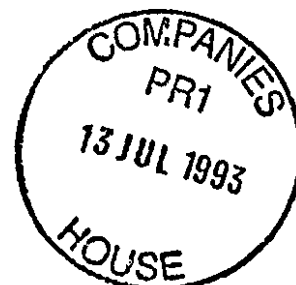


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VALLEY TRUCKS LIMITED

FINANCIAL STATEMENTS

30 September 1992



VALLEY TRUCKS LIMITED

Registered number: 1160558

DIRECTORS

Michael J Page
Anthony W Sewell

SECRETARY

Christopher Aitken-Davies

AUDITORS

Stoy Hayward
Chartered Accountants and Registered Auditor
45 Baldock Street
Ware
Herts
SG12 9DH

BANKERS

National Westminster Bank Plc
59 High Street
Ware
Herts
SG12 9AB

REGISTERED OFFICE

45 Baldock Street
Ware
Herts
SG12 9DH

DIRECTORS' REPORT
30 September 1992

The Directors submit their report and Accounts for the year ended 30 September 1992.

PRINCIPAL ACTIVITIES

Throughout the year the activities of the company continued to relate to the sale and servicing of commercial vehicles and their component parts as a main dealer for Hino Trucks, a parts and service dealer for Foden Trucks, together with the service and repair to all makes of commercial vehicles. The company has also continued the development of its accident and body repairs department.

RESULTS AND DIVIDENDS

Details of the profit for the year together with the paid dividend are shown in the profit and loss account and the related notes.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Directors have sought during the year to increase the company's market share by offering a quality service and they are of the opinion that this approach will position the company well to take advantage of any new opportunities that may arise. Results for the current year are encouraging at this stage.

DIRECTORS

The Directors who have served during the year together with their beneficial interests in the ordinary shares of the company are as follows:

	Ordinary £1 Shares	
	30.9.92	30.9.91
A W Sewell	10,000	5,000
M J Page	10,000	5,000

FIXED ASSETS

Movements in fixed assets during the year are set out on page 9.

SHARE CAPITAL

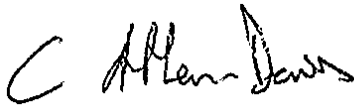
On 4 September 1992 10,000 Ordinary £1 shares were issued to the existing members by means of a capitalisation of existing accumulated distributable reserves.

DIRECTORS' REPORT (Continued)
30 September 1992

AUDITORS

On 1 July 1992 our auditors, Finnie & Co, merged their practice with Stoy Hayward. A resolution to appoint Stoy Hayward will be proposed in accordance with Section 385 of the Companies Act 1985.

By order of the Board



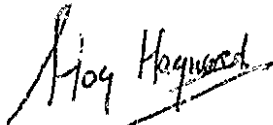
C AITKEN-DAVIES
Secretary
9 February 1993

REPORT OF THE AUDITORS

To the Members of Valley Trucks Limited.

We have audited the Financial statements on pages 4 to 13 in accordance with Auditing Standards.

In our opinion the Financial Statements give a true and fair view of the state of the company's affairs at 30 September 1992 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



STOY HAYWARD
Chartered Accountants and Registered Auditor

Ware,
9 February 1993

PROFIT AND LOSS ACCOUNT
Year ended 30 September 1992

	Note	1992		1991	
		£	£	£	£
TURNOVER	3		1,799,058		1,558,225
Cost of sales			1,309,012		1,112,695
GROSS PROFIT			490,046		445,530
Distribution costs		84,351		68,198	
Administrative expenses		301,910		259,601	
			386,261		327,799
			103,785		117,731
Other operating income			6		14
Investment income					
			103,791		117,745
Interest payable	4		37,041		42,680
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	5		66,750		75,065
Tax on profit on ordinary activities	7		17,167		18,000
PROFIT ON ORDINARY ACTIVITIES AFTER TAX			49,583		57,065
Dividends paid	8		13,500		-
Retained profit transferred to reserves	17		36,083		57,065

A statement of the movement on reserves can be found in note 17.

The notes on pages 6 to 13 form part of these Financial Statements.

VALLEY TRUCKS LIMITED

BALANCE SHEET

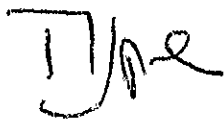
30 September 1992

	Note	1992		1991	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		183,991		163,553
CURRENT ASSETS					
Stock	10	120,768		102,813	
Debtors	11	406,051		362,796	
Cash at bank and in hand		767		866	
		<u>527,586</u>		<u>466,475</u>	
CREDITORS: Amounts falling due within one year	12	514,908		475,476	
NET CURRENT ASSETS/ LIABILITIES					
			12,678		(9,001)
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>196,669</u>		<u>154,552</u>
CREDITORS: Amounts falling due after more than one year	13		(54,178)		(49,311)
Provisions for liabilities and charges					
Deferred taxation	15		1,167		-
			<u>141,324</u>		<u>105,241</u>
CAPITAL AND RESERVES					
Called up share capital	16		20,000		10,000
Profit and loss account	17		121,324		95,241
			<u>141,324</u>		<u>105,241</u>

The notes on pages 6 to 13 form part of these Financial Statements.

