

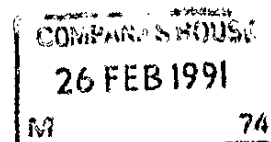
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EUROFLEET RENTAL LIMITED

DIRECTORS' REPORT AND ACCOUNTS

30 September 1990

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EUROFLEET RENTAL LIMITED

GENERAL INFORMATION

DIRECTORS

HH Montgomery  
TS Blackshaw  
DS Kenyon

SECRETARY

TS Blackshaw

BANKERS

Royal Bank of Scotland  
15 Bridge Street  
Stranraer  
DG9 7JA

AUDITORS

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



## EUROFLEET RENTAL LIMITED

### DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 30 September 1990.

### 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 a dividend in respect of the year ended 30 September 1990 (1989 - £Nil).

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

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 1990:

Mr HH Montgomery  
Mr RJW McClelland (resigned - 28 September 1990)  
Mr TS Blackshaw  
Mr DS Kenyon

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 1990 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 and notes give a true and fair view of the state of affairs of the company at 30 September 1990 and of the loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

Chartered Accountants

25 January 1991

# EUROFLEET RENTAL LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1990

	<u>Notes</u>	<u>1990</u>	<u>1989</u>
		£	£
TURNOVER	2	2,234,081	2,112,874
COST OF SALES		<u>1,445,922</u>	<u>1,182,865</u>
GROSS PROFIT		788,159	930,009
Operating expenses	3	<u>199,491</u>	<u>169,440</u>
OPERATING PROFIT		588,668	760,569
Net interest payable and similar charges	6	<u>569,142</u>	<u>435,759</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	19,526	324,810
Taxation	7	<u>35,527</u>	<u>63,140</u>
(LOSS)/PROFIT FOR YEAR		<u>(16,001)</u>	<u>261,670</u>
STATEMENT OF RETAINED PROFITS			
Brought forward		849,657	587,987
(Loss)/profit for year		<u>(16,001)</u>	<u>261,670</u>
CARRIED FORWARD		<u>833,656</u>	<u>849,657</u>

The notes on pages 8 to 15 form part of these accounts.



# EUROFLEET RENTAL LIMITED

## BALANCE SHEET - 30 SEPTEMBER 1990

	Notes	1990	1989
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	6,801,095	<u>5,988,731</u>
<b>CURRENT ASSETS</b>			
Stocks	9	16,945	13,202
Debtors	10	555,413	486,687
Cash in hand		<u>169</u>	<u>547</u>
		572,527	500,436
CREDITORS: amounts falling due within one year	11	(2,787,979)	(2,525,660)
<b>NET CURRENT LIABILITIES</b>		(2,215,452)	(2,025,224)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,585,643	3,963,507
CREDITORS: amounts falling due after one year	12	(3,651,987)	(3,013,850)
		<u>933,656</u>	<u>949,657</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	100,000	100,000
Profit and loss account		<u>833,656</u>	<u>849,657</u>
		<u>933,656</u>	<u>949,657</u>

Approved by the Board on 25.1.91

DIRECTORS:

*Harold Montgomery*  
HH Montgomery

*TS Blackshaw*  
TS Blackshaw

The notes on pages 8 to 15 form part of these accounts.



EUROFLEET RENTAL LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 30 SEPTEMBER 1990

