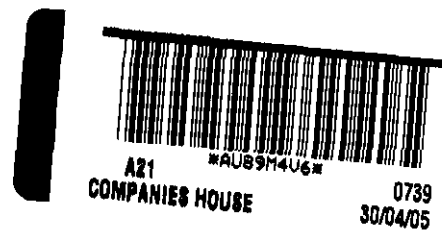


SAVILLE TRACTORS LIMITED  
ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2004



Murphy Salisbury  
Chartered Accountants  
Registered Auditors  
15 Warwick Road  
Stratford-Upon-Avon  
Warwickshire  
CV37 6YW

**SAVILLE TRACTORS LIMITED**

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**FOR THE YEAR ENDED 31 DECEMBER 2004**

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**SAVILLE TRACTORS LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**DIRECTORS:** S J Cooper  
M F Hughes  
R D Guise

**SECRETARY:** S Ison

**REGISTERED OFFICE:** Bearley  
Stratford upon Avon  
Warwickshire  
CV37 0TY

**REGISTERED NUMBER:** 376443

**AUDITORS:** Murphy Salisbury  
Chartered Accountants  
Registered Auditors  
15 Warwick Road  
Stratford-Upon-Avon  
Warwickshire  
CV37 6YW

**SAVILLE TRACTORS LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

The directors present their report with the accounts of the company for the year ended 31 December 2004.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of selling and servicing of construction and industrial equipment, and the servicing of specialist equipment on ocean going ships.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed accounts.

**DIVIDENDS**

An interim dividend of 5.85p per share was paid on 3 March 2004. The directors recommend a final dividend of 2p per share, making a total of 7.85p per share for the year ended 31 December 2004.

The total distribution of dividends for the year ended 31 December 2004 will be £157,000.

**FUTURE DEVELOPMENTS**

The directors feel that the company is in a satisfactory position and will continue to perform satisfactorily for the foreseeable future.

**DIRECTORS**

The directors during the year under review were:

S J Cooper  
M F Hughes  
R D Guise

The directors holding office at 31 December 2004 did not hold any beneficial interest in the issued share capital of the company at 1 January 2004 or 31 December 2004.

The interests of M Hughes and S Cooper in Bearley Developments Limited are disclosed in the accounts of that company.

R Guise did not have any interest in any shares of any group company throughout the financial period.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements 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 financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements 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.

**SAVILLE TRACTORS LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**AUDITORS**

The auditors, Murphy Salisbury, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'SJ Cooper', written over a horizontal line.

SJ Cooper - Director

13 April 2005

**REPORT OF THE INDEPENDENT AUDITORS TO**  
**SAVILLE TRACTORS LIMITED**  
**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages five to twenty, together with the full financial statements of the company for the year ended 31 December 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

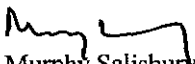
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

*In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to twenty are properly prepared in accordance with that provision.*

  
Murphy Salisbury  
Chartered Accountants  
Registered Auditors  
15 Warwick Road  
Stratford-Upon-Avon  
Warwickshire  
CV37 6YW

13 April 2005

**SAVILLE TRACTORS LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

		2004	2003
	Notes	£	£
<b>GROSS PROFIT</b>		2,686,939	2,892,670
Administrative expenses		2,513,607	2,558,493
<b>OPERATING PROFIT</b>	3	173,332	334,177
Interest receivable and similar income		6,268	3,207
		179,600	337,384
Interest payable and similar charges	4	33,059	36,736
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		146,541	300,648
Tax on profit on ordinary activities	5	(2,556)	54,752
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		149,097	245,896
Dividends	6	157,000	160,000
		(7,903)	85,896
Retained profit brought forward		767,017	681,121
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>£759,114</u>	<u>£767,017</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**SAVILLE TRACTORS LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

	<u>2004</u>	<u>2003</u>
	£	£
<b>PROFIT FOR THE FINANCIAL YEAR</b>	149,097	245,896
Revaluation of freehold property	-	175,000
	<u>          </u>	<u>          </u>
<b>TOTAL RECOGNISED GAINS AND LOSSES</b>		
<b>RELATING TO THE YEAR</b>	<u>£149,097</u>	<u>£420,896</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.