Directors


A W SEWELL

M J PAGE 

NOTES ON THE FINANCIAL STATEMENTS
30 September 1992

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

STOCKS

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

Work in progress is stated at direct cost of labour and materials, with the addition of an appropriate proportion of overheads, or at net realisable value if lower.

Cost has been calculated on the "first in, first out" basis. Net realisable value comprises anticipated proceeds of sale less anticipated costs relating thereto.

DEPRECIATION AND AMORTISATION

Improvements to buildings are depreciated on a straight line basis over the unexpired portion of the lease. Other fixed assets are depreciated as follows:

	Annual Rate
Plant and equipment	20% reducing balance
Fixtures and fittings	15% reducing balance
Office equipment	20% reducing balance
Motor vehicles	20% reducing balance
Recovery vehicles	10% straight line

DEFERRED TAX

Deferred tax in respect of accelerated capital allowances and other timing differences is provided under the liability method except where such timing differences are expected, with reasonable probability, to continue in the foreseeable future.

Advance Corporation Tax which is expected to be recoverable is deducted from the provision for deferred tax.

TURNOVER

Turnover represents the total amount receivable in the ordinary course of business for goods and services sold, after deducting discounts given and credit notes issued and excluding Value Added Tax.

FINANCE LEASES AND HIRE PURCHASE COMMITMENTS

Assets held under leases which give rights approximating to ownership are capitalised, with the corresponding obligations to pay future rentals being included in creditors. The assets are valued at the present value of the minimum lease payments and are depreciated over the shorter of their estimated useful lives and the unexpired portion of the lease. The excess of the lease payments over the value of the lease obligations are treated as finance charges and are allocated to accounting periods during the lease term so as to give a constant periodic rate of charge on the remaining balance of the obligation.

Rental payable relating to all other leases are charged to the profit and loss account on a straight line basis over the lease term.

FINANCE LEASES

Income receivable from finance leases is credited to the profit and loss account to give a constant periodic rate of return on the net cash investment. Assets under finance leases are stated in the balance sheet as debtors at the total of rentals receivable less profit allocated to future periods.

PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions to the arrangements are charged to the profit and loss account in the year in which they are payable.

CASHFLOW STATEMENT

In accordance with Financial Reporting Standard Number 1, a cashflow statement has not been prepared on the grounds that the company qualifies as a "small company" in accordance with the Companies Act 1985.

2. APPROVAL OF FINANCIAL STATEMENTS

These Financial Statements were approved by the Board on 9 February 1993.

3. TURNOVER

In the Directors opinion, geographical markets supplied do not differ substantially from each other.

4. INTEREST PAYABLE

	1992 £	1991 £
On bank loans and overdrafts and other loans:		
Wholly repayable within five years	27,524	36,935
Finance leases and hire purchase contracts	9,517	5,745
	<u>37,041</u>	<u>42,680</u>

NOTES ON THE FINANCIAL STATEMENTS (Continued)
30 September 1992

	1992 £	1991 £
5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		
(a) This is stated after charging:		
Loss on sale of fixed assets	854	4,312
Depreciation of owned assets	15,376	17,286
Depreciation of other assets	14,017	9,721
Auditors' remuneration	5,400	5,000
Rentals under operating leases:		
Hire of plant and machinery	4,479	3,113
Other operating leases	75,453	72,060
(b) Directors' remuneration:		
Salaries and other emoluments (including pension contributions paid on their behalf)	67,059	35,238
Emoluments (excluding pension contributions) of:	1992	1991
Highest paid director	33,013	17,858
The other director's emoluments fell within the ranges:	Number	Number
£15,001 - £20,000	-	1
£30,001 - £35,000	1	-
6. STAFF COSTS	£	£
Wages and salaries	492,945	403,172
Social security costs	50,383	41,470
Other pension costs	1,457	1,904
	544,785	446,546
The average number of employees during the year was made up as follows:	Number	Number
Servicing and parts	20	15
Office and management	8	10
	28	25
7. TAX ON PROFIT ON ORDINARY ACTIVITIES		
The charge is based on the profit for the year and consists of:	£	£
Corporation tax at 25%	15,834	18,000
Adjustment in respect of previous years	166	-
Deferred taxation	1,167	-
	17,167	18,000

NOTES ON THE FINANCIAL STATEMENTS (Continued)
30 September 1992

8.	DIVIDEND						1992	1991
							£	£
	Interim dividend 135p per ordinary share						13,500	-
							<u> </u>	<u> </u>
9.	TANGIBLE FIXED ASSETS							
		Improvements to short Leasehold Premises	Plant & Equipment	Fixtures & Fittings	Office Equipment	Motor & Recovery Vehicles	Total	
		£	£	£	£	£	£	
	COST							
	At 1							
	October							
	1991	25,074	56,271	22,107	24,387	108,169	236,008	
	Additions	3,377	22,238	1,217	3,779	20,584	51,195	
	Disposals	-	-	-	-	(3,700)	(3,700)	
	At 30	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
	September							
	1992	28,451	78,509	23,324	28,166	125,053	283,503	
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
	ACCUMULATED DEPRECIATION							
	At 1							
	October							
	1991	1,879	29,840	8,752	8,557	23,427	72,455	
	Charge for the year	1,334	6,539	2,127	3,636	15,757	29,393	
	Disposals	-	-	-	-	(2,336)	(2,336)	
	At 30	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
	September							
	1992	3,213	36,379	10,879	12,193	36,848	99,512	
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
	NET BOOK VALUE							
	At 30							
	September							
	1992	25,238	42,130	12,445	15,973	88,205	183,991	
	At 30	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
	September							
	1991	23,195	26,431	13,355	15,830	84,742	163,553	
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	

