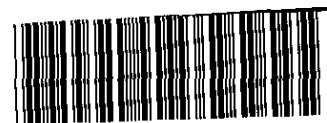


SC211749

Morris Leslie (Plymouth) Limited

**Director's report and accounts
for the year ended 30 April 2002**



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Morris Leslie (Plymouth) Limited

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Morris Leslie (Plymouth) Limited

Company information

Director	Morris Y Leslie
Secretary	Joyce C Leslie
Registered office	Errol Airfield Errol Perth PH2 7TB
Auditors	Henderson Loggie Chartered Accountants Royal Exchange Dundee DD1 1DZ
Bankers	Bank of Scotland 2 West Marketgait Dundee DD1 1QN
Registered number	SC211749

Morris Leslie (Plymouth) Limited

Director's report

The director has pleasure in submitting his annual report and accounts for the year ended 30 April 2002.

Principal activities

The company commenced trading on 9 November 2001. The company is engaged in the rental of construction machinery and equipment.

Review of business

The director is satisfied with the year's performance and expects the company to continue to show strong results in the year ahead.

On 12 July 2002, the company issued a further 19,999 ordinary shares of £1 each at par to Morris Leslie Limited

Financial

The results for the year are set out in the profit and loss account on page 6.

Directors and their interests

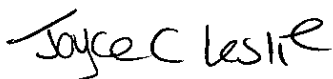
Mr DJ Laing resigned as a director on 26 October 2001.

The director in office has no interest in the shares of the company.

Auditors

A resolution for the re-appointment of Henderson Loggie as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



Joyce C Leslie
Secretary
26 February 2003

Morris Leslie (Plymouth) Limited

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 1985. They have general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Morris Leslie (Plymouth) Limited

Independent auditors' report to the shareholders of Morris Leslie (Plymouth) Limited

We have audited the accounts of Morris Leslie (Plymouth) Limited for the year ended 30 April 2002 which comprise the Profit and Loss Account, the Balance Sheet and the related notes on pages 8 to 12. These accounts have been prepared under the historical cost convention and 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 accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Morris Leslie (Plymouth) Limited

**Independent auditors' report to the shareholders of Morris Leslie (Plymouth) Limited
(continued)**

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 April 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Henderson Loggie

Henderson Loggie
Chartered Accountants
Registered Auditors
Dundee

26 February 2003

Morris Leslie (Plymouth) Limited

Profit and loss account for the year ended 30 April 2002

	Note	£
Turnover		805,369
Cost of sales		621,444
Gross profit		183,925
Administrative expenses		76,224
Profit on ordinary activities before interest	2-3	107,701
Interest payable		47,312
Profit on ordinary activities before taxation		60,389
Taxation	4	15,762
Profit for the financial year		76,151

A statement of reserves is given in note 11.

There are no recognised gains or losses other than the profit for the financial year of £76,151. Such profits represent the only movement on shareholders' funds.

The company was dormant from incorporation until 9 November 2001 when it acquired the business and commenced trading.

Morris Leslie (Plymouth) Limited

Balance sheet at 30 April 2002

	Note	£	£
Fixed assets			
Tangible assets	5		1,882,929
Current assets			
Stocks for resale		8,045	
Debtors	6	419,845	
Cash at bank and in hand		604	
		<u>428,494</u>	
Creditors			
Amounts falling due within one year	7	1,913,853	
		<u>1,913,853</u>	
Net current liabilities			(1,485,359)
Total assets less current liabilities			<u>397,570</u>
Creditors			
Amounts falling due outwith one year	8		303,180
Provision for liabilities and charges	9		18,238
			<u>321,418</u>
Total assets less current liabilities			<u><u>76,152</u></u>
Capital and reserves			
Called up share capital	10		1
Profit and loss account	11		76,151
			<u>76,152</u>
Shareholders funds			<u><u>76,152</u></u>

These accounts were approved by the board of directors on 26 February 2003 and were signed on its behalf by:



Morris Y Leslie
Director

Morris Leslie (Plymouth) Limited

Notes to the accounts

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1, "cash flow statements".