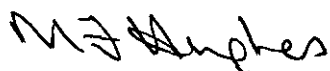
**SAVILLE TRACTORS LIMITED**

**ABBREVIATED BALANCE SHEET**  
**31 DECEMBER 2004**

		2004		2003	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	7		1,049,971		1,028,345
Investments	8		1		1
			<u>1,049,972</u>		<u>1,028,346</u>
<b>CURRENT ASSETS:</b>					
Stocks	9	3,023,221		3,270,508	
Debtors	10	2,900,756		2,393,793	
Cash at bank and in hand		118,174		401,504	
		<u>6,042,151</u>		<u>6,065,805</u>	
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>4,011,328</u>		<u>3,987,720</u>	
<b>NET CURRENT ASSETS:</b>			<u>2,030,823</u>		<u>2,078,085</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>3,080,795</u>		<u>3,106,431</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	12		<u>146,681</u>		<u>164,414</u>
			<u>£2,934,114</u>		<u>£2,942,017</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	17		2,000,000		2,000,000
Revaluation reserve	18		175,000		175,000
Profit and loss account			759,114		767,017
<b>SHAREHOLDERS' FUNDS:</b>	22		<u>£2,934,114</u>		<u>£2,942,017</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

**ON BEHALF OF THE BOARD:**



M F Hughes - Director

Approved by the Board on 13 April 2005

**SAVILLE TRACTORS LIMITED**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

		<u>2004</u>		<u>2003</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		83,855		333,915
Returns on investments and servicing of finance	2		(26,791)		(33,529)
Taxation			(5,512)		(5,774)
Capital expenditure	2		(168,315)		(24,030)
Equity dividends paid			(157,000)		(160,000)
			<u>(273,763)</u>		<u>110,582</u>
Financing	2		(9,567)		(43,957)
(Decrease)/Increase in cash in the period			<u>£(283,330)</u>		<u>£66,625</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(283,330)		66,625	
Cash outflow from decrease in debt and lease financing		<u>44,818</u>		<u>43,957</u>	
Change in net funds resulting from cash flows			<u>(238,512)</u>		<u>110,582</u>
Movement in net funds in the period			<u>(238,512)</u>		<u>110,582</u>
Net funds at 1 January			<u>177,624</u>		<u>67,042</u>
Net (debt)/funds at 31 December			<u>£(60,888)</u>		<u>£177,624</u>

The notes form part of these abbreviated accounts

**SAVILLE TRACTORS LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2004 £	2003 £
Operating profit	173,332	334,177
Depreciation charges	130,159	108,972
Loss on sale of fixed assets	16,530	-
Profit on sale of fixed assets	-	(169)
Decrease/(Increase) in stocks	247,287	(1,031,333)
(Increase)/Decrease in debtors	(498,970)	30,770
Increase in creditors	15,517	891,498
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<b>83,855</b>	<b>333,915</b>
	<hr/>	<hr/>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2004 £	2003 £
<b>Returns on investments and servicing of finance</b>		
Interest received	6,268	3,207
Interest paid	(6,409)	(895)
Interest element of hire purchase payments	(26,650)	(35,841)
	<hr/>	<hr/>
Net cash outflow for returns on investments and servicing of finance	(26,791)	(33,529)
	<hr/>	<hr/>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(217,716)	(24,199)
Sale of tangible fixed assets	49,401	169
	<hr/>	<hr/>
Net cash outflow for capital expenditure	(168,315)	(24,030)
	<hr/>	<hr/>
<b>Financing</b>		
Loan repayments in year	(9,567)	(43,957)
	<hr/>	<hr/>
Net cash outflow from financing	(9,567)	(43,957)
	<hr/>	<hr/>

**SAVILLE TRACTORS LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/1/04 £	Cash flow £	At 31/12/04 £
Net cash:			
Cash at bank and in hand	401,504	(283,330)	118,174
	<u>401,504</u>	<u>(283,330)</u>	<u>118,174</u>
Debt:			
Hire purchase	(223,880)	44,818	(179,062)
	<u>(223,880)</u>	<u>44,818</u>	<u>(179,062)</u>
Total	<u>177,624</u>	<u>(238,512)</u>	<u>(60,888)</u>
<b>Analysed in Balance Sheet</b>			
Cash at bank and in hand	401,504		118,174
Hire purchase			
within one year	(59,466)		(51,964)
after one year	(164,414)		(127,098)
	<u>177,624</u>		<u>(60,888)</u>

## SAVILLE TRACTORS LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, and in accordance with applicable accounting standards.