	1990	1989
	£	£
<b>SOURCE OF FUNDS</b>		
Profit on ordinary activities before taxation	19,526	<u>324,810</u>
Adjustment for items not involving the movement of funds:		
Depreciation	846,120	695,248
Profit on sale of tangible fixed assets	<u>(30,866)</u>	<u>(50,511)</u>
	<u>815,254</u>	<u>644,737</u>
<b>TOTAL GENERATED FROM OPERATIONS</b>	834,780	969,547
<b>FUNDS FROM OTHER SOURCES</b>		
Sales proceeds of tangible fixed assets	<u>228,475</u>	<u>194,435</u>
<b>TOTAL SOURCE OF FUNDS</b>	1,063,255	1,163,982
<b>APPLICATION OF FUNDS</b>		
Purchase of tangible fixed assets	(1,856,093)	(1,783,326)
Tax paid	<u>(135,830)</u>	<u>-</u>
	<u>(928,668)</u>	<u>(619,344)</u>
<b>(DECREASE) IN WORKING CAPITAL</b>		
Increase in stocks	3,743	9,348
Increase in debtors	68,726	105,434
(Increase) in creditors	<u>(861,812)</u>	<u>(748,457)</u>
	(789,343)	<u>(633,675)</u>
<b>MOVEMENT IN NET LIQUID FUNDS</b>		
Cash at bank and in hand	(378)	475
Bank overdraft	<u>(138,947)</u>	<u>13,856</u>
	<u>(139,325)</u>	<u>14,331</u>
	<u>(928,668)</u>	<u>(619,344)</u>



## EUROFLEET RENTAL LIMITED

### NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1990

#### 1 ACCOUNTING POLICIES

The accounts have been prepared in accordance with the historical cost convention. 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 period of 12 years to a residual value of the greater of 10% 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.

##### (d) Deferred taxation

Deferred taxation is provided at the anticipated tax rates 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 or asset will crystallise in the foreseeable future.



# EUROFLEET RENTAL LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1990 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

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

Repairs and maintenance of vehicles including tyres are charged to revenue as occurred.

#### (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>1990</u>	<u>1989</u>
	£	£
Distribution costs	181,306	160,105
Administrative expenses	49,051	59,846
Profit on disposal of fixed assets	(30,866)	(50,511)
	<u>199,491</u>	<u>169,440</u>

### 4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1990</u>	<u>1989</u>
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Directors' remuneration for management, including pension contributions	10,000	10,700
Depreciation of tangible fixed assets - Owned	34,304	35,754
- Leased	811,816	659,494
Auditors' remuneration	3,250	1,500
Hire of plant and machinery	49,703	29,445
Bank interest payable	106,055	89,638
Finance lease interest	<u>463,087</u>	<u>346,121</u>



# EUROFLEET RENTAL LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1990 (CONTINUED)

### 5 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	<u>1990</u>	<u>1989</u>
(a) Particulars of the remuneration of directors, excluding pension contributions.	£	£
Emoluments of the chairman	-	-
Emoluments of the highest paid director	<u>10,000</u>	<u>10,000</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	152,042	146,569
Employer's national insurance	13,973	13,015
Employer pension contribution under groups pension scheme	<u>2,697</u>	<u>3,852</u>
	<u>168,712</u>	<u>163,436</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	14	15
Manual workers	<u>6</u>	<u>6</u>
	<u>20</u>	<u>21</u>

### 6 NET INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1990</u>	<u>1989</u>
Interest payable:	£	£
Finance leases and hire purchase agreements	463,087	346,121
Bank interest payable	<u>106,055</u>	<u>89,638</u>
	<u>569,142</u>	<u>435,759</u>

### 7 TAXATION

	<u>1990</u>	<u>1989</u>
	£	£
Corporation tax - current year	40,000	63,140
- prior year	<u>(4,473)</u>	<u>-</u>
	<u>55,527</u>	<u>63,140</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 tax is not accounted.

