

Company Registered Number: 397061

CAIRD COMMERCIAL VEHICLES LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1997



CAIRD COMMERCIAL VEHICLES LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1997.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activities of the company during the year were vehicle servicing and parts sales.

SALE OF BUSINESS AND ASSETS

On 31 December 1997 the business and assets of the company were sold.

RESULTS AND DIVIDEND

Results for the year are set out in the Profit and Loss Account on page 4. No dividend is proposed (1996 - £nil).

TANGIBLE FIXED ASSETS

Changes in tangible fixed assets are shown in note 6.

DIRECTORS

The directors of the company during the year were:

D R Flynn

M K Sansom (resigned 23 July 1997)

P M Coburn (appointed 1 September 1997)

DIRECTORS' INTERESTS

The directors had no beneficial interests in the share capital of the company.

The beneficial interests in the ordinary shares of Caird Group PLC of those persons who were directors of the company at 31 December 1997 but not directors of Caird Group PLC were as follows:

	£1 Ordinary Shares	<i>£1 Ordinary Shares under option as at 31 December</i>		
		1996	Granted	1997
P M Coburn	-	-	-	-
D R Flynn	-	(a) 7,500	-	7,500
		(b) 5,000	-	5,000
		(c) -	5,000	5,000
		12,500	5,000	17,500

Share options (a), (b) and (c) are held under the Caird Executive Share Option Scheme.

No options were exercised during the year and there have been no changes in the directors' interest from 31 December 1997 to the date of this report.

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

ON BEHALF OF THE BOARD



P.M.Coburn

DIRECTOR

30 April 1998

CAIRD COMMERCIAL VEHICLES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE ACCOUNTS

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 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 confirm that the accounts comply with the above requirements.

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 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.

REPORT OF THE AUDITORS, ERNST & YOUNG,
TO THE MEMBERS OF
CAIRD COMMERCIAL VEHICLES LIMITED

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

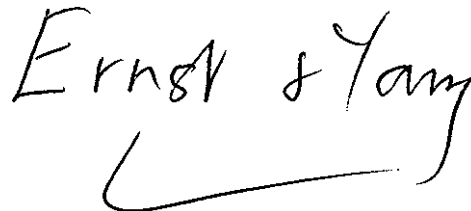
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by 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.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Chartered Accountants
Registered Auditor
Liverpool

A handwritten signature in cursive script that reads "Ernst & Young". The signature is written in dark ink and is positioned to the right of the printed name and address.

30 April 1998

CAIRD COMMERCIAL VEHICLES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1997

	<i>Notes</i>	1997	1996
		£	£
Turnover			
Discontinued operations		510,046	606,852
Cost of sales		(408,441)	(464,378)
Gross profit		101,605	142,474
Administration costs		(120,678)	(126,507)
Operating (loss)/profit			
Discontinued operations	2	(19,073)	15,967
Losses on sale of business		(10,000)	-
Profit on ordinary activities before taxation		(29,073)	15,967
Taxation	5	-	-
(Loss)/profit for the financial year		(29,073)	15,967

There were no recognised gains or losses other than the loss for the year.

Movements in reserves are set out in note 11.

CAIRD COMMERCIAL VEHICLES LIMITED

BALANCE SHEET

AT 31 DECEMBER 1997

	Notes	1997	1996
		£	£
ASSETS EMPLOYED			
Fixed assets			
Tangible assets	6	-	8,656
Current assets			
Stocks	7	-	110,879
Debtors	8	794,775	607,911
Cash at bank and in hand		-	69,244
		<u>794,775</u>	<u>788,034</u>
Current liabilities			
Creditors : amounts falling due within one year	9	<u>(724,629)</u>	<u>(697,471)</u>
Net current assets		70,146	90,563
Total assets less current liabilities		<u>70,146</u>	<u>99,219</u>
FINANCED BY			
Capital and reserves			
Called up share capital	10	26,804	26,804
Capital reserve	11	102,915	102,915
Profit and loss account	11	<u>(59,573)</u>	<u>(30,500)</u>
Equity shareholders' funds	12	<u>70,146</u>	<u>99,219</u>

These accounts were approved by the
Board of Directors and signed on their
behalf on 30 April 1998



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P.M.COBYRN

CAIRD COMMERCIAL VEHICLES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1997

1. ACCOUNTING POLICIES

Accounting Convention

The accounts have been prepared under the historical cost convention, and in accordance with Applicable Accounting Standards. The principal accounting policies, which are applied consistently throughout the Caird Group are as follows:

(a) Depreciation

The cost of tangible fixed assets is depreciated to estimated residual value by equal annual instalments over the following useful lives :

Leasehold buildings	Period of lease
Plant and equipment	3 - 15 years

(b) Deferred taxation

Deferred taxation is provided using the liability method in respect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

(c) Pensions

Pension contributions are charged to the Profit and Loss Account in the period in which they become payable in respect of defined contribution schemes.

(d) Turnover

Turnover, all of which occurred in the UK, represents the invoiced value of goods and services provided exclusive of value added tax.

(e) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises material, labour and attributable overheads.

