

829413

EUROFLEET RENTAL LIMITED

DIRECTORS' REPORT AND ACCOUNTS

30 September 1992

CONTENTS	PAGE
General Information	1
Directors' Report	2 - 3
Auditors' Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Accounts	7 - 15



EUROFLEET RENTAL LIMITED

GENERAL INFORMATION

DIRECTORS

HH Montgomery  
TS Blackshaw  
DS Kenyon (resigned - 31 December 1991)

SECRETARY

TS Blackshaw

BANKERS

Royal Bank of Scotland  
15 Bridge Street  
STRANRAER  
Scotland  
DG9 7JA

AUDITORS

Price Waterhouse  
Royston House  
34 Upper Queen Street  
BELFAST  
BT1 6HG

REGISTERED OFFICE

Thorn Street  
Woodville  
Burton on Trent  
STAFFORDSHIRE  
DE11 7DR

REGISTERED NUMBER

829413



## EUROFLEET RENTAL LIMITED

### DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 30 September 1992.

### RESULTS AND DIVIDENDS

Details of the results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend in respect of the year ended 30 September 1992 (1991 - £Nil).

### PRINCIPAL ACTIVITIES

The principal activity of the company is the renting of articulated trailers and there has been no significant change therein.

### FIXED ASSETS

The movements in fixed assets are set out in Note 8 to the accounts.

### DIRECTORS

The following directors have held office during the year ended 30 September 1992:

Mr HH Montgomery  
Mr TS Blackshaw  
Mr DS Kenyon - resigned 31 December 1991

Mr HH Montgomery retires in accordance with the Articles of Association and, being eligible, offers himself for re-election.

### DIRECTORS' INTERESTS IN SHARES

According to the register required to be kept under Section 325 of the Companies Act 1985, none of the directors of the company at 30 September 1992 have any notifiable interests in the shares of the company. Mr HH Montgomery is a director of the ultimate holding company Ballyvesey Holdings Limited, and his interest in the issued share capital of that company is shown in the accounts of that company.

### CLOSE COMPANY

In the opinion of the directors the company is a close company within the provision of the Income and Corporation Taxes Act 1988.



AUDITORS

A resolution to re-appoint the auditors, Price Waterhouse will be proposed at the Annual General Meeting.

By Order of the Board

*TS Blackshaw*

TS BLACKSHAW

Secretary



*Price Waterhouse*



AUDITORS' REPORT TO THE MEMBERS OF  
EUROFLEET RENTAL LIMITED

We have audited the accounts on pages 5 to 15 in accordance with Auditing Standards.

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

*Price Waterhouse*

3 March 1993

Chartered Accountants  
and Registered Auditor

JB Morton JB Adair JMF Blackley AB Brown AC Campbell DL Hall JJ Henderson GDB Harkness EJ Hassan BW McCormick TKA Magee JM Mahar CGH Moxhead  
B Robbeck DT Red FF Rowan

Offices at Belfast, Coleraine, Londonderry and Portlaoine

The firm is authorised by the Institute of Chartered Accountants in Ireland to carry on investment business in the United Kingdom

# EUROFLEET RENTAL LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1992

	<u>Notes</u>	<u>1992</u>	<u>1991</u>
		£	£
TURNOVER	2	3,858,417	3,401,531
COST OF SALES		(2,321,336)	(2,084,142)
GROSS PROFIT		1,537,081	1,317,389
Operating expenses	3	(372,776)	(318,411)
OPERATING PROFIT		1,164,305	998,978
Net interest payable and similar charges	6	(861,355)	(809,845)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	302,950	189,133
Taxation	7	(84,312)	(97,361)
PROFIT FOR THE FINANCIAL YEAR		<u>218,638</u>	<u>91,772</u>
STATEMENT OF RETAINED PROFITS			
Brought forward		925,428	833,656
Profit for year		<u>218,638</u>	<u>91,772</u>
CARRIED FORWARD		<u>1,144,066</u>	<u>925,428</u>

The notes on pages 7 to 15 form part of these accounts.

# EUROPLANT RENTAL LIMITED

## BALANCE SHEET - 30 SEPTEMBER 1992

	Notes	1992	1991
		£	£
FIXED ASSETS			
Tangible assets	8	8,328,944	<u>9,065,353</u>
CURRENT ASSETS			
Stocks	9	10,540	5,945
Debtors	10	412,753	788,637
Cash in hand		<u>230</u>	<u>574</u>
		423,523	795,156
CREDITORS: amounts falling due within one year	11	<u>(3,040,210)</u>	<u>(3,773,338)</u>
NET CURRENT LIABILITIES		<u>(2,616,687)</u>	<u>(2,978,182)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,712,257	6,087,171
CREDITORS: amounts falling due after one year	12	<u>(4,468,191)</u>	<u>(5,061,743)</u>
		<u>1,244,066</u>	<u>1,025,428</u>
CAPITAL AND RESERVES			
Called up share capital	16	100,000	100,000
Profit and loss account		<u>1,144,066</u>	<u>925,428</u>
		<u>1,244,066</u>	<u>1,025,428</u>

Approved by the Board on 3/3/93

DIRECTORS:

*Harold Montgomery*  
HH Montgomery

*TS Blackshaw*  
TS Blackshaw

The notes on pages 7 to 15 form part of these accounts.