# EUROFLEET RENTAL LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1990 (CONTINUED)

### 8 TANGIBLE FIXED ASSETS

	<u>Plant</u>	<u>Leasehold land and buildings</u>	<u>Total</u>
<u>Cost</u>	£	£	£
At 30 September 1989	9,038,814	30,795	9,069,609
Additions	1,856,093	-	1,856,093
Disposals	<u>(518,733)</u>	<u>-</u>	<u>(518,733)</u>
At 30 September 1990	<u>10,376,174</u>	<u>30,795</u>	<u>10,406,969</u>
<u>Depreciation</u>			
At 30 September 1989	3,050,083	30,795	3,080,878
Disposals	(321,124)	-	(321,124)
Charge for year	<u>846,120</u>	<u>-</u>	<u>846,120</u>
At 30 September 1990	<u>3,575,079</u>	<u>30,795</u>	<u>3,605,874</u>
<u>Net book value</u>			
Owned	275,945	-	275,945
Leased	<u>6,525,150</u>	<u>-</u>	<u>6,525,150</u>
At 30 September 1990	<u>6,801,095</u>	<u>-</u>	<u>6,801,095</u>
Owned	233,299	-	233,299
Leased	<u>5,755,432</u>	<u>-</u>	<u>5,755,432</u>
At 30 September 1989	<u>5,988,731</u>	<u>-</u>	<u>5,988,731</u>

### 9 STOCKS

	<u>1990</u>	<u>1989</u>
	£	£
Raw materials and consumables	<u>16,945</u>	<u>13,202</u>

# EUROFLEET RENTAL LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1990 (CONTINUED)

### 10 DEBTORS

	<u>1990</u>	<u>1989</u>
	£	£
Trade debtors	531,094	427,327
Amounts owed by group companies	6,983	43,791
Prepayments and accrued income	<u>17,336</u>	<u>15,575</u>
	<u>555,413</u>	<u>486,687</u>

### 11 CREDITORS: amounts falling due within one year

	<u>1990</u>	<u>1989</u>
	£	£
Bank overdraft	1,427,116	1,288,169
Obligations under finance leases and hire purchase contracts (Note 13)	812,126	796,143
Trade creditors	211,772	81,668
Amounts owed to group companies:		
Holding company and fellow subsidiary companies	288,709	-
Accruals	8,256	219,377
Corporation tax	<u>40,000</u>	<u>140,303</u>
	<u>2,787,979</u>	<u>2,525,660</u>

### 12 CREDITORS: amounts falling due after one year

	<u>1990</u>	<u>1989</u>
	£	£
Obligations under finance leases and hire purchase contracts (Note 13)	<u>3,651,987</u>	<u>3,013,850</u>



EUROFLEET RENTAL LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1990 (CONTINUED)

13 OBLIGATIONS UNDER FINANCE LEASES

	Capital element		Future finance charges		Total future rentals	
	1990	1989	1990	1989	1990	1989
	£	£	£	£	£	£
Repayments are due within:						
Over five years	528,046	374,513	55,448	39,725	583,494	414,238
Second to fifth year inclusive	3,123,941	2,639,337	898,150	675,056	4,022,091	3,314,393
Within one year	3,651,987	3,013,850	953,598	714,781	4,605,585	3,728,631
	812,126	796,143	515,207	399,701	1,327,333	1,195,844
	4,464,113	3,809,993	1,468,805	1,114,482	5,932,918	4,924,475



# EUROFLEET RENTAL LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1990 (CONTINUED)

### 14 DEFERRED TAXATION

	<u>1990</u>	<u>1989</u>
The potential amount of deferred taxation calculated on the liability method at 35%:	£	£
Accelerated depreciation	<u>704,062</u>	<u>722,622</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.

### 15 CALLED UP SHARE CAPITAL

	<u>1990</u>	<u>1989</u>
	£	£
Authorised, allotted and fully paid 100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

### 16 CAPITAL COMMITMENTS

	<u>1990</u>	<u>1989</u>
	£	£
Capital expenditure contracted for and approved by the board and not provided in the accounts	<u>—</u>	<u>—</u>

### 17 OPERATING LEASE COMMITMENTS

	<u>1990</u>	<u>1989</u>
	£	£
Commitments under operating leases expire:		
Within one year	—	8,460
In the second to fifth year	—	9,144
After more than five years	<u>—</u>	<u>—</u>
	<u>—</u>	<u>17,604</u>

### 18 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 £2,697 (1989 - £3,852).



EUROFLEET RENTAL LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1990 (CONTINUED)

19 ULTIMATE HOLDING COMPANY

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