(f) Assets held under operating leases

Rentals payable under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

CAIRD COMMERCIAL VEHICLES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1997

(continued)

1. ACCOUNTING POLICIES (continued)

(g) Cashflow Statement

The company is exempt from the requirement to include a cashflow statement in these accounts, as it is a wholly owned subsidiary of Caird Group PLC, whose consolidated accounts include a cashflow statement dealing with the cash flows of the group.

2. OPERATING (LOSS)/PROFIT

	<u>1997</u>	<u>1996</u>
	£	£
This is stated after charging :		
Depreciation	3,380	3,402
Operating lease charges - plant and machinery	1,133	1,133
Auditors' remuneration	-	-
(charged to the holding company for the whole group)		
	<u> </u>	<u> </u>

3. STAFF NUMBERS AND COSTS

The average number of employees (including directors) in the year was 14 (1996 - 19).

Staff costs were as follows:

	<u>1997</u>	<u>1996</u>
	£	£
Wages and salaries	170,711	207,288
Social security costs	15,268	19,202
Pension costs	4,607	4,927
	<u>190,586</u>	<u>231,417</u>

4. DIRECTORS' REMUNERATION

The directors received no remuneration during the year for their services as directors.

5. TAXATION

No tax charge has been provided in the current year due to the availability of losses brought forward.

CAIRD COMMERCIAL VEHICLES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1997

(continued)

6. TANGIBLE FIXED ASSETS

	Short leasehold Land and buildings	Plant and machinery	Fixtures & fittings	Total
	£	£	£	£
Cost				
At 1 January 1997	5,464	29,899	14,634	49,997
Disposals	(5,464)	(29,899)	(14,634)	(49,997)
At 31 December 1997	-	-	-	-
Depreciation				
At 1 January 1997	3,471	25,480	12,390	41,341
Charge for year	493	1,920	967	3,380
Disposals	(3,964)	(27,400)	(13,357)	(44,721)
At 31 December 1997	-	-	-	-
Net book value:				
At 31 December 1997	-	-	-	-
At 31 December 1996	1,993	4,419	2,244	8,656

7. STOCKS

	1997	1996
	£	£
Work in progress	-	8,704
Finished goods and goods for resale	-	102,175
	-	110,879

CAIRD COMMERCIAL VEHICLES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1997

(continued)

8. DEBTORS	1997	1996
	£	£
Trade debtors	-	115,562
Amounts owed by parent and fellow subsidiary undertakings	502,561	306,482
Other debtors	112,153	-
Corporation tax	5,601	5,601
Group relief	174,460	174,460
Prepayments	-	5,806
	794,775	607,911
9. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	1997	1996
	£	£
Bank overdraft	6,769	-
Trade creditors	-	48,182
Amounts owed to parent and fellow subsidiary undertakings	717,860	621,012
Other taxes and social security costs	-	2,218
Other creditors	-	21,124
Accruals	-	4,935
	724,629	697,471
10. CALLED UP SHARE CAPITAL	1997	1996
	£	£
Authorised:		
"A" Ordinary shares of £1 each	5,000	5,000
"B" Ordinary shares of £1 each	25,000	25,000
	30,000	30,000
Allotted, called up and fully paid:		
"A" Ordinary shares of £1 each	4,634	4,634
"B" Ordinary shares of £1 each	22,170	22,170
	26,804	26,804
11. RESERVES	Capital reserve	Profit and loss account
	£	£
At 1 January 1997	102,915	(30,500)
Loss for the year	-	(29,073)
At 31 December 1997	102,915	(59,573)

CAIRD COMMERCIAL VEHICLES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1997

(continued)

12. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
Opening shareholders' funds	99,219	83,252
(Loss)/profit for the year	(29,073)	15,967
Closing shareholders' funds	<u>70,146</u>	<u>99,219</u>

13. PENSION ARRANGEMENTS

Eligible employees of the company participate in the Caird Group Pension Scheme and in the Caird Environmental Limited Retirement Scheme, both defined contribution schemes.

During the year the company made contributions of £4,607 (1996 - £4,927) to the schemes. Pension Contributions of £nil were outstanding at 31 December 1997 (1996 - £nil).

14. CONTINGENT LIABILITIES

All properties and assets are charged for the Caird Group under cross-guarantees and debentures in favour of the company's bankers.

15. COMMITMENTS

The company's commitments in respect of operating leases of plant are as follows :

	<u>1997</u>	<u>1996</u>
	£	£
Amounts payable next year where leases expire :		
Within two to five years	-	1,133
	<u>-</u>	<u>1,133</u>

16. PARENT COMPANY AND CONTROLLING PARTY

The company's immediate parent is Caird Environmental Limited, a company registered in England and Wales, whose holding company is Caird Group PLC, a company registered in Scotland.

The majority shareholder of Caird Group PLC is Co-operation Retirement Benefit Fund (L) Limited, a company incorporated in Malaysia.

Transactions with other entities within the Caird Group have not been disclosed as the company is a wholly owned subsidiary and is included in the consolidated accounts of Caird Group PLC.

Copies of the Caird Group Accounts are available from North Road, Ellesmere Port, South Wirral, L65 1AE.