# EUROFLEET RENTAL LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992

### 1 ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies of the company, which have been applied consistently, are as follows:

#### (a) Tangible fixed assets

Non-refrigerated trailers are depreciated over a period of 12 years to a residual value of the greater of 10% of cost or £1,000. Refrigerated trailers are depreciated over a period of 10 years to a 10% residual value.

Plant and equipment are depreciated on a straight line basis at rates between 7 1/2% and 25% after taking account of expected residual values. Other annual rates of depreciation used are:

Motor vehicles	- 25%
Fixtures and fittings	- 10% to 20%
Computer software	- 33 1/3%

#### (b) Stocks and work in progress

Stocks of consumable parts are stated at the lower of cost and net realisable value.

#### (c) Finance leases and hire purchase contracts

Certain items of plant and equipment are financed by leasing agreement that give rights approximating to ownership ("finance leases"). These are included in the balance sheet as fixed assets at cost less depreciation and the capital element of future rentals is treated as a liability. The interest element is charged to profit and loss account over the period of the finance lease in proportion to the balance of capital repayments outstanding. Assets held under hire purchase contracts are accounted for on a basis similar to that adopted for finance leases and are included in the balance sheet under that heading.





# EUROFLEET RENTAL LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (d) Deferred taxation

Deferred taxation is provided on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts, to the extent it is probable that a liability will crystallise in the foreseeable future.

#### (e) Repairs and maintenance of vehicles

Costs of repairs and maintenance of vehicles including tyres are charged to revenue as incurred.

#### (f) Pension costs

For pensions which are to be met from externally funded defined benefit schemes, costs are accounted for on the basis of charging the pensions cost over the period during which the company will benefit from the employee's services.

### 2 TURNOVER

Turnover, all of which was within the United Kingdom, represents the invoiced amount of goods and services during the year, stated net of trade discounts and value added tax, including intercompany sales which are at normal commercial prices.

### 3 OPERATING EXPENSES

	<u>1992</u>	<u>1991</u>
	£	£
Distribution costs	250,323	212,715
Administrative expenses	167,040	184,296
Profit on disposal of fixed assets	(44,587)	(78,600)
	<u>372,776</u>	<u>318,411</u>



# EUROFLEET RENTAL LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 (CONTINUED)

### 4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1992</u>	<u>1991</u>
Profit on ordinary activities before taxation is stated after charging:	£	£
Directors remuneration for management, including pension contributions	11,000	11,000
Depreciation of tangible fixed assets - owned	202,120	92,018
- leased	961,575	991,612
Auditors' remuneration	4,800	5,450
Hire of plant and machinery	563,338	178,469
Bank interest payable	104,812	133,623
Hire purchase finance lease interest	683,923	676,222
Bank interest paid on loans repayable after more than five years	<u>72,620</u>	<u>-</u>

### 5 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	<u>1992</u>	<u>1991</u>
(a) Particulars of the remuneration of directors, excluding pension contributions:	£	£
Emoluments of the chairman	-	-
Emoluments of the highest paid director	<u>11,000</u>	<u>11,000</u>
Number of other directors whose remuneration was within the ranges:	<u>Number</u>	<u>Number</u>
£Nil - £5,000	<u>2</u>	<u>2</u>
(b) Employment costs of all employees including executive directors:	£	£
Gross wages and salaries	256,736	236,052
Employer's national insurance	21,103	22,360
Employer's pension contribution under groups pension scheme	<u>7,931</u>	<u>2,227</u>
	<u>285,770</u>	<u>260,639</u>
(c) The average number of persons, including executive directors, employed by the company during the year is analysed below:	<u>Number</u>	<u>Number</u>
Staff	11	14
Manual workers	<u>5</u>	<u>6</u>
	<u>16</u>	<u>20</u>



EUROFLEET RENTAL LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 (CONTINUED)

6 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1992</u>	<u>1991</u>
	£	£
Interest payable:		
Finance leases and hire purchase agreements	614,511	676,222
Bank interest	<u>246,844</u>	<u>133,623</u>
	<u>861,355</u>	<u>809,845</u>

7 TAXATION

	<u>1992</u>	<u>1991</u>
	£	£
Group relief	79,619	94,385
Corporation tax - current year	4,693	3,846
- prior year	<u>-</u>	<u>(870)</u>
	<u>84,312</u>	<u>97,361</u>

The charge does not bear a normal relationship to the profit for the year due to the incidence of timing differences for which deferred taxation is not accounted.