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Depreciation

The cost of fixed tangible assets is reduced by annual depreciation to net realisable value as follows -

Leasehold improvements	15%	straight line
Plant and equipment	15% -25%	straight line

Stock valuation

Stock is valued at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Morris Leslie (Plymouth) Limited

Notes to the accounts (continued)

2 Profit on ordinary activities

Profit on ordinary activities is stated after charging/(crediting):	£
Depreciation of fixed tangible assets	125,348
Auditors' remuneration - audit	2,000
Gain on disposal of fixed assets	(100,993)
Operating lease charges – plant and machinery	52,214
- other	20,498
	<u><u> </u></u>

3 Staff costs

	Number
Average number of employees	23
	<u> </u>
	£
Wages and salaries	211,612
Social security costs	18,217
Pension contributions	7,486
	<u><u>237,315</u></u>

The director received no remuneration.

4 Taxation

Corporation tax credit	(34,000)
Deferred tax charge	18,238
	<u><u>(15,762)</u></u>

Reconciliation of corporation tax credit:

Profit for year	60,389
	<u> </u>
Tax at 30%	18,117
Items not allowable for tax	5,169
Difference between capital allowances and depreciation	(36,044)
Difference between gain on disposal of fixed assets and chargeable gain	(22,342)
Margin	1,100
	<u> </u>
Corporation tax credit	<u><u>(34,000)</u></u>

Morris Leslie (Plymouth) Limited

Notes to the accounts (continued)

5 Fixed tangible assets

	Leasehold improvements £	Plant and equipment £	Total £
Cost			
Additions	40,436	2,272,393	2,312,829
Disposals	-	(300,302)	(300,302)
At 30 April 2002	40,436	1,972,091	2,012,527
Depreciation			
Charge for year	3,022	126,576	129,598
At 30 April 2002	3,022	126,576	129,598
Net book value At 30 April 2002	37,414	1,845,515	1,882,929

6 Debtors

	£
Trade debtors	374,369
Prepayments and accrued income	3,109
Other debtors	8,367
Group relief	34,000
	419,845

7 Creditors

Amounts fall due within one year:

Bank overdraft (secured)	1,621,417
Trade creditors	148,326
Social security and other taxes	56,909
Accruals	87,201
	1,913,853

The bank overdraft is secured by a bond and floating charge over all the assets of the company and a personal guarantee by Morris Y Leslie.

8 Creditors

Amounts falling due outwith one year:

Amounts owing to parent company	283,181
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Morris Leslie (Plymouth) Limited

Notes to the accounts (continued)

9	Deferred taxation	£
	Accelerated capital allowances	21,084
	Other timing differences	(2,846)
		<u>18,238</u>

10	Called up share capital		Allotted, called up and fully paid
		Authorised	£
		£	£
	Ordinary shares of £1 each	100	1
		<u>100</u>	<u>1</u>

On 12 July 2002, 19,999 ordinary shares of £1 each were issued at par to Morris Leslie Limited.

11	Profit and loss account	
	Retained profit for year	<u>76,151</u>

12	Pension	
	The company operates a group personal pension plan for eligible employees. The assets of the scheme are held separately from those of the company in independently administered funds. Contributions of £7,486 were made after the year end.	

13	Commitments under operating leases	
	Amounts payable next year for plant and machinery where lease expires	£
	Within 1 year	6,725
	In 1 to 2 years	27,737
	In 2 to 5 years	14,419
	Outwith 5 years	70,576
	Amounts payable next year for property where lease expires	
	Outwith 5 years	16,500

Morris Leslie (Plymouth) Limited

Notes to the accounts (continued)

13 Related party transactions

Morris Leslie (Plymouth) Limited trades with Morris Leslie Limited of which Morris Y Leslie is also a director. The nature of this trade is the sale and purchase of machinery and equipment. All transactions are carried out at arms length.

Transactions in the year were sales of £91,025, purchases of £149,892 and the trading amount due to Morris Leslie Limited at 30 April 2002 was £69,168

15 Parent company

The parent company is Morris Leslie Limited, a company incorporated in the UK and registered in Scotland controlled by Morris Y Leslie.