##### **Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- at varying rates on cost
Fixtures and fittings	- 10% straight line basis
Motor vehicles	- 25% straight line basis
Computer and office equipment	- at varying rates on cost

Property is valued annually and shown in the accounts at valuation. Net surpluses are credited to revaluation reserves.

*This treatment is a departure from The Companies Act 1985 which requires assets to be depreciated over their useful economic lives. It has been adopted to give a true and fair view.*

If this policy had not been adopted, the property would have been carried at cost of £600,000, and been depreciated at 2% per annum straight line, giving an annual charge of £12,000.

##### **Stocks**

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

##### **Pensions**

The company operates a defined contribution pension scheme for its employees. The company also operates an executive defined contribution pension scheme for two of the directors. The contributions for both schemes are charged to the Profit and Loss Account as incurred by the company.

**SAVILLE TRACTORS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**1. ACCOUNTING POLICIES - continued**

**Operating leases**

As lessor - assets leased under operating leases are included in plant and machinery and are depreciated over their useful lives. Rental income from these leases is included in the profit and loss account on a straight-line basis over the period of the lease.

**Group Accounts**

The company has taken advantage of exemptions available to medium sized groups from preparing group accounts. The financial statements, therefore, present information about the company as an individual undertaking, and not about its group.

**2. STAFF COSTS**

	2004	2003
	£	£
Wages and salaries	1,371,985	1,559,637
Social security costs	160,098	174,444
Other pension costs	71,584	72,392
	<u>1,603,667</u>	<u>1,806,473</u>

The average monthly number of employees during the year was as follows:

	2004	2003
Sales	14	13
Production	35	37
Administration and managerial	24	25
	<u>73</u>	<u>75</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2004	2003
	£	£
Other operating leases	139,010	128,059
Operating lease income	(115,131)	(140,738)
Depreciation - owned assets	73,840	43,752
Depreciation - assets on hire purchase contracts	56,319	65,220
Loss/(Profit) on disposal of fixed assets	16,530	(169)
Auditors' remuneration	<u>13,000</u>	<u>14,000</u>
Directors' emoluments	96,089	141,229
Directors' pension contributions to money purchase schemes	<u>13,301</u>	<u>13,233</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	3	3
	<u>  </u>	<u>  </u>

**SAVILLE TRACTORS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2004	2003
	£	£
Bank interest	6,409	895
HP interest and charges	26,650	35,841
	<u>33,059</u>	<u>36,736</u>

**5. TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit on ordinary activities for the year was as follows:

	2004	2003
	£	£
Current tax:		
UK corporation tax	5,700	5,774
Over provision in prior year	(262)	(3,226)
Total current tax	5,438	2,548
Deferred taxation	(7,994)	52,204
Tax on profit on ordinary activities	<u>(2,556)</u>	<u>54,752</u>

**Factors affecting the tax (credit)/charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2004	2003
	£	£
Profit on ordinary activities before tax	<u>146,541</u>	<u>300,648</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2003 - 19%)	27,843	57,123
Effects of:		
Capital allowances in (excess)/ deficit of depreciation	4,874	(2,549)
Expenses not deductible for tax	6,345	9,386
Payments allowable for tax	(32,547)	(16,035)
(Loss) / profit on disposal of assets	3,140	(32)
Tax losses brought forward	(2,765)	(41,583)
Small companies rate relief	(652)	(798)
Over provision in prior year	(262)	(3,226)
(Under)/over provision current year	(538)	262
Current tax (credit)/charge	<u>5,438</u>	<u>2,548</u>

**SAVILLE TRACTORS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**6. DIVIDENDS**

	2004 £	2003 £
Equity shares:		
Interim dividends	117,000	120,000
Final dividend	40,000	40,000
	<u>157,000</u>	<u>160,000</u>

**7. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £
<b>COST OR VALUATION:</b>			
At 1 January 2004	775,000	392,803	55,990
Additions	-	12,253	2,309
Disposals	-	(179,920)	(23,261)
	<u>775,000</u>	<u>225,136</u>	<u>35,038</u>
At 31 December 2004	775,000	225,136	35,038
<b>DEPRECIATION:</b>			
At 1 January 2004	-	188,880	37,206
Charge for year	-	67,283	5,001
Eliminated on disposals	-	(115,795)	(23,261)
	<u>-</u>	<u>140,368</u>	<u>18,946</u>
At 31 December 2004	-	140,368	18,946
<b>NET BOOK VALUE:</b>			
At 31 December 2004	<u>775,000</u>	<u>84,768</u>	<u>16,092</u>
At 31 December 2003	<u>775,000</u>	<u>203,923</u>	<u>18,784</u>



