> £
(b) Directors' Remuneration		
Emoluments	139,176	110,191
Pension scheme contributions	14,000	14,000
	<u>153,176</u>	<u>124,191</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2002

5. Interest payable

	<u>2002</u> £	<u>2001</u> £
Bank overdraft interest	37,532	39,043
Stocking loan interest	3,531	5,164
Hire purchase charges	1,364	2,080
VAT interest	-	475
Other interest	32	-
	<u>42,459</u>	<u>46,762</u>

6. Tax on profit on ordinary activities

	<u>2002</u> £	<u>2001</u> £
(a) The taxation charge comprises:		
Corporation tax	30,925	15,689
Deferred tax (note 13)	(2,800)	-
	<u>28,125</u>	<u>15,689</u>

(b) Factors affecting tax charge for year:

The tax charge for the year is higher (2001 – lower) than the applicable rate of corporation tax (20%). The differences are explained below –

	<u>2002</u> £	<u>2001</u> £
Profit on ordinary activities before tax	<u>135,184</u>	<u>81,929</u>
Corporation tax thereon at 20%	27,037	16,386
<i>Effects of:</i>		
Expenditure not deductible for tax purposes	1,064	1,179
Timing difference on accrued expenditure	2,800	-
Depreciation for year in excess of capital allowances	24	(1,876)
Current corporation tax charge for year	<u>30,925</u>	<u>15,689</u>

(c) Factors which may affect future tax charges:

No provision has been made for a deferred tax asset amounting to £2,887 (2001 - £2,863) in respect of depreciation charged in excess of capital allowances which may reverse over future years, on the grounds that there is insufficient evidence regarding the trading and capital expenditure positions in future years to indicate that the asset will be recoverable within the foreseeable future.

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2002

7. Tangible fixed assets

	<u>Short Leasehold Tenant's Improvements</u>	<u>Plant and Equipment</u>	<u>Total</u>
	£	£	£
Cost			
At 1st April 2001	25,878	254,107	279,985
Additions	1,721	34,490	36,211
Disposals	-	(55,528)	(55,528)
At 31st March 2002	27,599	233,069	260,668
Depreciation			
At 1st April 2001	25,878	175,974	201,852
Provided during year	143	35,482	35,625
On disposals	-	(47,568)	(47,568)
At 31st March 2002	26,021	163,888	189,909
Net book value			
At 31st March 2002	1,578	69,181	70,759
At 1st April 2001	-	78,133	78,133

The net book value of plant and equipment held under hire purchase contracts amounted to £42,151 (2001 - £51,947) after provision of depreciation for the year of £10,175 (2001 - £15,854).

8. Stocks

	<u>2002</u>	<u>2001</u>
	£	£
Parts and accessories	1,153,480	1,050,504
Commercial vehicles	-	133,560
	<u>1,153,480</u>	<u>1,184,064</u>

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

9. Debtors

	<u>2002</u>	<u>2001</u>
	£	£
Amounts falling due within one year -		
Trade debtors	1,290,646	1,017,978
Other debtors	5,000	-
Prepayments and accrued income	6,593	24,493
Deferred taxation (note 13)	2,800	-
	<u>1,305,039</u>	<u>1,042,471</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2002

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

	<u>2002</u> £	<u>2001</u> £
Bank overdraft (secured)	768,310	744,609
Hire purchase obligations (note 12)	11,455	15,701
Trade creditors	643,295	655,234
Corporation tax	30,925	15,689
Other taxes and social security costs	158,751	51,445
Accruals	14,234	15,952
	<u>1,626,970</u>	<u>1,498,630</u>

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

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

	<u>2002</u> £	<u>2001</u> £
Hire purchase obligations (note 12)	<u>11,444</u>	<u>9,817</u>

12. **Hire purchase obligations**

	<u>2002</u> £	<u>2001</u> £
Amounts payable:		
Within one year	12,847	17,165
In the second to fifth years	12,243	10,474
	<u>25,090</u>	<u>27,639</u>
Finance charges allocated to future periods	(2,191)	(2,121)
Net obligations	<u>22,899</u>	<u>25,518</u>
Whereof -		
Included in current liabilities (note 10)	11,455	15,701
Included in future liabilities (note 11)	11,444	9,817
	<u>22,899</u>	<u>25,518</u>

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2002

13. Deferred taxation

	<u>2001</u> £	<u>Movement</u> <u>for year</u> £	<u>2002</u> £
Deferred taxation asset provided:			
Timing differences	-	2,800	2,800
Deferred taxation asset not provided:			
Depreciation in excess of capital allowances	2,863	24	2,887

The deferred taxation asset has been provided in the accounts on the basis that the timing difference reversed in April 2002 and the current year's profitability is more than sufficient to ensure that tax relief will be available.

(See note 6 (b) and (c).)

14. Share capital

	<u>2002</u> £	<u>2001</u> £
Ordinary Shares of £1 each -		
Authorised	100,000	100,000
Allotted, called up and fully paid	25,000	25,000

(See note 21.)

15. Reserves

	<u>2002</u> £	<u>2001</u> £
Share Premium Account -		
At 31st March 2002	5,000	5,000
Capital reserve -		
At 31st March 2002	13,000	13,000
Profit and Loss Account -		
At 1st April 2001	754,221	687,981
Retained profit for the financial year	107,059	66,240
At 31st March 2002	861,280	754,221

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2002

16. Reconciliation of movements in shareholders' funds

	<u>2002</u> £	<u>2001</u> £
Retained profit for the financial year	107,059	66,240
Net addition to shareholders' funds	107,059	66,240
Opening shareholders' funds	797,221	730,981
Shareholders' funds at 31st March 2002	<u><u>904,280</u></u>	<u><u>797,221</u></u>

17. Pensions

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

Outstanding pension contributions at 31st March 2002 amounted to £14,000 (2001 - £Nil).

18. Capital commitments

	<u>2002</u> £	<u>2001</u> £
Capital expenditure contracted for but not provided for in the financial statements	-	<u><u>11,250</u></u>

19. Other financial commitments

At 31st March 2002 the company had annual commitments under non-cancellable operating leases as follows -

	<u>2002</u>		<u>2001</u>	
	<u>Land and Buildings</u> £	<u>Other</u> £	<u>Land and Buildings</u> £	<u>Other</u> £
Operating leases which expire -				
In the second to fifth years	*78,748	19,245	*70,822	13,605

*Including £8,374 recoverable from sub-tenant (2001 - £7,911).

NORTRUCK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2002

20. Transactions with directors

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 2002 was:

	£
Purchases from Sabre	23,098
Purchase of fixed asset	1,000
	24,098
Sales to Sabre	119,967
Recharge of overhead expenses	38,697
Sale of fixed asset	5,250
Management fees	78,800
	242,714

21. Post balance sheet event

On 22nd August 2002 the company repurchased the 7,500 ordinary shares of £1 each, fully paid, held by Mr R.W. Cameron, thereby utilising £152,500 of undistributed reserves, and £7,500 was transferred to capital reserve in respect thereof. The shares were repurchased to facilitate the future retiral of Mr Cameron from the company.

22. Related party transactions

Controlling party

The company is under the control of Mr D.W. McIntosh, director, by virtue of his holding of 100% of the issued ordinary share capital.