# EUROFLEET RENTAL LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 (CONTINUED)

8 TANGIBLE FIXED ASSETS	Freehold		
	land	Plant	Total
Cost	£	£	£
At 30 September 1991	812,467	12,290,123	13,102,590
Additions	-	784,550	784,550
Disposals	-	(1,440,419)	(1,440,419)
At 30 September 1992	812,467	11,634,254	12,446,721
Depreciation			
At 30 September 1991	-	4,037,237	4,037,237
Disposals	-	(1,083,155)	(1,083,155)
Charge for year	-	1,163,695	1,163,695
At 30 September 1992	-	4,117,777	4,117,777
Net book value			
Owned	812,467	1,215,600	2,028,067
Leased	-	6,300,877	6,300,877
At 30 September 1992	812,467	7,516,477	8,328,944
Owned	812,467	762,054	1,574,521
Leased	-	7,490,832	7,490,832
At 30 September 1991	812,467	8,252,886	9,065,353
9 STOCKS		1992	1991
		£	£
Raw materials and consumables		10,540	5,945
The replacement cost of stock does not differ materially from the balance sheet amount.			
10 DEBTORS		1992	1991
		£	£
Trade debtors		385,860	56,000
Amounts owed by group undertakings		22,308	200,200
Prepayments and accrued income		4,585	3,854
		412,753	788,637



## EUROFLEET RENTAL LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 (CONTINUED)

11 CREDITORS: amounts falling due within one year	<u>1992</u>	<u>1991</u>
	£	£
Term loan	50,000	-
Bank overdraft	1,039,380	560,571
Obligations under finance leases and hire purchase contracts (Note 14)	1,500,083	1,188,877
Trade creditors	176,644	187,477
Amounts owed to group undertakings	98,714	1,669,274
Accruals	89,561	67,315
Group relief payable	79,619	94,385
Corporation tax	4,693	3,846
Other taxes and social security	<u>1,516</u>	<u>1,593</u>
	<u>3,040,210</u>	<u>3,773,338</u>

As security for the bank overdraft and loan the Royal Bank of Scotland have a full mortgage debenture over the undertaking and assets of the company.

Forward Trust Limited and United Dominions Trust Limited have a charge over all assets which are the subject of hiring agreements between themselves and Eurofleet Rentals Limited.

12 CREDITORS: amounts falling due after one year	<u>1992</u>	<u>1991</u>
	£	£
Term loan	437,500	-
Obligations under finance leases and hire purchase contracts (Note 14)	<u>4,030,691</u>	<u>5,061,743</u>
	<u>4,468,191</u>	<u>5,061,743</u>

13 BANK LOAN	<u>1992</u>	<u>1991</u>
	£	£
Amounts repayable:		
Withing one year	50,000	-
Between two to five years	200,000	-
After five years	<u>237,500</u>	<u>-</u>
	<u>487,500</u>	<u>-</u>

The bank loan is repayable in quarterly instalments of £12,500.



EUROFLEET RENTAL LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 CONTINUED

14 OBLIGATIONS UNDER FINANCE LEASES  
AND HIRE PURCHASE AGREEMENTS

	Capital element		Future finance charges		Total future rentals	
	1992	1991	1992	1991	1992	1991
	£	£	£	£	£	£
Repayments are due:						
Over five years	135,676	848,362	4,238	64,013	139,914	912,375
Second to fifth year inclusive	2,895,015	4,213,381	791,844	1,187,337	4,686,859	5,400,718
	4,030,691	5,061,743	796,082	1,251,350	4,826,773	6,313,093
Within one year	1,500,083	1,188,877	548,316	690,140	2,048,399	1,879,017
	5,530,774	6,250,620	1,344,398	1,941,490	6,875,172	8,192,110

# EUROFLEET RENTAL LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 (CONTINUED)

### 15 DEFERRED TAXATION

	<u>1992</u>	<u>1991</u>
	£	£
The potential amount of deferred taxation calculated on the liability method at 35%:		
Accelerated depreciation	<u>648,815</u>	<u>628,552</u>

No deferred taxation has been provided in these accounts on the basis that sufficient finance leases for fixed assets are written in future years so that potential timing differences will not reverse in the foreseeable future.

Under the above policy no provision for deferred taxation is required.

### 16 CALLED UP SHARE CAPITAL

	<u>1992</u>	<u>1991</u>
	£	£
Authorised, allotted and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

### 17 CAPITAL COMMITMENTS

	<u>1992</u>	<u>1991</u>
	£	£
Capital expenditure contracted for and approved by the board and not provided in the accounts	<u>—</u>	<u>—</u>

### 18 OPERATING LEASE COMMITMENTS

	<u>1992</u>	<u>1991</u>
	£	£
Commitments under operating leases expire:		
Within one year	—	294,518
In the second to fifth year	376,513	—
After more than five years	<u>177,085</u>	<u>—</u>
	<u>553,598</u>	<u>294,518</u>

### 19 PENSION SCHEME

The company is a member of a group pension scheme which is of the defined benefit type. Details of the group scheme are disclosed in the accounts of JE Coulter Limited, a fellow subsidiary. Amounts paid by the company to the scheme during the year were £7,931 (1991 - £2,227).



EUROFLEET RENTAL LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 (CONTINUED)

20 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 September 1992 (1991 - Nil).

21 GUARANTEES

The company has entered into cross guarantees with other members of the Ballyvesey Holdings Limited Group to secure their bank overdrafts.

22 ULTIMATE HOLDING COMPANY

Ballyvesey Holdings Limited, a company incorporated in the United Kingdom, is the ultimate holding company.