**SAVILLE TRACTORS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**7. TANGIBLE FIXED ASSETS - continued**

	Motor vehicles	Computer and office equipment	Totals
	£	£	£
<b>COST OR VALUATION:</b>			
At 1 January 2004	56,501	303,618	1,583,912
Additions	-	203,154	217,716
Disposals	(15,884)	(272,495)	(491,560)
At 31 December 2004	40,617	234,277	1,310,068
<b>DEPRECIATION:</b>			
At 1 January 2004	40,405	289,076	555,567
Charge for year	10,758	47,117	130,159
Eliminated on disposals	(14,078)	(272,495)	(425,629)
At 31 December 2004	37,085	63,698	260,097
<b>NET BOOK VALUE:</b>			
At 31 December 2004	3,532	170,579	1,049,971
At 31 December 2003	16,096	14,542	1,028,345

Included in the above analysis are assets leased to third parties under operating leases at a cost of £173,977 (2003 : £314,174). less accumulated depreciation of £104,729 (2003 : £131,160).

Cost or valuation at 31 December 2004 is represented by:

	Freehold property	Plant and machinery	Fixtures and fittings
	£	£	£
Valuation in 2003	175,000	-	-
Cost	600,000	225,136	35,038
	775,000	225,136	35,038

	Motor vehicles	Computer and office equipment	Totals
	£	£	£
Valuation in 2003	-	-	175,000
Cost	40,617	234,277	1,135,068
	40,617	234,277	1,310,068

**SAVILLE TRACTORS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**7. TANGIBLE FIXED ASSETS - continued**

If freehold property had not been revalued it would have been included at the following historical cost:

	2004	2003
	£	£
Cost	600,000	600,000
	<u>          </u>	<u>          </u>
Aggregate depreciation	36,000	24,000
	<u>          </u>	<u>          </u>

Freehold property was valued on an open market basis on 26 November 2003 by Mssrs Evans & Hardy, Chartered Surveyors.

The directors have not updated this valuation as they are not aware of any material change in value.

The net book value of tangible fixed assets includes £62,570 (2003 - £183,014) in respect of assets held under hire purchase contracts.

**8. FIXED ASSET INVESTMENTS**

	£
<b>COST:</b>	
At 1 January 2004	
and 31 December 2004	1
	<u>          </u>
<b>NET BOOK VALUE:</b>	
At 31 December 2004	1
	<u>          </u>
At 31 December 2003	1
	<u>          </u>
	2004
	£
Unlisted investments	1
	<u>          </u>
	2003
	£
	1
	<u>          </u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

**Saville Tractors (UK) Limited**

Nature of business: Holds the legal title to the property

	%
	holding
Class of shares:	
Ordinary	100.00

	2004	2003
	£	£
Aggregate capital and reserves	1	1
	<u>          </u>	<u>          </u>

**9. STOCKS**

	2004	2003
	£	£
Stock	2,940,995	3,184,148
Work in progress	82,226	86,360
	<u>          </u>	<u>          </u>
	3,023,221	3,270,508
	<u>          </u>	<u>          </u>

**SAVILLE TRACTORS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**10. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	2004 £	2003 £
Trade debtors	2,191,327	1,619,060
Prepayments & accrued income	198,739	280,024
Other debtors	132,970	124,983
Deferred tax asset	377,720	369,726
	<u>2,900,756</u>	<u>2,393,793</u>

Deferred tax asset

	2004 £	2003 £
Deferred tax asset	<u>377,720</u>	<u>369,726</u>

See Note 16 for the level of invoice discounted debts included within trade debtors

See Note 17 for details of the deferred tax asset.