The net book value of tangible fixed assets includes £80,493 (1991: £72,633) in respect of assets held under finance leases and hire purchase agreements.

NOTES ON THE FINANCIAL STATEMENTS (Continued)
30 September 1992

10. STOCKS	1992 £	1991 £
Vehicles	6,000	-
Work in progress	11,072	10,681
Parts	103,696	92,132
	<u>120,768</u>	<u>102,813</u>
 11. DEBTORS		
Amounts falling due within one year:		
Trade debtors	347,784	331,506
Other debtors	5,127	4,698
Finance lease receivables	9,106	-
Prepayments	30,375	26,592
	<u>392,392</u>	<u>362,796</u>
Amounts falling due after more than one year:		
Finance lease receivables	13,659	-
	<u>406,051</u>	<u>362,796</u>
<p>The cost of assets acquired for the purpose of letting under finance leases amount to £28,096 (1991: Nil).</p> <p>The aggregate rentals receivable during the year in respect of finance leases were £10,600 (1991: Nil).</p>		
 12. CREDITORS		
Amounts falling due within one year:		
Bank overdraft	217,597	191,823
Current instalment due on loan	10,905	8,700
Trade creditors	158,535	175,626
Corporation Tax	11,334	18,000
Other taxes and social security costs	54,809	41,849
Obligations under hire purchase contracts and finance leases	42,661	24,291
Other creditors	647	5,887
Accruals	18,420	9,300
	<u>514,908</u>	<u>475,476</u>

NOTES ON THE FINANCIAL STATEMENTS (Continued)
30 September 1992

13 CREDITORS	1992 £	1991 £
Amounts falling due after more than one year and repayable within five years:		
Bank loan	19,141	6,469
Obligations under hire purchase contracts and finance leases	25,786	29,683
Directors current account	9,251	13,159
	<u>54,178</u>	<u>49,311</u>

The bank loan bears interest at 11.9% per annum and is repayable in monthly instalments. The current portion of the bank loan amounting to £10,905 (1991: £8,700) is shown in current liabilities. The bank loan matures in April 1993. The bank loan and overdraft are secured by a mortgage debenture over the fixed and floating assets of the company and a legal mortgage over the company's leasehold premises.

14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS	1992 £	1991 £
The maturity of these amounts is as follows:		
Amounts payable:		
Within one year	51,619	32,783
Within two to five years	33,022	39,012
	<u>84,641</u>	<u>71,795</u>
Less: Finance charges allocated to future periods	(16,194)	(17,821)
	<u>68,447</u>	<u>53,974</u>
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations	42,661	24,291
Non-current obligations	25,786	29,683
	<u>68,447</u>	<u>53,974</u>

NOTES ON THE FINANCIAL STATEMENTS (Continued)
30 September 1992

15. DEFERRED TAX

The total potential amount of deferred tax on timing differences and the amount for which provision has been made is:

	1992		1991	
	Amount Provided £	Amount Potential Tax £	Amount Provided £	Total Potential Tax £
Accelerated capital allowances	1,167	8,488	Nil	7,302
Other timing differences	Nil	-	Nil	-
	<u>1,167</u>	<u>8,488</u>	<u>Nil</u>	<u>7,302</u>

16. CALLED UP SHARE CAPITAL

Authorised 500,000 (1991: 500,000) Ordinary shares of £1	500,000	500,000
Allotted, called up and fully paid 20,000 (1991: 10,000) Ordinary shares of £1 each	20,000	10,000

On 4 September 1992, the sum of £10,000, being part of the accumulated profit and loss reserves was capitalised and appropriated as capital to and among the holders of the 10,000 Ordinary Shares of £1 each in the capital of the company at the rate of 1 share for each existing share held.

17. RESERVES

	£
Profit and Loss Account	
Balance at 1 October 1991	95,241
Profit for the year	36,083
Capitalization of reserves (Note 16)	<u>(10,000)</u>
Balance at 30 September 1992	<u>121,324</u>

NOTES ON THE FINANCIAL STATEMENTS (Continued)
30 September 1992

18. OPERATING LEASE COMMITMENTS

At 30 September 1991 the company was committed to making the following payments during the next year in respect of operating leases:

	1992		1991	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Leases which expire within one year	-	3,962	-	-
Within 2 to 5 years	-	195	-	5,067
After 5 years	62,622	-	63,222	-
	<u>62,622</u>	<u>-</u>	<u>63,222</u>	<u>-</u>