**11. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	2004 £	2003 £
Bank loans and overdrafts (see note 13)	15,667	-
Hire purchase contracts (see note 14)	51,964	59,466
Trade creditors	3,530,735	3,421,616
Amounts due to invoice discounting company	84,239	173,168
Social security & other taxes	55,615	51,580
Due to subsidiary company	1	1
Taxation	5,700	5,774
Sundry creditors and accruals	267,407	276,115
	<u>4,011,328</u>	<u>3,987,720</u>

**12. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	2004 £	2003 £
Bank loans (see note 13)	19,583	-
Hire purchase contracts (see note 14)	127,098	164,414
	<u>146,681</u>	<u>164,414</u>

**SAVILLE TRACTORS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**13. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	2004 £	2003 £
Amounts falling due within one year or on demand:		
Bank loans	<u>15,667</u>	<u>-</u>
Amounts falling due between one and two years:		
Bank loans	<u>15,679</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans	<u>3,904</u>	<u>-</u>

See Note 16 for details of the security held.

**14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	2004 £	Hire purchase contracts 2003 £
Gross obligations repayable:		
Within one year	65,026	82,728
Between one and five years	<u>139,366</u>	<u>184,724</u>
	<u>204,392</u>	<u>267,452</u>
Finance charges repayable:		
Within one year	13,062	23,262
Between one and five years	<u>12,268</u>	<u>20,310</u>
	<u>25,330</u>	<u>43,572</u>
Net obligations repayable:		
Within one year	51,964	59,466
Between one and five years	<u>127,098</u>	<u>164,414</u>
	<u>179,062</u>	<u>223,880</u>

**SAVILLE TRACTORS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued**

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2004	2003	2004	2003
	£	£	£	£
Expiring:				
Within one year	31,967	9,383	28,665	4,561
Between one and five years	17,500	81,500	83,881	93,282
	<u>49,467</u>	<u>90,883</u>	<u>112,546</u>	<u>97,843</u>

**15. SECURED DEBTS**

The following secured debts are included within creditors:

	2004	2003
	£	£
Hire purchase contracts	179,062	223,880
Amounts due to CASE	2,800,379	2,290,808
Invoice discounted debts	84,239	173,168
	<u>3,063,680</u>	<u>2,687,856</u>

Both the bank overdraft and the amounts due to CASE are secured by fixed and floating charges over all the property and assets both present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery. They are only effective from 11 April 2002, and 4 April 2002 respectively.

Any factored debts are secured by way of fixed equitable charge over all debts purchased or purported to be purchased by the security holder pursuant to an agreement for the purchase of debts between the security holder and the company (including the associated rights relating thereto) which fail to vest effectively or absolutely in the security holder for any reason.

The hire purchase agreements are secured on the underlying assets to which the agreements relate.

**16. PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred tax
	£
Balance at 1 January 2004	(369,726)
Accelerated capital allowances	(20,996)
Other timing differences	13,002
Balance at 31 December 2004	<u>(377,720)</u>

Deferred tax has been provided for at 19%, on the basis that the company's tax losses of approximately £2,080,000 will be recovered against future taxable profits of the company, which are supported through forecasts.

**SAVILLE TRACTORS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**17. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2004 £	2003 £
2,000,000	Ordinary	£1	<u>2,000,000</u>	<u>2,000,000</u>

**18. REVALUATION RESERVE**

	2004 £	2003 £
Revaluation reserve	<u>175,000</u>	<u>175,000</u>

**19. ULTIMATE PARENT COMPANY**

The immediate and ultimate parent undertaking is Bearley Developments Limited, a company incorporated in England and Wales.

Bearley Developments Limited has taken advantage of the exemptions available to medium sized groups from preparing consolidated accounts.

The company's accounts are available from Companies House on the payment of the applicable fee.

**20. CONTINGENT LIABILITIES**

The company has entered into an unlimited cross guarantee with its parent undertaking, Bearley Developments Limited, to offer security for any bank overdraft. At the year end the amount of this contingent liability was £nil (2003 : £nil).

**21. CAPITAL COMMITMENTS**

	2004 £	2003 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>51,574</u>

At 31 December 2003 the company had also prepaid £134,705 on capital equipment which was installed in 2004. This figure was included within 'Prepayments & accrued income'.

**22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2004 £	2003 £
Profit for the financial year	149,097	245,896
Dividends	<u>(157,000)</u>	<u>(160,000)</u>
	(7,903)	85,896
Other recognised gains and losses relating to the year (net)	<u>-</u>	<u>175,000</u>
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(7,903)</b>	<b>260,896</b>
Opening shareholders' funds	<u>2,942,017</u>	<u>2,681,121</u>
<b>Closing shareholders' funds</b>	<b><u>2,934,114</u></b>	<b><u>2,942,017</u></b>
Equity interests	<u>2,934,114</u>	<u>2,942,017</u>